



International  
Labour  
Organization

# Eliminating Child Labour

## Guides for Employers



# Guide Two

## How employers can eliminate child labour



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## **How employers can eliminate child labour**

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and the  
International Organisation of Employers (IOE)

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# Foreword

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Child labour is normally concentrated in the informal economy, in the rural sector and in other industries hidden from public view. Children who are engaged in child labour, either because they are below the legal work age or because they work in hazardous, illegal or degrading conditions, are unable to develop to their full potential. Employers and employers' organizations can play a role in the global fight against child labour. Employers can take responsible action to remove child labour from their workplaces, they can reduce the risk from hazards for adolescents and they can refuse to hire children. Employers and employers' organizations can lobby for effective schooling and for remedial programmes, and they can help to raise public awareness and change attitudes.

The International Labour Organization (ILO) and the International Organisation of Employers (IOE) worked closely together to develop this set of Guides. The Guides are unique in that they consider child labour from the perspective of employers and their organizations, while keeping the welfare of children and their families at the centre of the analysis. In addition, the Guides offer practical ideas and advice. They draw on the experiences of staff at a number of national employers' organizations that have worked with the ILO over the past several years on child labour projects. Numerous examples of the positive actions taken by employers and their organizations are included. These examples provide evidence not only of what can be done but of what has been done.

The Guides have benefited from the inputs of a wide range of experts. They were first reviewed at an interregional workshop for employers' organizations held at the International Training Centre of the ILO in Turin, Italy, in July 2006. Ideas and suggestions were also received from experts at the IOE, the ILO's Bureau for Employers' Activities and the ILO's International Programme on the Elimination of Child Labour (IPEC). The Guides are fully consistent with, and indeed support the ILO's Minimum Age Convention (C. 138) and the ILO's Worst Forms of Child Labour Convention (C. 182).

We hope that these Guides can help you and your organization or business make a difference in your country.

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# Introduction

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***Purpose  
of the guide***

This guide explains what an enterprise can do to eliminate child labour in its operations, both as it relates to workers under the minimum age for work and as it relates to those under the age of 18 engaged in hazardous work. In addition, this guide discusses measures that may be taken to reduce child labour among suppliers.

***Finding  
appropriate  
solutions***

As discussed in Guide One, child labour is a severe social problem that is caused by poverty, the lack of schooling, parental attitudes and other factors. Enterprises may contribute to this problem by hiring children and they can thus play a role in helping to eliminate it. Elimination is not difficult but it does require a thought-out strategy, notably to ensure the welfare of children and the families they help to support. Simply laying off children is not an appropriate solution; instead enterprises can work with other groups to assist in the transfer of children to school and to ensure that the welfare of the family is not damaged by the loss of a child's income.

***Concepts and  
real examples***

This guide provides a variety of ideas. Some of them are quick and simple and will not have a negative effect on the welfare of children or the operations of a business. Other ideas are more complex, notably when the problem of child labour and young workers is greater. However, this guide offers not only ideas but also real examples of actions that have been taken by businesses. If child labour exists in your business or among your suppliers, don't worry: you are not the first to have faced the problem. Consider what others have done and how their strategies may or may not be appropriate.



## Using this guide – to suit your business

### ***Each enterprise has its own goals***

It is difficult to propose a single strategy for all types of enterprises and all situations of child labour. For example, the business may be a small local producer focused on the domestic market. The concern is that several workers may be under-age and the business wants to remain within the law and also it wants to do the right thing. Conversely, a plantation may be employing the children of its adult employees to help bring in the harvest. It may be hard to find other adult workers at that time of the year when the demand for workers is high.

### ***Public perceptions***

Other enterprises might be worried about prevention and public perception. For example, a company may be a large multinational that buys from 100 producers spread around Latin America or Asia and is moving into China. It wants to be able to tell its customers in the US and Europe that its goods are not produced by children. And it wants to be confident that a non-governmental organization or the media won't find evidence to the contrary.

### ***Suggestions on steps – but a business can decide on its own strategy***

This guide tries to address all these situations. As such, not all sections will be useful to all enterprises. The guide is organized along eight steps which are designed to help the owners or managers work through a process. However, in many cases, a business may decide not to follow the steps in the order in which they are presented. Step 2 presents some ideas on different strategies. This step comes after Step 1 on 'Analysing the Situation', but the two steps are closely related. A company can do a preliminary analysis of the problem, map a strategy and then conduct a more detailed analysis. Conversely, an enterprise might want to discuss a preliminary strategy first, which includes a detailed analysis, and then develop a fuller strategy after the extent of the problem is known.

Probably the best way to use this guide is to first *study* the table of contents to get an idea of the different aspects of the issue. Then flip through the guide, sampling sections and examples. Finally, one or more members of the company may need to read it from beginning to end.

## Four guiding principles

While the guide provides a variety of suggestions, it might be best to keep in mind four overall ideas or guiding principles in setting out a strategy and implementing it.

### ***1. Understand the consequences of your actions***

Rushing to comply with legislation or buyer demands can lead to negative, unintended consequences for children and their families. Consider their welfare when creating a workplace free of child labour. For example, in the early 1990s, Bangladeshi garment manufacturers faced the prospect of a ban on exports to the US due to child labour. Between 40,000 and 50,000 children were immediately let go.





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Little is known of what happened to these children and their families. Some probably ended up in worse conditions. Careful planning can ensure that negative consequences are avoided.

**2.**  
***Be proactive rather than reactive***

Don't wait to be told or forced to reduce child labour. Be proactive and reduce child labour through internal efforts or work with organizations that can help. Include it as an action item in the company's strategic plan. Being proactive in finding solutions means that the enterprise will avoid bad publicity in the media, fines by the government and dictation by buyers. In addition, the removal of children from work takes time and planning. Being proactive means an enterprise stands a better chance of planning this process carefully.

**3.**  
***Cooperate with others***

Many local and international organizations or coalitions have been formed to fight child labour. Employers' organizations or sectoral bodies might also have active programmes on the issue. All of these groups may be able to help a company design a responsible programme. Other groups can help to monitor labour practices and set codes of conduct. Several organizations of this nature are listed in the guide.

**4.**  
***Work within your spheres of influence***

Enterprises are responsible for their own workplaces, but they also can have an influence beyond it. They can encourage or even help suppliers to reduce child labour; they can work with other organizations to create awareness; they can support broader programmes to improve education facilities for children and so on.

## Step 1: Analysing the situation

### ***What is the extent of the child labour problem?***

To deal with child labour, it is first necessary to have an idea of the extent of the problem in the business or among its suppliers. The owners or managers probably already know whether the business might be employing workers below the age of 18. They may not be aware, however, what the minimum age for work is or how hazardous work is defined. They may not be aware of what potential buyers require in terms of the age of workers. Thus, to fully understand the requirements and the business' situation, it may be important to undertake a more detailed analysis of the situation. This can be done internally, or it may involve an audit by an outside firm with experience in these matters. Likewise for suppliers, an audit can be conducted internally or by an outside body. This section considers some of the issues to be addressed.

### **Defining child labour**

### ***How is child labour defined in my country or my sector?***

It is necessary that the enterprise be aware of how child labour is defined in the law of the country and by the sector. The country definition is important because it will allow the business to operate within the law. This is the minimum requirement for any business. Information on the national law may be fairly easy to obtain from the Ministry of Labour; in some cases, the country's labour laws are posted on the ministry's website. This is the case in India, where the Child



Labour (Prohibition and Regulation) Act, 1986 is available for easy downloading. In addition, the national employers' organization may have such information. Understand clearly the content of the Labour Code and articles in other laws that pertain to child labour. As noted in Guide One, there is also an international (ILO) definition of child labour which indicates the minimum age of work, the criteria for light work and the worst forms of labour for those under the age of 18. It is useful to know both definitions and to determine what types of activities in your business — if any — fall within the definition of hazardous or worst forms of child labour. This is true even if the government does not go so far as to include these in its legislation.

