

# Child labour

This page presents an introduction to and analysis of the dilemma. It does so through the integration of real-world scenarios and case studies, examination of emerging economy contexts and exploration of the specific business risks posed by the dilemma. It also suggests a range of actions that responsible companies can take in order to manage and mitigate those risks.

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## What is the dilemma?

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**"How does a company address the presence of child labour in its supply chain, particularly in locations where child labour is relatively common and where there is evidence that removing income-generating opportunities will push children into deeper poverty or other forms of exploitation?"**

### Child labour within a company's supply chain

The dilemma for responsible business is how to address child labour responsibly given the complex social and economic context in which it occurs. While a business may seek to respect the international conventions and national laws on minimum age there is the dilemma that eliminating children from work without considering the implications for them may worsen their situation. Dismissing children from the workplace may leave them vulnerable to more exploitative work elsewhere and negative health and wellbeing implications due to increased poverty within the family (if indeed they have one).

Responsible management and the formulation of innovative strategies to cope with this dilemma can support the right to childhood and primary education. For instance, in certain situations companies might consider providing education within the workplace. However, if poorly conceived, this course of action might expose a company to reputational risks. Addressing poverty and education directly - often the root cause of child labour - is generally beyond the remit and capability of business.

### Real-world examples

#### **Sporting goods brands accused of purchasing footballs made by child labour in Sialkot, Pakistan**

In the 1980s, it was estimated that more than 7,000 children between the ages of 7 and 14 were working full-time stitching footballs in Pakistan. In many situations, these children were providing vital supplementary income to their families.<sup>1</sup> The media reported on this issue, which led to negative publicity for FIFA, major brands and retailers around the 1994 FIFA World Cup and the 1996 European Football Championships. Additionally, in June 1996, LIFE magazine ran a story featuring the plight of a 12 year old boy making footballs that garnered substantial attention.

In response to these revelations, action was taken through the Atlanta Partnership involving the sporting goods brands, suppliers, the International Labour Organization (ILO) and UNICEF, which gave children the opportunity to attend school. Part of this programme involved the creation of dedicated stitching centres that were frequently inspected by the ILO to ensure that working conditions met international guidelines. Further, Save the Children collaborated with other NGOs to mitigate poverty directly through the inception.

According to the 2004 report, [Baseline Survey Report on Child Labour in Surgical Instruments Manufacturing Industry Sialkot](#) submitted by Akida Management Consultants to the ILO, an estimated 5,800 children in Sialkot

were employed in the manufacturing of surgical instruments. Their average working time was nine hours a day and they earned between US\$17.00 and US\$38.00 per month. This case study illustrates that even in the best conceived partnerships, outcomes are challenging to manage.

### **Nestle accused of purchasing cocoa harvested by child labour**

In March 2010, a BBC investigative report [Tracing the bitter truth of chocolate and child labour](#) claimed that Nestlé is sourcing cocoa from co-operatives that purchase cocoa from farmers using child labour. In Cote d'Ivoire, for example, one farmer interviewed said he relied on his two sons (aged eight and 12) to assist in the cocoa harvest. As a result, neither of these children attended school. For generations in Western Africa, farmers have been obliged to use their children as labour as they cannot afford to pay for waged help.

Removing these children from the farms and enrolling them in school may not be a viable solution as it could have the effect of exacerbating levels of destitution. Taking this approach could also heighten vulnerability to trafficking unless comprehensive social protection programmes designed to address the root imperatives of child labour are put into place.

This case study illustrates the dilemma faced by companies with complex supply chains involving multiple jurisdictions and tiers of sub-contractors: when continuous monitoring of the entire system is impractical, which steps in the manufacturing process require prioritisation?

### **Apple admits that child labour was used by some suppliers to build iPods and iPhones**

In its 2010 [Supplier Responsibility Progress Report](#), Apple disclosed that it discovered records showing that 11 children under 15 had been hired by three different suppliers. The suppliers did not disclose to Apple their use of child labour. Apple currently sources components from Taiwan, Singapore, Thailand, the US, the Czech Republic, Malaysia and the Philippines. In most of these countries, even though the legislated minimum working age is 16, child labour is prevalent.<sup>2</sup> Although its supply chain is truly international, most of Apple's products are built in China.

According to the company, one of the suppliers had falsified records in order to hide the presence of children working in the factory. Similar infringements were also found in the area of health and safety, working hours and environmental management.

For examples of how a multi-national company such as Nestle has responsibly addressed child labour in the supply chain by supporting farmers through training thereby allowing their children to attend school, go to:

[Child labour case studies](#)

For examples of how a multi-national company such as Apple has responsibly addressed child labour in its supply chain through supplier on-site audits, go to:

[Child labour case studies](#)

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<sup>1</sup> Nasir Dogar, 24-26 October 2000, *Workplace Monitoring as a Tool for Combating Child Labour: Experience in Pakistan* (International Labour Organization)

<sup>2</sup> Apple, 2010, *Supplier Responsibility 2010 Progress Report*,

## Common dilemma scenarios

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### Child labour in supply chains

Responsible companies are more likely to encounter child labour in different tiers of their supply chains rather than their own operations. A company is most likely to face this dilemma when operating in, or sourcing from countries where:

**There are high rates of poverty and unemployment** and there is no adequate support from the state (e.g. unemployment benefits etc). In regions where adult unemployment is high, children may be required to work to assist the family.

In India, for example, the Minister of Labour and Employment, Harish Rawat, has recognised the socio-economic imperatives of child labour. During discussions in parliament on 8 March 2010 aimed at building consensus around ratifying ILO Conventions preventing the use of child labour, Minister Rawat noted that children are often forced to seek employment in order to supplement their family income.<sup>3</sup>

**Domestic labour laws are poorly enforced** due to the government lacking adequate resources. This can result in inadequate training of labour investigators, as well as improper payments made by employers to these investigators to overlook child labour violations. Improper payments are most likely to occur if investigators are not being adequately compensated.

In China, for example the NGO [China Labour Watch](#) in a [statement](#) dated 4 February 2009 estimated that there could be between 10 and 20 million child labourers in the country. Furthermore, according to the [International Trade Union Confederation](#) (ITUC) in its submission to the UN for China's Universal Periodic Review in 2008, "the shortage of inspectors and collusion between private business and local officials reduce the odds of [child labour] being discovered" in China.<sup>4</sup>

**Child labour is considered a normal phase of a child's development.** In some countries and regions children may be expected to work alongside their parents or to learn a skill at an early age.

In many countries children will help their parents who are running a business or farm as the family cannot afford to employ additional labour and receive insufficient surplus from selling their products to cover the costs of outside help. Many children whose parents are cocoa farmers in West Africa, for example, assist during harvest.

**There is a lack of educational opportunities for children** or school tuition costs and educational materials are considered too expensive. In Kenya it is reported that adolescent girls leave school as they do not have access and cannot afford proper sanitary protection.<sup>5</sup>

Child labour often occurs in regions where educational opportunities are either non-existent or of poor quality. In some cases, children will seek work, often with parental encouragement, to try and raise revenue to go to school.

**There is high prevalence of HIV/AIDS** leading to an increased number of orphans. In southern Africa, where the rate of HIV/AIDS infection is particularly high, orphans often need to work to survive. In South Africa, for example, UNAIDS, in its 2008 [Report on the Global AIDS Epidemic](#) found an increase in the number of 'AIDS orphans'; from 400,000 in 2001 to 1.4 million in 2007.

### Business sectors where child labour is more prevalent

Child labour often occurs in the lower tiers of multinational corporation (MNC)'s supply chains, especially those that involve home working. For example, in the garment industry, large retail brands source clothing from factories in developing countries and emerging markets such as India, Bangladesh and China. These garment factories, in turn, outsource certain tasks to other factories, and in turn they can outsource to other business

units or home workers, thereby making it difficult for MNCs to fully audit their supply chain.

In 2009, for example, Primark was reported to have purchased garments that were sewn by child labourers working in "off-radar" factories and home based operations. Primark stated that managers had no knowledge that the making of these garments were being outsourced to subcontractors. The children employed by the subcontractors received pay below minimum wages and often lived in slums or migrant camps.<sup>6</sup>

According to an ILO child labour report in 2004, the majority of child labour occurs in the agricultural sector (69%), followed by the service sector (22%) and industry (9%).<sup>7</sup> The US Department of Labor, "2008 Findings on the Worst Forms of Child Labor" found child labour in the following sectors.<sup>8</sup>

Agriculture	Brassware	Brick making	Carpets	Construction	Domestic work
Electronics	Fireworks	Fisheries	Footwear	Garments	Glass
Leather goods	Metal work	Mining	Sporting Goods	Wood working	Direct selling

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<sup>3</sup> The Hindu, 8 March 2010, *Banning child labour will push families into further poverty*, <http://beta.thehindu.com/news/article217987.ece>

<sup>4</sup> ITUC, 1 Sept 2008, *ITUC Submission to the UN: Universal Periodic Review - People's Republic of China*, <http://www.ohchr.org/EN/HRBodies/UPR/PAGES/CNSession4.aspx>

<sup>5</sup> Reinhart A., 10 April 2009, *The Economic Potential of the 'Girl Effect'*, Business Week, Europe Insight Blog, [http://www.businessweek.com/globalbiz/blog/europeinsight/archives/2009/04/the\\_economic\\_po.html](http://www.businessweek.com/globalbiz/blog/europeinsight/archives/2009/04/the_economic_po.html)

<sup>6</sup> See for example BBC report, 23 June 2008, *Embroidered T-shirt. Price: £4. Cost: Misery*, <http://news.bbc.co.uk/1/hi/magazine/7468927.stm>

<sup>7</sup> ILO, 2004, *The End of Child Labour: Within Reach, Report of the Director General*, Geneva, p. 10, Table 1.3, <http://www.ilo.org/public/english/standards/relm/ilc/ilc95/pdf/rep-i-b.pdf> quoted in IOE, *Handbook for Eliminating Child Labour*, [http://www.ioe-emp.org/fileadmin/user\\_upload/documents\\_pdf/papers/toolkit/english/toolkit\\_emp\\_1.pdfseura/childsta.htm](http://www.ioe-emp.org/fileadmin/user_upload/documents_pdf/papers/toolkit/english/toolkit_emp_1.pdfseura/childsta.htm)

<sup>8</sup> US Department of Labor, 2009, *The Department of Labor's Findings on the Worst Forms of Child Labour*, <http://www.dol.gov/ilab/programs/ocft/PDF/2008OCFTreport.pdf>

## Examples of emerging economy scenarios

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Examples of scenarios companies might face when operating in emerging economies include:

**Bangladesh:** Most working children in Bangladesh live in rural areas. UNICEF estimates that 7.4 million children are currently engaged in economic activity to supplement low family incomes.<sup>9</sup> In 2003, the Bangladesh Bureau of Statistics, in its national survey estimated that 7.5% (7.4 million) children between five and 17 worked. Out of the 7.4 million, around 3.3 million between five and 14 were engaged in economic activities.<sup>10</sup>