***Stricter than the national law***

Indeed, a business may decide to adhere to a policy that is stricter than the national law or even international standards. For example, Chiquita, known for its bananas from Central America, decided to set its minimum hiring age at 18. This allows it to avoid problems with 16 and 17-year-old workers that may be working too many hours or in hazardous conditions such as at night or with chemicals. A strict policy may be required by buyers, notably foreign ones or local plants or plantations owned by multinationals. In addition, there may be an international industry standard that determines access to foreign markets. In these cases, it may be useful to ask buyers or an industry representative body what the standards are.

***Different buyer requirements***

It is possible that an enterprise sells to different buyers who have different definitions. This can be confusing. To be safe and enjoy access to a range of buyers, it may be best to comply with the higher standard.





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## Checklist 1

### Requirements of the law

1. Minimum age for regular work in my country: \_\_\_\_\_ years
2. Maximum weekly hours of work that can be undertaken legally by children below this age: \_\_\_\_\_ hours
3. Minimum age for hazardous and “worst forms” of work (probably 18): \_\_\_\_\_ years
4. National (legal) definition of hazardous or worst forms of work in my area of business:  
 \_\_\_\_\_,  
 \_\_\_\_\_.
5. Other legal requirements, if any, regarding child labour:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_.

## Checklist 2

### Requirements of my buyers or industry standards

1. Minimum age for regular work, if different from the law: \_\_\_\_\_ years
2. Minimum age for hazardous and “worst forms” work (probably 18): \_\_\_\_\_ years
3. Main hazardous forms of work in my area of business as defined by my industry or suppliers:  
 \_\_\_\_\_,  
 \_\_\_\_\_,
4. The ISO requirements of my buyers regarding child labour are:  
 \_\_\_\_\_.
5. Other requirements of my buyers or industry standards, regarding child labour:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_

**Agreeing on hazardous work through social dialogue**

In cases of doubt about relevant legislation and its interpretation, enterprises may consult national employers’ organizations. The ILO’s Worst Forms of Child Labour Convention (C. 182) stipulates that social partners (i.e. workers’ and employers’ organizations) at the national level are to engage in a dialogue and agree on a list of situations that constitute hazardous work for children. If such a list exists in your country, it may be available through the national employers’ organizations. This list should become part of the law on child labour.



**Asking for help  
and using  
common sense**

Where no such list exists, an enterprise can ask the medical association, public health authorities or the employers' organization for assistance. These bodies may be able to suggest someone who can identify the tasks that are potentially dangerous for children up to the age of 18. A good dose of common sense can also go a long way in determining which tasks are not suitable for children. Furthermore, an employer may decide to reduce the risks from hazards for all workers, adolescents and adults, through improved workplace safety and health. This will reduce the likelihood that young workers are at risk from hazardous situations.

**Current situation in the business****Verifying age**

The next step is to determine whether the enterprise is employing people who are classified as child labourers under the national law or the higher standard that the enterprise has set to conform to the requirements of buyers. This can be done through an audit of current employees. They can be asked to provide proof of age, if possible. Sometimes there are no birth certificates to verify age (and falsified documents may be easy to obtain on the black market). The major techniques to verify age include the following:

- medical examination prior to employment
- multiple written documents and affidavits
- interviews (that are culturally adjusted) with employees and applicants who appear to be too young
- school enrolment certificate
- common sense.



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## Checklist 3

### Quick check of child labour in my business

- |  | male/female            |
|--|------------------------|
| 1. Total number of children (below the age of 18) working in my business:                    | _____ / _____ children |
| 2. Number of children currently working in my business below the legal minimum age for work: | _____ / _____ children |
| 3. Number of children up to the age of 18 working at hazardous or “worst forms” tasks:       | _____ / _____ children |
| 4. Number of workers whose age is difficult to verify:                                       | _____ / _____ persons  |
| 5. Number of workers who would be defined as child labourers by my suppliers:                | _____ / _____ children |



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### ***Use local indicators***

In some Asian countries children do not know their precise year of birth but they know the animal year (Year of the Monkey, etc.). In other countries, a child's birth might be related to some major historical event, such as independence or the start or end of a war. It may also be related to a significant anniversary of such an event (e.g. 50 years after independence).

### ***Employing your own children***

In many smaller businesses, the owner may employ one or more of his/her own children. If this is the case for your business, you may determine which of your children can, according to the law (or your buyers' standards), work in your business and which are not allowed to work. For your own and others' children, you may consider adopting the principle that work should not replace or impede the child's schooling.

### ***Income of the child's family***

Some employers might want to go a little further and determine whether its child labourers are providing vital income for their families. While ultimately it is best for the child not to work, in the short run it may be necessary that she or he do some part-time work and thus continue to bring in income to support the family.

### ***Use the definition of hazardous work***

In addition, an employer can determine whether workers below the age of 18 (but above the minimum age) are engaged in tasks where the risks from hazards are high. The employer can then reduce those risks as a way of eliminating hazardous child labour. A business might also want to quickly assess the possibility of replacing all child workers (up to the age of 18) with adults. This can be effective in ensuring that there is no hazardous child labour. However, this approach may result in the loss or refusal of employment for workers just below the age of 18, thus adding to the problem of youth unemployment.

## Step 2: Designing the strategy

### **Different objectives**

The strategy will be based on the objectives of the business and the extent of its child labour problem. A small business may simply wish to conform to the law. A medium-sized business may want to supply other firms or break into the export market itself. A large business may seek to assure its existing buyers and consumers that it does not use child labour.

### **Similar to designing other business strategies**

Most business owners and senior managers do not need advice on how to *design* a strategy. They frequently design strategies for various aspects of their business. Instead, they need ideas of what can be done; that is, what are the possible *elements* of a strategy on combating child labour. Those elements are found in the other steps of this guide. This step provides just a little advice on different types of strategies and how the eight steps of the guide can be combined or adapted.

### **The process**

Designing a child labour strategy might follow the following eight-step process as outlined on the next page. The substance of the strategy might include the elements listed in Box 1.

#### **Box 1**

#### **Elements of a child labour strategy**

1. Analysing the situation
2. Designing the strategy (with implementation schedule)
3. Three immediate actions: hiring, hazards and hours
4. Supporting child and household welfare
5. Eliminating the need for child labour in my business
6. Eliminating child labour in the supply chain
7. Using a code of conduct
8. Auditing, monitoring and certification



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Step 2

**Consider**

- **Step 1.** The owner or a senior manager designates one or more subordinates to consider the 'shape' of the problem and come up with a few ideas on how to move forward. In a small firm, this might be done by the owner alone.

**Consult**

- **Step 2.** A process of consultation then takes place. An individual or group consults with others working in the business, including workers' representatives, members of welfare committees and those who hire workers. A key issue here is whether any consultations also take place outside of the business (e.g. specialized consultant, NGO, employers' organization, sectoral group, buyers).

**Draft**

- **Step 3.** Following consultations, the person or group in charge drafts a strategy. This does not need to be elaborate. It can be four paragraphs on a single sheet of paper which include the basic actions to be taken, by whom and when. For a large company it might be more developed and include specifying accountabilities.

**Consult again**

- **Step 4.** The draft strategy is then used to consult again. Determine whether the key internal people, including senior management and perhaps workers' representatives, agree and whether the line managers think it will work.

**Decide**

- **Step 5.** Consider these second-round comments and then decide on a strategy. At this stage, it might need to be formally written out.

**Communicate**

- **Step 6.** The strategy must then be communicated to the entire business and possibly to outsiders (buyers, sector organizations).

**Implement**

- **Step 7.** The next step is to implement the strategy, which will necessarily include the assignment of accountability for specific actions.

**Review**

- **Step 8.** And finally, some mechanism can be put in place to review the strategy's implementation and gauge its success or consider modifications. It is critical that key figures in the enterprise, including the most senior management, be engaged in and support this process.