The US Department of Labor reports that children work in: auto repair; road transport; saw milling; welding; metalworking; carpentry; the fishing industry; construction; and garment manufacturing. There are also reports of child labour in the more hazardous industries, including ship breaking, shrimp processing, restaurants and leather tanning.<sup>11</sup>

**Brazil:** Child labour is prevalent in the informal sector, although the government is making efforts to combat the problem through inspections, targeted benefits and education.<sup>12</sup> Estimates vary; UNICEF estimates that 6% (around 2.1 million) of 5-14 year olds work<sup>13</sup>, while the government's Economic Research Institute estimated

that in 2007 approximately 2.5 million 5-15 year olds worked.<sup>14</sup>

The US Department of State in its [2009 Human Rights Report](#) states that approximately half of child labourers are unpaid and 90% work in the informal sector. Children are found working in mining, fishing, producing charcoal and footwear, in construction and transportation.

**China:** There are no statistics on the use of child labour; the Chinese government classifies this information as a 'state secret.' NGO [China Labour Watch](#), however, estimates there are between 10 and 20 million child labourers in China.

In its September 2008 submission to the Universal Periodic Review, the ITUC notes that there is 'substantial' employment of children under 16 and that it is a growing problem in the private sector, especially within the textiles and export sector.

**Egypt:** UNICEF reports that 7% (around 1.2 million) of 5-14 year olds work.<sup>15</sup> A 2007 [Environmental Justice Foundation](#) report entitled "[The Children behind our Cotton](#)" estimated that approximately one million children between seven and 12 are hired by agricultural cooperatives to assist with cotton pest management every year. Children also work in light industry, on construction sites, and in service businesses such as auto repair shops.

The US Department of State also reports that children work in hazardous industries such as leather tanning, metal and copper work, textile manufacturing and in domestic labour.

**India:** According to the US Department of State<sup>16</sup>, the Indian government's 2004 national survey estimated 16.4 million 5-14 year olds worked.<sup>17</sup> The US Department of State further states that NGOs estimate that there are currently approximately 55 million children working in India.

It is reported in the 2008 US Department of Labor's child labour report<sup>18</sup> that children are working in hazardous industries. These include the manufacturing of the following items: leather goods, embroidered textiles; sporting goods; brassware; fireworks; footwear; hand-blown glass bangles; handmade lock; hand-dipped matches; hand-quarried stones; hand-spun silk thread; hand-loomed silk cloth and handmade bricks. In addition, children work in road-side restaurants; road-side auto repair shops; illegal mining; rice milling; landfill scavenging for re-sale and beedis manufacturing.<sup>19</sup>

**Mexico:** UNICEF reports that 16% of 5-14 year olds work.<sup>20</sup> According to the US Department of State, data collected by both UNICEF and ILO indicate that approximately 3.6 million children between five and 17 work. Rates of child labour are especially high within the indigenous population and in the agriculture sector. Approximately one-third are working in the agricultural sector, in the production of melons, onions, sugarcane, tobacco and tomatoes.<sup>21</sup>

According to a November 2008 UNICEF survey, of the total children working, 67% are boys and 33% are girls. Forty two percent of children do not attend school.<sup>22</sup> UNICEF reports that approximately 350,000 children migrate with their families to work in agriculture.<sup>23</sup> It notes that less than 10% of these children attend school, and 42% suffer from some form of malnutrition.

**Pakistan:** In an environment of weak labour legislation enforcement, the US Department of State reports that there are 10 to 11.5 million child labourers in Pakistan. Many of these children work in the agriculture sector or as domestics in homes.<sup>24</sup> The US Department of State also indicates that an estimated 70% of non-agricultural work takes place in small workshops that may elude inspection, as this is only required for facilities employing 10 or more

The 2008 US Department of Labor's child labour report<sup>25</sup> reveals that children are employed in a multitude of hazardous industries including, among other things, leather tanning, mining, seafood processing, brick-making and carpet weaving among others. Incidences of work place injuries in these industries are high; many children suffer from eye disease and strain, respiratory ailments, skeletal deformation and general pain emanating from the cramped conditions.