## Four scenarios: What an enterprise might seek to achieve

### ***Seek solutions to meet your objectives***

Your business needs to develop its own strategy. It might decide to follow all of the eight steps that structure this guide. However, it might also decide to follow only some of the steps or to change the order. To illustrate how this guide might be used to serve different circumstances, four invented scenarios are presented below. These represent the most common situations faced by businesses. The purpose here is not to imagine every case, but to provide a sense of how the guide might be used and adapted.

#### **1. *Want to prove that firm is free of child labour***

In this first scenario, your enterprise does not employ anyone under the age of 18. There is thus no problem of child labour. However, international buyers have recently been asking for proof that the business is free of child labour. In this case, Step 7 on creating a code of conduct and Step 8 on auditing, monitoring and certification will be the most relevant for your business. The central concern is to get an independent audit to confirm the existing reality.

#### **2. *Want to operate within the law***

In the second scenario, your small enterprise produces only for the domestic market. Recently, the issue of child labour has been raised in the community and public authorities have increased their enforcement of existing laws. Your business employs individuals from the age of 16 upwards on a full-time basis and a few younger boys who come to work a few hours every day after school. In this case, the most relevant steps are Step 1 on analysing the situation and Step 3 on immediate action. Your goal would be to comply with the law and ensure that children are not working in hazardous conditions. You are not interested in engaging an outside auditor or setting a formal code of conduct.

#### **3. *Want to eliminate what is a significant problem***

In the third scenario, you are aware that your business employs, on a full-time basis, children under the legal working age. You know the parents of these children and you know that they are poor. They cannot afford to send their children to school. Laying off these children probably means that they will find work elsewhere, possibly in worse conditions. At the same time, you are concerned that hiring more adults may raise your costs and make it more difficult to remain in business. In this case, it is best first to detail the extent of child labour (Step 1) and take whatever immediate action is possible to stop hiring and move children from hazardous work (Step 3). The real challenge, however, will be to see whether these children can be put in school without damaging their welfare and that of their families (Step 4). In this regard, you may need outside help from a community group or non-governmental organization that can help reduce the costs of sending the children to school and help the parents generate more income through microcredit schemes, cooperatives or other means. You have no interest in setting a formal code of conduct or allowing outside auditors to visit your premises.

**4.  
Want to  
appease a  
buyer  
concerned with  
the supply  
chain**

In the fourth scenario, your business is a well-known clothing brand based in Europe. Your products are made to order by a number of local producers in south and south-east Asia. Recently, one of your competitors has been the subject of negative media reports because a supplier was found to have been employing under-aged workers. You are concerned that the same might happen to your firm. In this case, it is best to consider Step 6 regarding child labour in the supply chain. In addition, the firm's code of conduct (Step 7) may need to be reviewed or discussed with suppliers. It may well be that your office in the countries where the plants are situated may need to start regular or surprise checks on suppliers, as suggested in Step 8.

### Assistance from NGOs, community groups and others

**A key strategic  
question is who  
to collaborate  
with**

A key question for your strategy is whether the elimination of child labour in your firm will be an entirely internal matter, or will involve some type of outside collaboration. As the scenarios above suggest, this will depend on the situation of the business. External collaboration in the form of an auditor may be essential for convincing buyers or consumers that your business is free of child labour. Other forms of external collaboration may include cooperating with community groups and non-governmental organizations to move children from work to school. Alternatively, a business may simply want to end child labour quietly on its own and not be associated in any public manner with the issue.

**Internal vs.  
external**

In short, the decision to involve outsiders will be based on the need to gain assistance (possibly finance, certainly advice) or recognition (by suppliers or consumers). Alternatively, the decision to handle the matter internally will be based on a desire to keep a low profile.





## Step 3: Three immediate actions: hiring, hazards and hours (3 H's)

### **Immediate actions**

Immediately laying off children can be harmful to them and to the welfare of their families. There are, however, some immediate actions that can be taken by a business that can reduce the problem of child labour without adversely affecting the children. This is the 3 H's approach: a stop to under-age *hiring*, removing children from tasks where the risks from *hazards* are high and reducing *hours* to the legal level.

### **3 H's only or as part of a broader strategy**

In some businesses where the incidence of child labour is low, these actions may allow for the total elimination of child labour, including the problem associated with workers below 18 but above the minimum age of work. This was the situation sketched out in Scenario 2 of the previous section (p. 16). In other businesses, unfortunately, these three actions will not eliminate the problem of child labour. The 3 H's approach can, however, be the first immediate step of a larger strategy as outlined in the subsequent parts of this guide.

### Immediate Action 1: End the practice of hiring children

#### **H-1: hiring**

Your business can immediately stop the hiring of children. This will ensure that you are not adding to the problem. This is not a *freeze* on hiring (which is temporary) but a permanent ban. It can be put into effect through a firm policy implemented by those in charge of the hiring process. The main concern is verifying the age of job applicants, as discussed in Step 1.

Once the hiring ban is in place, the business can then consider what can be done with children that it hired before the ban was imposed. Part of that strategy may be found in the following two immediate actions.

### Immediate Action 2: Eliminate hazardous child labour

#### **H-2: hazards**

Children should not be working in conditions in which the risks from hazards are high. 'Hazardous' child labour is defined in the ILO's Worst Forms of Child Labour Recommendation (R. 190) as work involving: exposure to physical, psychological or sexual abuse; work underground, under water, at dangerous heights or in confined spaces; exposure to dangerous machinery, equipment or tools; the handling of heavy loads; exposure to unhealthy environments (substances, agents, processes, temperatures, noise, vibrations); and work under difficult conditions,



### **Determining hazards**

including for long hours, at night or being unreasonably confined to the premises of the employer.

In many countries hazardous child labour will be defined in national legislation or through social dialogue involving workers' and employers' organizations and government. Where a list of hazardous activities does not exist, the enterprise can consult the ILO, medical personnel or health and safety experts.

There are two ways to eliminate hazardous child labour:

- reduce the risk from hazards by improving workplace safety and health
- remove adolescents from tasks and environments that are deemed hazardous for adolescents but not for adults (i.e. heavy loads, night work, heavy machinery).

In the first situation, an adolescent would continue working in the same workspace and at the same tasks, but the environment and tasks would now be low-risk. In the second situation, an adolescent would be reassigned to different tasks and/or a different environment in which the work is more suitable to his or her development.

### **Requires ongoing vigilance**

This is an immediate action but it requires ongoing vigilance, in particular to ensure that children do not gradually shift back into high-risk activities or situations. For example, an owner or a senior manager might send clear instructions to his or her subordinates on this issue and children may be removed from high-risk work. However, these subordinates may be under pressure to meet production quotas and might be tempted to revert back to the practice of placing children in such conditions. Thus, senior management needs to ensure that this one-off immediate action is monitored and verified from time to time.

**Part of a broader strategy**

It should be emphasized here that we are discussing immediate actions to remove children from hazardous tasks. These actions can be part of a broader strategy to reduce and remove hazards for all workers (adolescents and adults) through improvements in workplace safety and health.

**Immediate Action 3: Reduce the hours for children under the minimum age**

**H-3: hours**

In many countries, national legislation allows children to do light work of a limited duration each week. Such work is permitted under Art. 7 of the ILO's Minimum Age Convention (C. 138) and is explained briefly in Guide 1. The nature of what constitutes 'light work' is, however, difficult to define and is most often not spelled out in legislation. Nonetheless, children can often do some work while also attending school on a regular basis. Thus, the third immediate action involves ensuring that children do not work more than the weekly maximum as prescribed by law. If there are workers below the legal age who work part time, the action would be to reduce their hours so that they do not exceed the legal limit. In some cases, reducing the hours may be enough to allow the children the time to go to school and do homework. This action can be useful in cases where parents 'employ' their own children.

**Reduce hours but not income**

There is, however, one important requirement here: while the hours may be reduced, the income should not, if at all possible. This will ensure that the child continues to take home the same amount of money to support him or herself and the family. And, it will decrease the likelihood that s/he will have to work somewhere else instead of going to school.



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## Step 4: Supporting children and their families

### ***Dismissal can be dangerous***

The immediate actions, outlined in Step 3, may reduce the problem of child labour in your business but not eliminate it. Children may still be working at or near full time. It is dangerous to simply dismiss these children as it can cause hardship for them and their families. Instead, action is needed that balances the dual concerns of removing children from work and finding ways to ensure that family income is maintained. In this step, a number of suggestions are put forward that may be more or less suitable depending on the size and financial means of the enterprise.

### ***Need to support family income***

#### **Working with child labour reduction programmes**

Compensating for the loss of a child's wage and getting children into school generate costs. As a result, efforts to reduce child labour often rely on the support of projects funded by governments and donors. A comprehensive approach is most effective and normally involves the following components:

- decreasing the costs of schooling (lowering or eliminating school fees and related expenses, providing stipends for children, etc.)
- providing midday meals at school



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- providing transitional schools for children who have fallen behind their peer group
- offering vocational training programmes for older children
- organizing credit and other income-generating activities for parents.

***Link with local projects***

An enterprise can find out whether a programme of this nature exists in the area and encourage its child workers and their families to receive support. In India, for example, the government has established a number of National Child Labour Project societies at the district level, which bring together local stakeholders to combat the problem. The current plan is to expand the societies to 250 of the country's 600 districts. The ILO supports and works with these societies in several states.

**Encouraging microfinance and skills training**

Microcredit and savings and credit cooperatives can provide one or both parents with the start-up capital needed for an income-generating activity. The added income can reduce the need for the wages earned by a child.

***Income generation for parents***

Parents can engage in light trading, in service provision (e.g. tailoring), in the manufacture of wood, metal and other products and in food and agro-processing. Craft activities can serve the tourist trade. Effective microcredit provision is a complex undertaking that requires an experienced microcredit provider. It is often best to supplement credit with vocational training to increase the quality of the products produced. Microcredit is often less successful with the very poor. It is therefore important that families be properly advised and trained in the use of microcredit. An enterprise can therefore find out whether a microcredit organization operates in the area and, if so, encourage the parents of working children to join.

**Avoid discrimination**

Care is needed to ensure that this type of support is not discriminatory. One international agency provided microcredit as part of a programme in West Africa to return migrant child workers to their parents. However, other poor families who had not sent their children out to work were not given access to credit.

**Savings and credit schemes**

Alternatively, an employer might take the initiative in encouraging its workers to set up a savings and credit scheme. It can also provide or guarantee soft loans (i.e. at low rates of interest) to its employees to help cover education expenses, notably at the start of the school year when school fees are due.

## Improving wages and hiring family members

**Hire the child's parent or older sibling**

An enterprise owner may also look at his own operations and consider ways in which his pay or hiring decisions can help families. For example, if a parent and a child work for the same employer, the employer may be able to increase the parent's wages. Alternatively, if members of the family (parents, older siblings) are unemployed, these might be hired instead of the children or to fill vacancies.

### Box 2

#### Education for the children of rubber workers, Ghana

Ghana Rubber Estates Ltd. (GREL) employs about 2,500 people directly and indirectly on its plantations in the west of the country. In over 80 communities it provides social services including educational support to keep children away from work and in school.

GREL has established a school for pupils from Grade 1 to junior secondary school and helps to keep it running. In 2006, for example, the company provided about €7,000 to pay the salaries of some staff and maintain the building. In addition, every year it provides seven students with secondary school scholarships at a total cost of about €3,600. Also, as a result of a recent collective bargaining agreement each GREL employee is now entitled to an annual educational grant of about €18 to help pay their children's school expenses.

In delivering community support, GREL works through the Association of Chiefs on whose Land GREL Operates (ACLANGO). The company insisted that this organization be established (2004) so that it could efficiently channel company support to the community. GREL is a member of the Ghana Employers' Federation which has an active anti-child labour programme and works in conjunction with the ILO.

Source: Bureau for Employers' Activities, International Labour Office, Geneva.



## Supporting education

### **Supporting children and schools**

Enterprises can provide support for children's education either through scholarships, bursaries and stipends, or by providing funds to establish and improve schools near a plantation or a factory. Such support can be curative (to help child labourers) or it can be preventative (to ensure children stay in school).

### **Child allowance paid to parents**

Schooling can be unaffordable, and thus work is seen by parents as the obvious alternative. Removing these children from work does not mean that they will attend school. Thus, a second approach is for the business or farm to pay part (or all) of the costs of schooling. This may take the form of a nominal school allowance paid to all adult workers with school-age children or, alternatively, it can involve paying the entire fee for all under-age workers. A business may also establish a scholarship fund to which needy families can apply.

### **Box 3**

#### **A tea company builds schools, Malawi**

Eastern Produce (Malawi) Limited is the largest tea growing enterprise in the country, operating 15 plantations and 10 processing factories. It employs 16,500 workers during the peak season and 13,000 in low season. One quarter of all workers are women.

The enterprise does not hire anyone younger than 18. Signs indicating the ban on child labour are prevalent throughout its premises. The company runs schools on two of its plantations and it has supported the building or rehabilitation of classrooms, offices and teacher housing at other community and government schools nearby. Free health care is provided to all workers and their dependants from clinics on the plantations. The clinics are staffed by medical officers and registered nurses and are supported by a fleet of 17 ambulances.

In addition, the company participates in the District Child Protection Committee. Recognizing that HIV/AIDS is a major causal factor of child labour, it has instituted two workplace and community pilot programmes with Médecins Sans Frontières. In recognition of the gender dimension of child labour, it enforces an equal opportunity employment policy.

The enterprise is working with the Tea Association of Malawi and the Employers' Consultative Association of Malawi to eliminate child labour among its smallholder tea-leaf suppliers.

Source: Employers' Consultative Association of Malawi.



### **Examples from plantations in Africa**

Box 2 above provides an interesting example in which a rubber company in Ghana has built a school, supported teacher's salaries and offered scholarships. In addition, a recent collective agreement between the rubber workers and the company entitles workers to a yearly education grant for their children. Similarly, the tea producer, Eastern Produce Malawi Ltd., has established schools on its estates that allow parents to work while their children gain an education. As indicated in Box. 3, the Malawian company has also supported local and government schools located near some of the estates.

### **Skills training in Central America**

Companies in other parts of the world support education and skills programmes for disadvantaged youth. In Costa Rica, for example, a variety of enterprises and private donors support Cedes Don Bosco, the largest private educational centre in the country. It provides arts and trades training to thousands of students from lower income neighbourhoods suffering from desertion, drug addiction and violence in the southern part of the capital, San Jose. The training helps them to avoid drifting into hazardous work and the worst forms of child labour.

## **Paying wages while children attend school**

### **An incentive to stay in school**

For larger companies, the most direct method of reducing the number of full-time child workers is to transfer them to schools while continuing to pay their wages. This is similar to the third immediate action noted in Step 3, only here it applies to children working at or near full time. The reduction in work hours will thus be substantial. Because they are working many hours, these children may be an important source of income for the family. A business can decide to reduce the hours or take the child out of work altogether. For example, Levi Strauss, the clothing manufacturer, used such a strategy in the early 1990s after it discovered

## Box 4

### Paying for the transfer from work to school, Viet Nam

During the audit of a supplier's factory in Viet Nam, the sporting goods company Adidas-Salomon found inconsistencies in the recorded age of some workers. By asking workers their 'animal year' (symbol in the zodiac calendar), it was revealed that 200 out of the factory's 2,000 workers were below the age stipulated in the terms of employment. Adidas-Salomon developed a programme with Vérité, an NGO, and an educational coordinator. The steps taken required the factory to:

- pay the school fees and other costs for any worker under the age of 16 who agreed to go to school until the end of compulsory schooling
- continue to pay the average monthly wage of the child against proof of school enrolment until the end of compulsory education
- provide a job for the worker once compulsory schooling was completed
- allow young workers (16 and 17-year-olds) to continue to work, but on a reduced shift; they were paid the average wage of the previous year, when they had been working longer hours and being paid on a piece-rate basis.