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- <sup>9</sup> UNICEF, 2010, *The State of the World's Children: Special Edition*, <http://www.unicef.org/rightsite/sowc/>. UNICEF Bangladesh child labour overview available at: [http://www.unicef.org/bangladesh/children\\_4863.htm](http://www.unicef.org/bangladesh/children_4863.htm)
- <sup>10</sup> See ILO, UNICEF, UNESCO, June 2008, *Child Labour and Education in Bangladesh: Evidence and Policy Recommendations*, [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/wcms\\_107508.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/wcms_107508.pdf)
- <sup>11</sup> US Department of Labor, 2009, *2008 Findings on the Worst forms of Child Labor*, <http://www.dol.gov/ilab/programs/ocft/PDF/2008OCFTreport.pdf>
- <sup>12</sup> See US Department of State 2009 Human Rights Report: <http://www.state.gov/g/drl/rls/hrrpt/2009/wha/136119.htm>
- <sup>13</sup> UNICEF, 2010, *The State of the World's Children: Special Edition*, <http://www.unicef.org/rightsite/sowc/>. UNICEF Brazil Statistics page available at: [http://www.unicef.org/infobycountry/brazil\\_statistics.html](http://www.unicef.org/infobycountry/brazil_statistics.html)
- <sup>14</sup> See van Klaveren M. et al., December 2009, *An Overview of Women's Work and Employment in Brazil*, [http://www.ituc-csi.org/IMG/pdf/Country\\_Report\\_No12-Brazil\\_EN.pdf](http://www.ituc-csi.org/IMG/pdf/Country_Report_No12-Brazil_EN.pdf)
- <sup>15</sup> UNICEF, 2010, *The State of the World's Children: Special Edition*, <http://www.unicef.org/rightsite/sowc/>.
- <sup>16</sup> US Department of State, 10 March 2010, *2009 Human Rights Report*, <http://www.state.gov/g/drl/rls/hrrpt/2009/sca/136087.htm>
- <sup>17</sup> *ibid*
- <sup>18</sup> US Department of Labor, 2009, *2008 Findings on the Worst Forms of Child Labor*, <http://www.dol.gov/ilab/programs/ocft/PDF/2008OCFTreport.pdf>
- <sup>19</sup> *ibid*
- <sup>20</sup> UNICEF Mexico's Statistics overview available at: [http://www.unicef.org/infobycountry/mexico\\_statistics.html](http://www.unicef.org/infobycountry/mexico_statistics.html)
- <sup>21</sup> US Department of State, 11 March 2010, *2009 Human Rights Report*, <http://www.state.gov/g/drl/rls/hrrpt/2009/wha/136119.htm>
- <sup>22</sup> UNICEF, 2010, *The State of the World's Children: Special Edition*, <http://www.unicef.org/rightsite/sowc/>.
- <sup>23</sup> UNICEF, 2006, *Mexico: Addressing Social Exclusion among Children Migrant Farm Workers*, [http://www.unicef.org/evaluation/index\\_49354.html](http://www.unicef.org/evaluation/index_49354.html)
- <sup>24</sup> US Department of State, 10 March 2010, *Human Rights Report*, <http://www.state.gov/g/drl/rls/hrrpt/2009/sca/136092.htm>
- <sup>25</sup> US Department of Labor, 2009, *2008 Findings on the Worst Forms of Child Labor*, <http://www.dol.gov/ilab/programs/ocft/PDF/2008OCFTreport.pdf>

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## Risks to business

### Legal risks

National labour legislation prohibiting child labour is primarily guided by the standards evident in three international instruments: the UN Convention on the Rights of the Child (adopted 20 November 1989, entered into force 2 September 1990), ILO Convention No. 182, on the Worst Forms of Child Labour (1999) and ILO Convention No. 138, on the Minimum Age of Admission to Employment (1973).

Given that many countries have implemented national laws that forbid child labour, failure to abide by these laws may result in civil and/or criminal sanctions. Financial penalties stemming from the use of illegal labour are also possible; former child workers may be able to sue their exploitative employers. Beyond pecuniary concerns, legal action can damage a company's reputation, resulting in brand contamination, a loss in sales or divestment by shareholders.

MNCs generally have explicit policies prohibiting child labour as well as practices to ensure the exclusion of child labour. If these policies and practices fail to prevent child labour, it can lead to serious legal, financial and reputational consequences.

Following a 2008 raid by US federal authorities, Agriprocessor - an Iowa-based kosher meat plant - was charged with over 9,311 child labour violations. The case that followed (*State of Iowa v. Agriprocessors Inc. et*



*al.* (scheduled for trial in May 2010), revealed that most of the violations involved 32 youths under 18. Violations included the illegal hiring of minors (mostly illegal migrants), exposing this group to hazardous and/or poisonous chemicals as well as permitting children under 16 to operate dangerous equipment. As a result of the raid and other bad press, Agriprocessor filed for bankruptcy citing a decrease in demand for its products and increased labour costs in the aftermath of the raid.

Although child labour is more commonly found further down the supply chain, companies may still risk legal action. Complicity in the business and human rights context refers to the indirect involvement of companies in human rights abuses. In essence, complicity means that a company knowingly contributed to another's abuse of human rights.<sup>26</sup> Currently, there are two cases where MNCs are being sued for complicity in the use of child labour under the Alien Torts Claims Act (ATCA).

One of these cases is *John Roe et al v. Bridgestone Corporation*. In November 2005 a lawsuit was filed under the ATCA by International Rights Advocates on behalf of the adults and children working on the Bridgestone Firestone rubber plant in Liberia. The Plaintiffs allege that Bridgestone and its affiliated companies forced 12 adults and 23 children to work for daily quotas. These quotas were excessively high and difficult to attain. Moreover, compensation for filling these quotas was also excessively low.

Bridgestone argued that the poverty and sub-standard working conditions prevalent throughout the region excuses the company from any human rights violations and sought to summarily wind-up the case through a motion of dismissal. However, on 26 June 2007, the judge dismissed the company's motion. If the complaint is not settled out of court and goes to trial, it is likely to set a legal precedent as the first case to test a company's complicity in relation to child labour under the ATCA.

### Other risks to business

Even where allegations of complicity do not result in legal action, companies can still face a range of non-legal risks. These can be of a short term nature (e.g. operational disruptions as a result of breaking contracts with suppliers accused of using child labour) or of a long term nature (e.g. sustained consumer or shareholder campaigns that ultimately require a change in company strategy or policy).

Risks can include:

**Reputational and brand risk:** Campaigns by NGOs, trade unions, consumers and other stakeholders resulting in reduced sales and/or brand erosion. [The Responsible Cotton Network](#), for example, is a multi-stakeholder coalition created to combat child labour in cotton harvesting in Uzbekistan. As a result of a sustained campaign by the Responsible Cotton Network resulting in negative press, many large retailers have adopted policies stating that they will not knowingly source their cotton from Uzbekistan in order to protect their reputation.

Furthermore, on 15 August 2008 a number of socially conscious shareholders, pension funds and human rights advocates joined together to demand that the Uzbek government stop using child labour in its cotton harvesting. These shareholders and pension funds have combined assets of over US\$250 billion and include Boston Common Asset Management, Calvert Asset Management Company, Inc and Domini Social Investment LLC.

**Financial risk:** Divestment by ethical and mainstream investors resulting in reduced access to capital and reduced shareholder value. Customer boycotts, whether explicit or not, can also lead to loss of market share or erosion of competitiveness.

**Operational risk:** Changes to companies' operations after sustained negative media coverage and/or campaigns boycotting its products due to allegations of child labour in its supply chain may have damaging effects. To offset these risks, companies may respond by terminating contracts with suppliers (resulting in higher costs to switch procurement strategies) or take steps to direct sourcing activities to other countries with less dubious child labour practices. Companies may also incur other expenses such as the costs of training new suppliers, increased monitoring of the workplace or re-engineering workplaces to establish centralised production to allow for easier monitoring.

<sup>26</sup> Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, 15 May 2008, *Clarifying the Concepts of "Sphere of influence" and "Complicity"*, <http://www.reports-and-materials.org/Ruggie-companion-report-15-May-2008.pdf>

## Suggestions for responsible business

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For a company to ensure the responsible elimination of child labour within supply chains it should first look to comply with national laws on child labour. Where national laws are set lower than international standards on child labour then a company should strive to meet these higher standards.

A company would also be well advised to engage in human rights due diligence to a level commensurate with the risks of child labour within its supply chains and its ability to impact positively the child labour issues at stake in order to discharge its responsibility to respect human rights. This might include conducting impact assessments and social audits to gauge the likelihood and nature of child labour within its supply chain.

Companies can seek specific guidance on this and other issues relating to international labour standards from the [ILO Helpdesk](#). This aims to help company managers and workers understand the ILO approach to socially responsible labour practices and to assist in the development of good industrial relations.

Other actions that responsible business might take include:<sup>27</sup>

### 1. Policy and procedure

It is a basic requirement that a company operating in emerging economies should develop and implement human rights policies and procedures to ensure that its managers and suppliers take a socially responsible approach to the elimination of child labour. For example, depending on the risk of child labour in the country of operation and the prevalence of child labour in the sector, a human rights policy may commit the company to the following:

- Compliance with national laws protecting children and establishing minimum age restrictions for relevant work categories, paying particular attention to hazardous work
- If there are no national laws in relation to child labour, or laws are weakly implemented the policy should commit to international standards, including the UN Convention on the Rights of the Child, ILO Convention No 182, on the Worst Forms of Child Labour and ILO Convention No 138, on the Minimum Age of Admission to Employment and Work
- Where local laws differ from company policy the higher standard should prevail and international standards should form best guidance
- In the event that there is a lack of information about the incidence of child labour, companies might choose to undertake due diligence taking the form of a human rights impact assessment emphasising human rights applicable to children. This strategy is especially applicable in the agriculture and retail sectors where there is frequent use of child labour. Ideally, the impact assessment would take place on an ex ante basis, that is, prior to the commencement of operations. Also in the vein of best practice, an independent firm should conduct the project, engage with all stakeholders involved in a transparent manner and commit to ongoing monitoring in the aftermath of its completion.
- Monitoring child labour prevalence and the background social and economic context to understand underlying risks of child labour and how it manifests in a particular industry and location
- Ensuring that children are not left unprotected without means of supporting themselves in the event that employment is terminated



- Effectively communicating any child labour policy, associated guidance and procedures to personnel and, if relevant, to employees, suppliers, subcontractors and business partners
- Providing employees with regular training and awareness building in order to sensitise them to issues surrounding child labour and to foster awareness of shared responsibility and accountability
- Developing a complaints mechanism to encourage the detection of child labour within the supply chain
- Including a requirement in supplier contracts that prohibits child labour and mandates that suppliers inaugurate a grievance process to address claims of child labour
- Continually reviewing and improving child labour policies and procedures to ensure that they are conform to best practice advancements and training managers on any related amendments

For ILO guidance on addressing child labour, see:

[The Guidelines for Developing Child Labour Monitoring Processes](#)

For Maplecroft's policies and guidance on child labour, see:

[Maplecroft's child labour policy](#)

For a case study of how the International Organisation on Standardisation has included child labour into its guidelines, see

[ISO 26000 \(Global\)](#)

For initiatives, driven by business, to increase social compliance in the supply chain has developed a code which addresses child labour, as well as other human rights issues. See:

[Business for Social Compliance Initiative \(Global\)](#)

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## 2. Training suppliers and company personnel on child rights

Training is a key component of responsible approaches to preventing child labour in the workplace. Company managers and suppliers can benefit from ongoing training in the following areas:

- Understanding the relevant child labour laws within the country
- Understanding and implementing company policy
- Ascertaining the age of workers and training on how to detect falsified documentation
- Health and safety procedures for young workers (which often differ from those required for adults)

The [Business for Social Compliance Initiative \(BSCI\)](#), for example, is a non-profit organisation that is dedicated to improving working conditions for employees throughout the global supply chain. Its members include retailers, brand names, importing and trading companies. This initiative provides members with training to increase their knowledge and skills with regard to social compliance and the responsible elimination of child labour.