Adidas-Salomon did not contribute financially to the programme, which was considered to be the responsibility of the factory. However, it did pay a quarterly advance for the factory's output to relieve its financing constraints. The education programmes were located on the factory premises, which facilitated the monitoring of the programme and the compensation scheme.

Source: 'Adidas-Salomon: Child labour and health and safety initiatives in Vietnam and Brazil', in L. Hartman *et al.* *Rising above the sweatshops: Innovative approaches to global labour challenges* (2003), pp. 191-236.



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under-aged girls working in factories in Bangladesh. The girls were taken out of work and placed in schools. Their wages continued to be paid as long as the girls attended school. Small enterprises, however, will certainly find it difficult to bear the costs of such support.

### **Examples from suppliers**

Similarly, when Adidas-Salomon, the sporting goods company, found that children were working at one of its suppliers in Viet Nam, the supplier was asked to remove the children from work and pay the costs of schooling. As outlined in Box 4, the supplier continued to pay the monthly wages of those children who could show proof of school attendance.

Step 4

## **Costs and the 'sunset' aspect**

### **Limited cost horizon**

Several of the above measures will result in additional costs for the enterprise. For an enterprise that decides to remove children from work by paying for schooling and/or continuing to pay wages, the costs will decline and then fall to zero. These costs thus have a 'sunset' aspect.

### **Gradual decline in costs**

They will be highest in the initial year and then decline over time as no additional children are engaged. For example, paying the wages of 14-year-olds who are transferred to school will add costs for no more than a year (if the legal age is 15). After the children turn 15 they will then have the right to work and will not require income support. The same is true for school fees which only need to be paid up to the end of compulsory schooling or the minimum working age. Both these wage and school costs will fall each year as more children reach the legal age and no longer require support. Furthermore, an enterprise that bans new under-aged hiring will be able to accurately budget for the annual cost because it knows how many children will need to be supported each year.



## The challenge for small enterprises

### ***Less capacity to support children in education***

Enterprises that are smaller will face much greater difficulty in balancing the requirements of eliminating child labour on the one hand, and on the other ensuring that the child and his/her family does not suffer from a loss of income. Most micro and small enterprises will find it difficult to pay for school fees or continue to make wage payments while former employees are in school. For them, the following steps might be more appropriate:

- **Seek out community groups**, NGOs or mutual support groups (savings and credit cooperatives) that can help families to maintain income.
- If only a few children are working in your enterprise, ask them to stop working and go to school but **agree to hire them back** when they reach the legal working age.
- Decide on a **phase-out** in which under-age hiring is stopped but children just below the minimum age of work (several months) can keep working until and after they reach that age.
- **Improve working conditions** so that the tasks done by children (or the conditions they work in) are no longer classified as hazardous work. This would apply particularly to the situation of children above the legal working age but below the age of 18.
- **Hire siblings or parents** instead (as suggested above).

The third point should only be used if external support is not available and the child provides valuable family income.

## Step 5: Eliminating the need for children in your business

### ***Affect on enterprise viability***

The elimination of child labour in most cases will not affect the ability of your business to remain in operation and earn a profit. Evidence suggests that this will be the case for larger firms, including those supplying international buyers.

### ***Cost savings in other areas***

International buyers note that adherence to child labour laws does not damage a supplier's bottom line. Suppliers that hire children are usually also enterprises that are not well managed. The two problems – child labour and poor management – tend to occur together. Therefore, cost savings can usually be found in other areas of the operation, notably in how production is organized, to offset any wage cost increase that may arise when children are replaced with older workers.<sup>1</sup>

### ***Difficulties faced by small enterprises***

The situation may be more difficult, however, for small firms. They tend to be more reliant on the cost savings generated from paying low wages to children. This includes the low wages – or no wages – paid to young family members. Here in Step 5, some suggestions are provided, notably for smaller firms, which can help to reduce the reliance on child labour.

### **Checklist**

#### **Reducing the need for child workers**

1. Mechanize tasks currently done by children \_\_\_\_\_
  2. Improve production layout \_\_\_\_\_
  3. Review the wage differential for children below and above the legal working age \_\_\_\_\_
  4. Replace child family labour \_\_\_\_\_
- \_\_\_\_\_

<sup>1</sup> This point was made by several international buyers who were asked about their experiences in the course of preparing this guide.



- 1. Mechanize**

Often children below the legal working age undertake tasks that can be done by machines. Replacing children with machinery is thus one way of reducing the child labour problem. Enterprises will need to sit down and assess the costs (including borrowing) and revenues associated with an investment in machinery. Micro and small enterprises may find it difficult to invest even small amounts in simple machines. They may need assistance in determining the benefits of making such investments and in accessing the necessary finance.

**May be part of a sectoral trend**

A general trend toward mechanization in a sector may itself reduce the demand for child labour (but also reduce employment opportunities for adult workers, unfortunately). The mechanization of agriculture in Egypt, combined with changes in crop choice, had a significant impact on reducing the demand for child workers. As explained in Box 5, in this case mechanization was not undertaken for the express purpose of reducing child labour, but it had that positive side effect nonetheless.
- 2. Improve production layout**

Production can also be made more efficient by rearranging the production layout. Depending on the situation, this may reduce the manpower requirement and, in some situations, the need to employ children. It is difficult to specify the precise situations in which improvements in the production process will lead to such reductions. Each enterprise can, however, consider the tasks that children do and consider whether they can be eliminated through better layout and possibly with some minor additions of machinery or adaptations of the workspace. ILO's WISE programme (Work Improvement in Small Enterprises) helps enterprises improve productivity through better working conditions, and might be used in the effort to eliminate the need for child labour.
- 3. Review the wage differential**

Misconceptions exist regarding the costs of eliminating child labour. If children are employed because they are cheaper to hire, the actual wage differential between hiring an individual below the legal work age and hiring someone above that age may be reviewed. In some cases, there may be little difference between, say, paying a 14-year-old and paying a 16-year-old. Regarding hazardous work, there may be little difference between the wages of a 17-year-old and those of a 19-year-old. Enterprises might also consider that the slightly older workers in these cases are likely to be more productive.
- 4. Reduce child family labour**

The owners of small enterprises and small farms often employ their own children. These children may not be paid or may be paid very little. This situation is very difficult to handle because the cost savings (of not paying for the labour) may be important for the farm or business operated by a poor family. Furthermore, balancing the education of children with the family workload is never easy. This is especially true when the workload varies with the agriculture cycle. The points made under the three sections above are relevant here. The family head(s) will need to consider whether the increase in cost that arises from hiring non-family members can be accommodated, and whether work can be reorganized to generate time and cost savings.

## Box 5

### Children, crop choice and mechanization, Egypt

Certain sectors are known to employ more children than others. However, it is often not the sector *per se* but the choice of the product and production techniques that determine labour demand. An interesting example is provided by the agricultural sector in Egypt.



Cotton has been the dominant crop for decades. The weeding and picking of cotton encourages the employment of children (by parents and in non-family hiring). However, in the 1970s and 1980s the sector diversified into other crops, notably fruit and vegetables, which generated less of a demand for child workers.

Furthermore a series of government policy initiatives increased the use of tractors and other machines throughout the sector. These initiatives included: low rates on diesel oil; an exemption on duty for machinery imports; favourable exchange rates for such imports; and low interest rates for equipment loans. The increased use of machinery reduced the use of animals in such tasks as ploughing, transport and waterwheel irrigation. Young boys, who were traditionally responsible for the animals, have seen the demand for their labour decline.

Source: Victor Levy, 'Cropping patterns, mechanization, child labour and fertility behaviour in a farming economy: rural Egypt', *Economic Development and Cultural Change*, 1985, vol. 33, no. 4, pp. 777-91.