IKEA holds workshops for suppliers on labour issues which include child labour. Furthermore, in partnership with UNICEF, IKEA has helped to establish self help groups for women to address child labour at its source, particularly in home working. These groups are given training on the rights of children, health and nutrition, saving money and starting up small businesses to eliminate debts and enable families to afford to send their children to school.

For an initiative driven by business, provides capacity building in the form of training and technical

assistance which also covers child labour. See:  
[Business for Social Compliance Initiative \(Global\)](#)

IKEA is helping to establish self help groups in which women learn about the rights of children, health and nutrition, saving money and starting up small businesses in order to eliminate debts to allow children to go to school. See:  
[IKEA \(Global\)](#)

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### 3. Social auditing and monitoring

A company should consider monitoring major suppliers' factories in countries with a high incidence of child labour, with the goal of identifying and responsibly preventing such practices. Such monitoring or audits can be undertaken by the company or a third-party contracted by the company.

Audits could include:

- Interviewing management on policy and practices to prevent child labour. The auditor should ascertain, for example, whether the supplying company requires workers to provide identification documents confirming workers' age
- Interviewing employees to uncover any cases of the use of child labour
- Inspecting the factory/workplace for any signs of child labour
- Inspecting contracts, identity papers and documents held by the employer

Regular monitoring is important to ensure continuous improvement within the supply chain. Corrective action should be taken immediately if children are found in the workplace.

In Sialkot, for example, the ILO, international organisations, the Sialkot Chamber of Commerce and Industry launched an independent monitoring facility. Monitoring took the form of unannounced site visits to verify that children were not present and to verify the production information provided by the company. Children were assisted to return to schools and women moved from the home into dedicated stitching centres with day care and help centres. Sometimes it is helpful to have unannounced visits to ensure no covert employment of children, other times it is helpful to have constructive engagement with suppliers aimed at addressing problems together.

Human rights impact assessments may not always be necessary, depending on the risk of child labour in a country and the sector and type of business activity. However, Maplecroft suggests that they can be helpful in understanding the base line situation in an operating context with regard to the extent of protection of human rights by the state and the levels of respect for human rights shown by other companies, both of which can be risk factors for a new investment. A human rights impact assessment will predict possible human rights impacts that may arise from an investment or business activity and will also identify the risk factors that should be monitored in the future and that need active management.

For tools on auditing and monitoring by organisations, including the Human Rights Impact Resource Centre, Danish Institute of Human Rights, the International Business Leaders Forum and Maplecroft, see:  
[Tool and Guidance Portal \(Business & Human Rights Resource Centre\)](#)

For a risk based approach on human rights due diligence, see:  
[Corporate Social Responsibility Initiative and Due Diligence for Human Rights, A Risk-Based Approach](#)

The ILO, UNICEF, the football industry, the Sialkot Chamber of Commerce and local manufacturers in

Sialkot, Pakistan through the Atlanta Partnership created an innovative child labour auditing initiative called the Atlanta Partnership to eradicate child labour in the industry. See:  
[ILO, UNICEF et al. \(Pakistan\) – in-depth](#)

IKEA is monitoring child labour within its supply chain in India by appointing a Child's Ombudsman. See:  
[IKEA \(Global\)](#)

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#### 4. Interviewing former child labourers

When a child is about to be removed from a supplier factory, it might be useful for an employee with specific training related to child labour to conduct an interview in order to ascertain motivations behind entering the workplace. This can help the company implement solutions ensuring that the child does not find more hazardous work elsewhere and that he or she is re-integrated into an educational programme.

Query topics might include:

- The employment status of parents (or guardians, if any), including the extent to which the child's parents depend on his/her income
- The child's educational opportunities and the general household environment
- Concerns the child might have about future plans

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#### 5. Supporting children removed from the workplace

In many cases, children found to be working may require some form of rehabilitation from the effects of their labour and steps might need to be taken to ensure these children do not re-enter the workforce.

Appropriate support may be tailored after a child's interview and include:

- Providing access to schooling so children can achieve a basic education. For example, as part of the RugMark initiative, 3,000 children have received access to literacy programmes, schooling, day care and vocational training. Furthermore, in Sialkot, Pakistan, over 7,000 children were removed from the workplace and provided with access to educational facilities appropriate for their age and situation
- A health assessment and treatment for illnesses such as malnutrition, workplace injuries, if required. Healthcare, for example, was provided to 5,400 children in the Sialkot case
- Training to assist former child labourers in finding jobs once they are of working age. The Child Welfare Society of Kenya (CWSK), for example, trains former child labourers and Muramati (a Kenyan tea exporter) assists CWSK by financing student loans and finding jobs for these students once they have successfully completed their training

The ILO, UNICEF, the football industry, Sialkot Chamber of Commerce and local manufacturers in Sialkot, Pakistan are removing child labour from the workplace through the provision of education. See:  
[ILO, UNICEF et al. \(Pakistan\) – in-depth](#)

One company in Kenya is providing formal and technical training to children rescued from forced labour

conditions. See:  
[Muramati \(Kenya\)](#)

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## 6. Sector-wide, multi-stakeholder partnerships

In order to address child labour responsibly in a supply chain, sector-wide multi-stakeholder partnerships often need to be developed in order to provide the necessary areas of expertise and guidance. These partnerships can save money and ensure the efficacy of child protection programmes by leveraging economies of scale for companies and sharing applicable best practises. These partnerships also allow the industry to understand better from the perspective of different stakeholder groups including business, governmental, inter-governmental and nongovernmental constituents. In this setting, the challenge of addressing child labour can be tackled in a holistic manner.

The Elimination of Child Labour in Tobacco Foundation brings together tobacco companies, unions and the International Tobacco Growers Association to eliminate child labour. It does this through conducting research on the prevalence of child labour within the sector, running projects designed to reduce or eliminate child labour and sharing good practice with external stakeholders.

How social forums in Ecuador provide training to eliminate child labour during banana and flower cultivation. See:  
[Social Fora for Banana/Flower production \(Ecuador\)](#)

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The Elimination of Child Labour Foundation is geared towards research and training and bringing together tobacco companies, unions and the International Tobacco Growers Association in order to address child labour globally. See:  
[Elimination of Child Labour in Tobacco Foundation \(Global\)](#)

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For a partnership with global mining companies and industry associations have addressed child labour in the industry by adopting principles and conducting third-party assurance. See:  
[International Council on Metals and Mining \(Global\)](#)

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The ILO, UNICEF, the football industry and the Sialkot Chamber of Commerce partnered with local manufacturers in Sialkot, Pakistan to create an innovative child labour auditing initiative called the Atlanta Partnership. See:  
[ILO, UNICEF et al. \(Pakistan\) – in-depth](#)

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<sup>26</sup> Suggested actions are for guidance only. Depending on the circumstances, these guidelines may not be relevant to all companies and should be adapted to the exigencies of particular regions, sectors and contexts where risks are known to be compelling. The adoption of these actions will also be dependent on the company's existing policies, resources and procedures, as well as a cost-benefit analysis of various courses of action to address the root causes of forced labour. The aim of the Forum is to encourage business, trade unions, civil society and other stakeholders to engage on the dilemma topic, to augment the suggestions and to provide additional insight and case examples.

## Background to the dilemma

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### Definition

According to the ILO, child labour is exploitative "work that harms a child's well-being and hinders his or her education, development and future livelihood."<sup>28</sup>

The term 'child labour' is different from 'youth employment' or 'student work.'<sup>29</sup> Child labour constitutes a human rights violation, whereas "youth employment" and "student work" are legal and may contribute positively to the development of children and young people. Not all child labour is bad if it is light work and does not interfere with a child's education or right to leisure. Examples of this include children helping their parents on a farm or in a shop.

Child labour is a symptom of a range of underlying social problems, including poverty, lack of access to education, and inadequate educational facilities. It is not enough for a company to extricate children from the workplace. Removing child workers may lead to more precarious and hazardous work such as prostitution or begging. To prevent child labour and address its underlying causes, companies need to consider a wide range of issues, from inadequate family income to poor or non-existent educational facilities. Because child labour is a complex issue, it requires a multi-faceted response from a wide range of stakeholders.

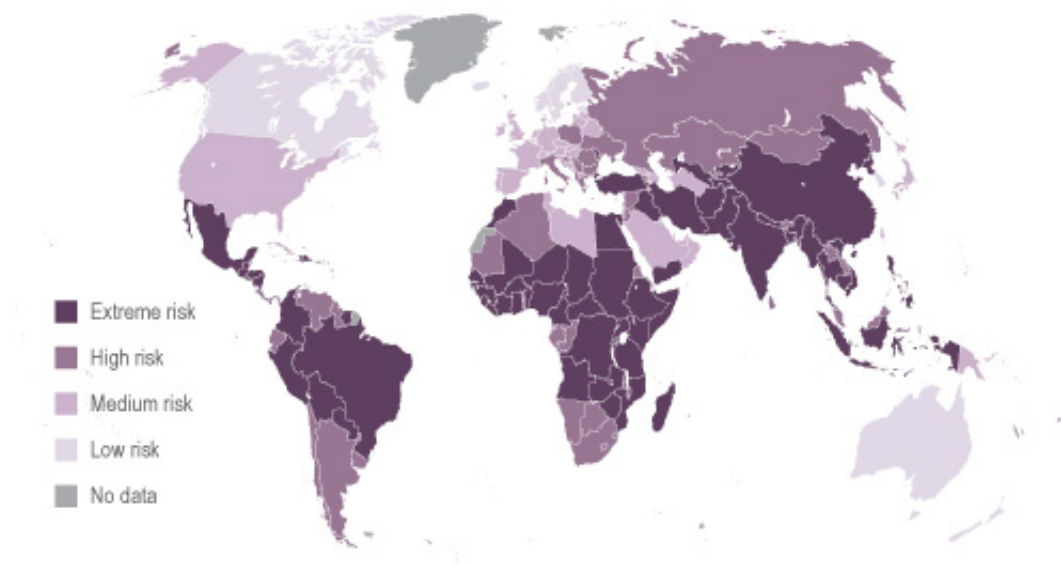
The ILO estimates 218 million children between the ages of five and 11 work globally.<sup>30</sup> However, this number is a mere approximation - child labour is difficult to quantify because it is often hidden due to its illegal nature. Identification of children in the workplace can be further impeded by a lack of reliable documents such as birth certificates, which may be unavailable or forged. Lastly, child labour often occurs in rural settings or in areas of cities that authorities find difficult to access.

According to the Maplecroft Child Labour Index 2012, the 10 highest risk countries are:

***Figure 1: 10 highest risk countries for child labour***

Myanmar	North Korea
Somalia	Sudan
DR Congo	Zimbabwe
Afghanistan	Burundi
Pakistan	Ethiopia

***Figure 2: Maplecroft - Global Map of Child Labour Index 2012***



## International legal instruments

International conventions that address child labour include:

### Convention on the Rights of the Child (adopted 20 November 1989, entered into force 2 September 1990)

The UN [Convention on the Rights of the Child](#) has been ratified by all countries except two: Somalia and the United States. The Convention defines a child as anyone under the age of 18 and prohibits harmful child labour. All signatories must regulate the hours and conditions of work for children. Likewise, this Convention requires governments to penalise those who violate these requirements.