## A common theme

### **Take a hard look at what children do**

The common theme linking the four measures above is that they all require enterprise owners to take a hard look at what children do in the workplace. Owners may find that children are not an indispensable part of their operations. What a child below the minimum age can do, so can someone over that age. Those owners may also find that by addressing the hazards in the workplace, they can reduce hazardous child labour. There may be cost implications for smaller firms, but those implications may not be substantial.

## Step 6: Eliminating child labour from the supply chain

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### ***Responding to bad publicity***

Legally, businesses are only responsible for their own hiring and employment practices. They are not responsible for whether other businesses engage child labour. However, businesses are linked in supply chains and the firms that are further downstream, i.e. closer to the consumer, are increasingly demanding that their suppliers upstream be free of child labour. Many international buyers will now only purchase from businesses that respect certain standards. Moreover, a buyer's requirements may be stricter than the national law.

### ***Brand name companies no longer produce – they buy***

Many common brand name companies in footwear, clothing and other sectors no longer manufacture their own products. For example, in the mid-1990s, Adidas, the clothing and sporting goods company, shifted from being primarily a producer of goods to a marketing firm buying from local firms located primarily in Asia. It currently sources from over 700 independent businesses. To avoid bad publicity, brand name companies in Europe, North America and elsewhere need to ensure that child labour is not being used by any of its suppliers or by any of its suppliers' suppliers.



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## Action Checklist

### A supply chain free of child labour

- |    |  |       |
|----|--|-------|
| a. | Screen prospective suppliers                         | _____ |
| b. | Make suppliers aware of your requirements            | _____ |
| c. | Write the conditions into the contract               | _____ |
| d. | Require ISO certification                            | _____ |
| e. | Monitor your suppliers                               | _____ |
| f. | Work with suppliers to improve conditions            | _____ |
| g. | Provide credible warnings                            | _____ |
| h. | As a last resort, drop suppliers that fail to comply | _____ |
| i. | Centralize home-based production                     | _____ |

#### **Long chains difficult to monitor**

Buyers of both finished goods and inputs find it difficult and costly to ensure that suppliers further up the supply chain are meeting agreed-on child labour and other standards.<sup>2</sup> This is particularly true when the number of suppliers is great (e.g. garment and agriculture sectors) and when the supply chain is long. International and domestic buyers have developed a number of methods to ensure that child labour is not used to produce the goods that they sell. The list of measures is given in the Action Checklist above, with the details provided in the narrative that follows.

#### **Screening prospective suppliers**

Buyers now seek suppliers who understand and share similar values concerning the problems of child labour. The initial screening includes checking conditions and practices at the premises of a potential supplier. Where enterprises have large numbers of suppliers in many countries, they usually have an approval procedure with specific requirements that need to be met before a business partnership can be initiated. The Indian carpet firm Obeetee Ltd. took very strong action to signal to suppliers that it would not tolerate child labour. The firm raised the income paid to weavers but at the same time demanded that they not employ children. The details of this example are provided in Box 6.

<sup>2</sup> Ivanka Mamic, *Implementing codes of conduct: How businesses manage social performance in global supply chains*, Geneva, ILO, 2004; and World Bank, *Strengthening implementation of corporate social responsibility in global supply chains*, Washington, 2003.

***Make suppliers aware of the requirements of your business***

New and existing suppliers are to be made aware that child labour will not be tolerated. Clear statements, delivered orally and in writing, and up-front discussion will ensure that there is no misunderstanding. The following aspects can be explained:

- the national legal minimum age of work and definition of hazardous work
- your standards as the buyer, if they are higher than the national legal standards
- reasons why suppliers must abide by standards that are higher than those required by the law
- agreement on transitional period and schedule of steps during which the supplier will need to remove child labour
- monitoring procedures
- consequences of non-compliance.

**Box 6**

**Raising wages for adult carpet weavers, India**

Carpets sold by Obeetee Ltd. are produced on more than 4,000 looms in about 1,000 Indian villages. The 10,000 artisans who weave the carpets far exceed the enterprise's direct work force of 600. In 1986 the Indian Government enacted legislation prohibiting the employment of children under the age of 14 in carpet weaving, except on the looms of the children's direct family members. The new law and negative publicity led Obeetee to put in place a systematic policy designed to ensure that no child labour would be used to make its carpets. Several actions were taken:

- wages were increased significantly as an incentive to loom owners to produce carpets without employing children
- an awareness campaign on child labour was conducted in the villages where the carpets were woven
- loom owners provided written assurances that they would not employ children under the age of 15 years (one year more than the statutory minimum of 14 years, to allow for problems in certifying a child's age)
- loom owners were given six months to eliminate child labour; after that time they would be blacklisted by Obeetee Ltd. if they employed children under 15 years of age
- a detailed monitoring system has been put in place (see Box 12, p. 48).

As a result of these efforts, no cases of a child working illegally in the production of carpets have been found for several years.

Source: Statement of V.R. Sharma, Managing Director, Obeetee Private Limited, at Labour Roundtable of International Finance Corporation, 9 October 2001 (<http://www.obeetee.com>).





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### ***Write the conditions into contracts***

Contracts with suppliers can set out the minimum age of employment, the hazardous tasks that cannot be undertaken by those under 18 and any other labour conditions. The consequences of breaching the conditions, including the possible termination of the contract, can be stated clearly to avoid confusion. While some buyers will terminate contracts with suppliers immediately when found in breach, most opt for constructive engagement with suppliers so that a programme of reform is put in place. Where verbal contracts are the usual practice – for instance when a mid-chain buyer purchases from a home-based producer and where literacy is a problem – the conditions need to be clearly explained and reiterated at subsequent meetings.

### ***Monitor your suppliers***

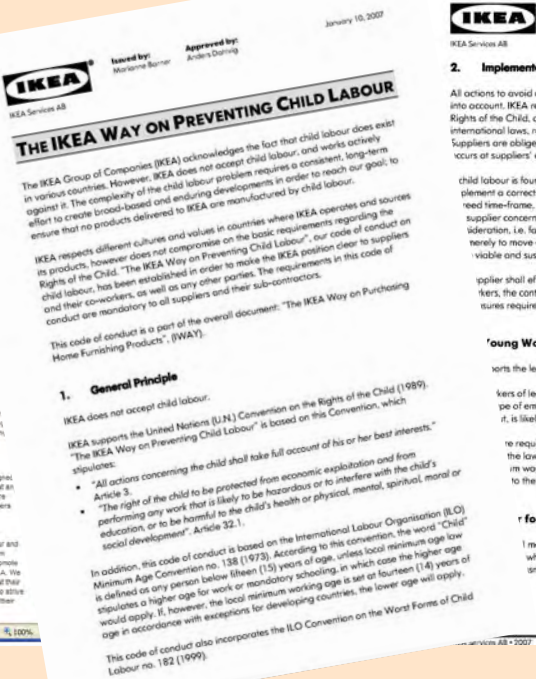
A monitoring system will ensure ongoing compliance with contract requirements. As a buyer, your business has several options: it may monitor suppliers itself; it may contract the function to an outside firm or agency; or it may rely on a trade or sectoral association. The issues of monitoring are dealt with in greater detail in Step 8.

### ***Work with suppliers to improve conditions***

If child labour is detected, it is not necessary to immediately abandon the supplier. If a supplier is reliant on your purchases, abandonment can cause layoffs, including those of children, thus making their situation worse. Furthermore, the abandonment of a supplier can disrupt your flow of supplies and buyers tend not to drop suppliers if their supplier network is small. Instead, the supplier can be given time and support to remove children from work. Other organizations may be brought in to help with the transfer of children from work to school. The furniture retailer IKEA forbids the use of child labour by its suppliers and if child labour is detected, then a corrective plan is required and implemented by



© IKEA



the supplier. The plan must take into consideration the child’s best interests, including the family and social situation and level of education.<sup>3</sup>

**Provide credible warnings**

The supplier needs to know that you are serious about child labour. It can be made clear that if concrete steps are not taken to eliminate the problem, then contracts will be terminated and no new contracts issued. In the case of IKEA, if the corrective plan is not implemented in the agreed time frame or there are repeated violations, then the company will terminate all business with the supplier. This is one example and different companies have different approaches. For example, the corrective steps to be taken may be set out in the contract, or they may be elaborated once child labour is detected.

**Drop suppliers that fail to reform**

If a supplier does not make serious efforts to solve the problem, then the buyer may have no option but cancel contracts and drop that supplier. In 2001, for example, Adidas dropped 32 suppliers, three per cent of its suppliers worldwide, for non-compliance with the company’s ‘Standards of Engagement’. These standards set criteria for suppliers in the areas of labour, health, safety and the environment. It is rare that an enterprise resorts to taking legal action against violators. It has happened, however, that concerned enterprises have reported to the authorities cases of bonded child labour, of sexual exploitation and of children performing extremely dangerous tasks.

<sup>3</sup> ‘The IKEA Way on Preventing Child Labour’, 01.07.2005, www.ikea-group.ikea.com

## Home-based production

### ***Children working at home may not be banned by law***

In some countries, national legislation prohibits work by children outside the home or the family business. The law, however, is usually silent about children working inside the home or the family business. The underlying assumption is that, in such cases, the parents will exercise the necessary supervision and that a ban would be unenforceable. Some countries do not regulate the work of children in the agricultural sector. In that sense, work carried out by children in these settings generally falls in the category of legal work by children. Whether the work in these situations is hazardous depends on the tasks children carry out, the materials they use, the number of hours they work and so on. It is left to parents to protect their children. Regardless of what the law states, international buyers will still want to be sure that their products are not made by children at least below the age of 15, regardless of whether that work is done at home or not.

### ***Difficult to monitor***

Home-based work for international buyers generally involves piecework that does not require much machinery. The stitching of footballs is the common example. It has been difficult to ensure the absence of child labour because mothers (the common home-based producers) share the work with their children. These homes can be spread over a very wide geographical area. In this case, an option is to centralize production into company facilities so that labour conditions can be monitored (see Box 7).



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## Box 7

### Centralized football stitching, Pakistan

About three-quarters of the world's footballs (soccer balls) are produced in the industrial city of Sialkot in Pakistan. The major brands, including Nike, Adidas and Reebok, are produced there by local companies on contract. The stitching of footballs is done by hand. Until the 1970s this work was conducted in factories, but after strikes and the imposition of strict labour legislation, the work was contracted out to home-based stitchers, notably women.

In the mid-1990s, non-governmental organizations found that under-aged children were stitching balls alongside their mothers. This tarnished the image of the major brands and the sport in general. In 1997, the Atlanta Agreement created a partnership between producers, the Sialkot Chamber of Commerce and Industry, the ILO and UNICEF. The agreement led to the centralization of production into stitching centres, a ban on child labour, internal monitoring and external verification systems and the establishment of education programmes. By 2000, about 1,800 stitching centres were operating and 6,000 children were attending education centres.

Child labour is not present at the stitching centres but there is still concern that footballs are made by producers not covered by the programme, and also that some families have lost income as a result of the changes.



Source: *A Future without Child Labour* (Geneva: ILO 2002) and Clean Clothes Campaign ([www.cleanclothes.org](http://www.cleanclothes.org)).

#### **Being sensitive to the needs of women**

Centralizing production can have negative consequences, however. Women workers may not be able to leave their homes due to child-care responsibilities. Furthermore, religious and local customs may forbid them from working alongside men. These challenges can be overcome with careful planning, however, notably in providing child care at centralized facilities and creating separate work areas for men and women. These two practices were used in the Sialkot football case.

## Step 7: Using a code of conduct

### Various names for these codes

Over the past 15 years, more and more enterprises have adopted formal statements containing ethical principles that govern their conduct.<sup>4</sup> These are commonly called codes of conduct, but other terms are also used, including: business principles, ethics statements or guidelines, vendor standards and sourcing guidelines.

### Driven by media and consumer attentions

This trend has been driven to some degree by multinational enterprises responding to media campaigns and pressure from consumers and the general public to 'clean up their act'. This pressure followed well-publicized incidents in which brand name enterprises were linked to unethical behaviour or substandard performance with respect to labour conditions, especially child labour, and other matters such as the environment.

### Common in export industries

Codes are especially common among multinationals in the textile and apparel, and footwear and sporting goods sectors, and are increasingly being used in the agricultural, food, tobacco, retailing, mining, hotel and tourism industries. Many codes make direct reference to international standards. For example, IKEA, the furniture retailer, bases its code directly on the UN Convention on the Rights of the Child, the ILO's Minimum Age Convention (C. 138) and the ILO's Worst Forms of Child Labour Convention (C. 182).<sup>5</sup>

The screenshot shows the SAI website with the following content:

- SAI SOCIAL ACCOUNTABILITY INTERNATIONAL** logo and tagline: "Promoting the human rights of workers around the world."
- Navigation menu: About Us, SA8000, Stakeholder Collaboration, Events and News, Ethical Sourcing Resources, Get Involved.
- Left sidebar menu: About Us, SA8000 (SA8000 Certification, SA8000 Trainings, Accreditation, Documents and Revision, Global SA8000 Programs, Other Standards, Auditors, Consultants, Public Education, SA8000 Around the World, SA8000 Testimonials), Stakeholder Collaboration, Events and News, Ethical Sourcing Resources, Get Involved.
- Main content area: "Overview of SA8000" with a photo of a field and a list of bullet points:
  - Factory-level management system requirements for ongoing compliance and continual improvement.
  - Independent, expert verification of compliance by SAI-accredited certification bodies.
  - Involvement by stakeholders including participation by all key sectors in the SA8000 system: workers, trade unions, companies, socially responsible investors, nongovernmental organizations and government.
  - Public reporting on SA8000 certified facilities and Corporate Involvement Program (CIP) annual progress reports through postings on the SAI website.
  - Harnessing consumer and investor concern through the SA8000 Certification and Corporate Involvement Program by helping to identify and support companies that are committed to assuring human rights in the workplace.
  - Training partnerships for workers, managers, auditors and other interested parties in effective use of SA8000.
  - Research and publication of Guidance in the effective use of SA8000.
  - Complaints, appeals and surveillance processes to support the system's quality.
- Bottom section: "SA8000 Elements" with the text: "The SA8000 Standard is an auditable certification standard based on international workplace norms of International Labour".

<sup>4</sup> See the IOE position paper on Codes of Conduct, adopted by the IOE General Council, Geneva, 1999.

<sup>5</sup> The IKEA Way on Preventing Child Labour', 01.07.2005, www.ikea-group.ikea.com



**Part of a broader code**

Some companies have a distinct code dealing with child labour, while others include the issue in a broad code on social responsibility that includes other issues such as the environment. BASF, the chemicals company, has gone a step further. In 2004 it incorporated internationally recognized labour and social standards and its opposition to child labour and forced labour directly into its corporate Principles.<sup>6</sup>