### ILO Convention No. 138, the Minimum Age for Admission to Employment (1973)

[ILO Convention No. 138, the Minimum Age for Admission to Employment](#) has been ratified by 116 countries and sets a minimum age of 15 for employment. Emerging markets that have not signed this Convention include Bangladesh, India, Iran, South Korea, Vietnam and Mexico.

Under ILO Convention No.138, children are able to engage in light work from 12 or 13, provided that it does not interfere with their education and that it does not have a negative impact on their health. The Convention stipulates a minimum working age of 15, but developing countries may be granted an exception with the minimum age being reduced to 14.

**Figure 3: Minimum age of employment**

	The minimum age at which children can start work	Possible exceptions for developing countries
<b>Hazardous work</b> Any work which is likely to jeopardise children's physical, mental or moral health, safety or morals should not be done by anyone under the age of 18	18 (16 under strict conditions)	18 (16 under strict conditions)
<b>Basic Minimum Age</b> The minimum age for work should not be below the age for finishing compulsory schooling, which is generally 15	15	14



<b>Light work</b> Children between the ages of 13 and 15 years old may do light work, as long as it does not threaten their health and safety, or hinder their education or vocational orientation and training	13-15	12-14
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### **ILO Convention No. 182, on the Worst Forms of Child Labour (1999)**

**ILO Convention No. 182, on the Worst Forms of Child Labour** prohibits young workers under 18 from engaging in hazardous work and has been ratified by 171 countries. Notably, India is the only country within BRICs and N11 that has not signed this Convention. The ILO defines hazardous work as "work which by its nature or the circumstances in which it is carried out is likely to harm the health, safety or morals of children."

Examples of hazardous work include:

- Working underground, at dangerous heights or in confined spaces
- Working with dangerous equipment, machinery and tools
- Work that involves manual handling or transport of heavy burdens
- Working under particularly hard conditions including long working hours, night work and working in isolation
- Working in an unhealthy environment. For example children being exposed to chemical hazards, excessive temperatures or work that involves heavy vibrations<sup>31</sup>

There are certain types of child labour that require governments to take urgent and immediate action:

- All forms of slavery, including the trafficking of children, debt bondage, forced and compulsory labour, and the use of children in armed conflict
- The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic purposes
- The use, procuring or offering of a child for illicit activities, in particular the production and trafficking of drugs
- Work which is likely to harm the health, safety or morals of the child as a consequence under which is it carried out<sup>32</sup>

The scale of the problem of children working in hazardous conditions is estimated by the ILO to be close to two thirds of all working children, or 171 million worldwide (2002).<sup>33</sup>

### **Human rights impacts of child labour**

Child labour has a serious impact on a range of rights relating to working conditions and to the rights of children. Likewise, companies' efforts to address a range of labour issues, including freedom of association, forced labour, working conditions and health and safety will often have a significant impact in terms of protecting young workers.

Other human rights that are typically associated with child labour include:

**Right to an education (Convention on the Rights of the Child, Article 28):** Working hours may preclude young workers from attending school. Likewise, young workers may be too tired to benefit fully from their studies.

**Right to a safe work environment (ICESCR, Article 7):** Youth over the working age (usually at 15 years and over) have the right to work as long their health is protected. Children have special vulnerabilities to chemicals and are more easily injured because their muscles, skeleton and reproductive systems are still developing, their skin surface is comparatively wider, and their respiration more rapid. Although the effects may not be

immediately apparent, children often suffer long term psychological harm from violence, harassment and isolation. Since they are less aware of their rights, children are at a disadvantage and less likely than adults to confront supervisors when ordered to conduct unsafe work.

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<sup>28</sup> ILO and International Organisation of Employers, 2007, *Eliminating Child Labour: Guides for Employers, Guide One: Introduction to the Issue of Child Labour*, [http://www.ioe-emp.org/fileadmin/user\\_upload/documents\\_pdf/papers/toolkit/english/toolkit\\_emp\\_1.pdf](http://www.ioe-emp.org/fileadmin/user_upload/documents_pdf/papers/toolkit/english/toolkit_emp_1.pdf)

<sup>29</sup> ILO and the UN Global Compact, 2008, *The Labour Principles of the United Nations Global Compact: A Guide for Business*, [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---multi/documents/instructionalmaterial/wcms\\_101246.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/instructionalmaterial/wcms_101246.pdf)

<sup>30</sup> ILO IPEC, 2006, *The End of Child Labour: Within Reach*, <http://www.ilo.org/public/english/standards/relm/ilc/ilc95/pdf/rep-i-b.pdf>

<sup>31</sup> Save the Children Denmark, 2006, *Child Labour Toolkit: responsible approaches to child labour in the Textile and Garment Industry*, <http://www.redbarnet.dk/Default.aspx?ID=8760&M=Shop&PID=19448&ProductID=767>

<sup>32</sup> ILO and the UN Global Compact, 2008, *The Labour Principles of the United Nations Global Compact: A Guide for Business*, [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---multi/documents/instructionalmaterial/wcms\\_101246.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/instructionalmaterial/wcms_101246.pdf)

<sup>33</sup> ILO, 2002, *A Future Without Child Labour, Report 1(B)*, [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_publ\\_9221124169\\_en.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_publ_9221124169_en.pdf)

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