**Not all firms will opt for a code**

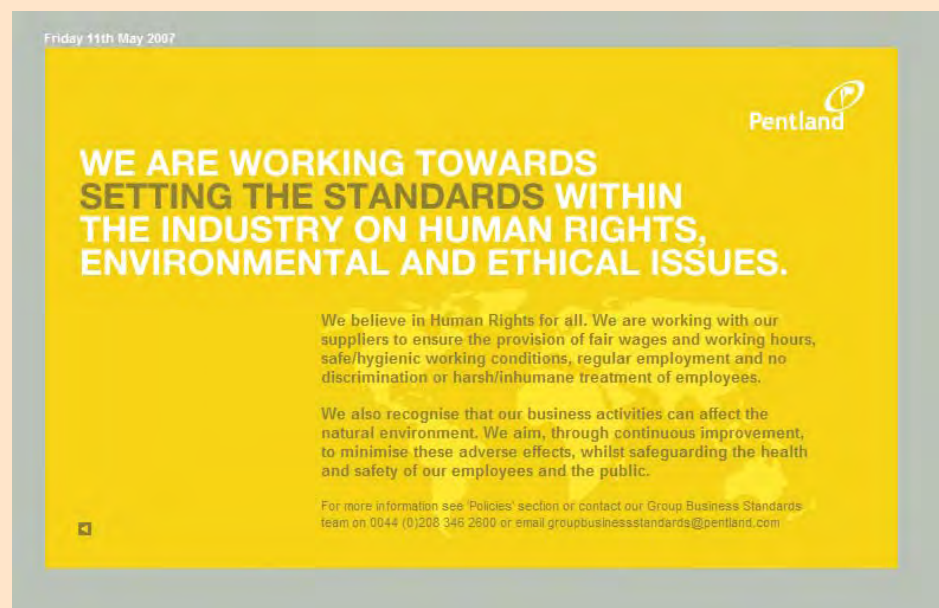
A code of conduct can have multiple purposes. Along with promoting labour standards and improved productivity, such codes can enhance a company's reputation, attract investors, and make it easier to recruit qualified and motivated staff. Enterprises that are small and not oriented to international markets may decide not to have a written code of conduct, but nonetheless have an unwritten policy against the hiring of children and have informal procedures for handling the situation if an employee is found to be under-age.

**Enterprise codes**

**Labour component based on international standards**

An enterprise may wish to state its approach to child labour in a corporate code of conduct. Such a code, which is a voluntary initiative on the part of the enterprise, can be either solely dedicated to child labour or include child labour as part of a larger code that includes other labour, social and environmental issues. The labour component can be based on international labour standards.

Two examples of child labour clauses in codes of conduct, from The Body Shop and Pentland Group, are provided in Box 9. In reading these clauses, it is clear that they are based on international labour standards



<sup>6</sup> See BASF's corporate website.

## Box 8

### Surveying the codes of conduct

In 1998, the Council on Economic Priorities (forerunner of Social Accountability International – SAI) surveyed 360 enterprises, 13% of which were found to have a code of conduct that covered child labour. Those which were found to be the most inclusive and use the strongest language were: Toys R Us (toys), Reebok (shoes and sporting goods) and three apparel companies, Phillips-Van Heusen, Gap and Levi Strauss. The latter's Global Sourcing and Operating Guidelines (1991) represented one of the first codes adopted, and it was also one of the first codes to apply child labour provisions to business partners further up the supply chain.

By the end of 2005, SAI had certified 881 companies and organizations under its SA8000 programme which includes a range of labour standards, including a ban on the use of child labour and remediation for children found in employment.

Source: Council of Economic Priorities, 'Research Report' (New York: 1998), and SAI website ([www.sa-intl.org](http://www.sa-intl.org)).

as set by ILO conventions. Pentland Group, which includes such brands as Speedo, Lacoste and Ellesse, provides a very detailed clause in its Group Code of Employment Standards for Suppliers.

**Internal objective: coherence**

A code of conduct dealing with child labour fulfills two objectives: one internal and one external. Regarding the internal aspect, a written code allows the owners and senior managers to indicate their seriousness about child labour and to establish policy coherence. Through the code, all employees, but notably those involved in recruitment, can be made aware and reminded of the policy regarding child labour, of procedures for screening in the recruitment process and of steps to be taken to remove children from work or young workers from hazardous conditions. A code reduces confusion and makes infractions easy to spot.

**External objective: demonstration**

Regarding the external aspect, a code of conduct allows a business to indicate to others that the business does not employ child labour. This can be especially important when attempting to secure new customers, notably buyers for whom compliance with international labour standards, including child labour, is an important issue.

**Limited credibility**

It is true however, that a self-designed and self-enforced code of conduct may provide only a limited amount of credibility with buyers or other outsiders. While it will indicate that an enterprise has considered the issue and put down a policy in writing, there is no guarantee, however, that this code is being enforced. Stronger proof may be required that the code is supported by a system of monitoring. Step 8 is dedicated to the issue of monitoring and related issues.

## Box 9

### Two examples from codes of conduct

'Child labour shall not be used. 1. There shall be no new recruitment of child labour. 2. Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; 'child' and 'child labour' being defined in the appendices of Purpose, Principles, Programme: Ethical Trade Initiative membership information. 3. Children and young persons under 18 shall not be employed at night or in hazardous conditions. 4. These policies and procedures shall conform to the provisions of the relevant ILO standards.'

#### The Body Shop

'4: Child labour is not used. 4.1: There is no recruitment of child labour. 4.2: If any incidence of child labour is identified in the supplier's industry and region, the supplier shall initiate or participate in a programme to transfer any children involved in child labour into quality education until they are no longer children. 4.3: No one under eighteen years old is employed at night or in hazardous work or conditions. 4.4: In this Code, 'child' means anyone under fifteen years of age, unless national or local law stipulates a higher mandatory school leaving or minimum working age, in which case the higher age shall apply; and 'child labour' means any work by a child or young person, unless it is considered acceptable under the ILO Minimum Age Convention 1973 (C138).'

#### Pentland Group

Source: [www.thebodyshopinternational.com](http://www.thebodyshopinternational.com); [www.pentland.com](http://www.pentland.com)

## Group of enterprises

### **Industry initiative**

An enterprise can participate in a collective policy statement by an employers' organization or a group of enterprises. In most cases this will be a grouping of enterprises in the same industry or sector. There are many sectoral codes, notably in: textiles, clothing and footwear; tropical agricultural products; mining, petroleum and forestry; and hotel and tourism. The sectors where child labour has been more of an issue generally devote more attention to the subject. This issue is dealt with in Guide 3 on employers' organizations.

## Multi-stakeholder initiatives

### Enterprises, with NGOs and others

A multi-stakeholder initiative (or coalition) brings together enterprises with non-governmental organizations, trade unions or other organizations around an issue or set of issues. In some cases, it may focus on labour and environmental issues and adopt a code of conduct for its members. The Fair Labour Association is a prime example in this regard, bringing together enterprises, NGOs (labour rights, human rights, women and consumer rights organizations) and universities. It promotes and monitors international labour standards, including those related to child labour, through a detailed labour rights code of conduct that is adhered to by members. For enterprises, such initiatives enhance credibility because the standards set by the code are often more demanding than those of enterprise codes.<sup>7</sup> A typical multi-stakeholder initiative is global in coverage and encompasses monitoring arrangements in addition to the code itself.

### Question of credibility

### Equator Principles

A code of conduct developed by a multi-stakeholder initiative may be supported by an international organization. For example, the Equator Principles is promoted by the International Finance Corporation, part of the World Bank Group. As illustrated in Box 10, the Principles are adopted by banks and relate to lending for large-scale private or public projects.

An enterprise may adopt its own code of conduct and also adhere to a code set by a multi-stakeholder initiative.

<sup>7</sup> Mamic, op. cit., p. 61.

## Box 10

### Banks, project financing and child labour

The global banking community has developed a code of conduct called the Equator Principles. The principles include a range of environmental and social criteria, although they only relate to project finance and situations in which the new financing exceeds US\$10 million. Typical projects of this nature would include power plants, chemical plants, mines, transport infrastructure and so on. Some 41 financial institutions have adopted the principles including Citigroup, JPMorgan Chase, Scotiabank, Dresdner and Barclays.

The principles, agreed in 2002 and updated in 2006, were developed by the International Finance Corporation, part of the World Bank Group. The section on child labour requires that a bank seek to ensure that its borrower does not employ children “in a manner that is economically exploitative, or is likely to be hazardous or to interfere with the child’s education, or to be harmful to the child’s health or physical mental, spiritual, moral or social development”. It does not set a minimum age requirement for work, but does say that individuals below the age of 18 should not be engaged in dangerous work.

Sources: [www.equator-principles.com](http://www.equator-principles.com); [www.ifc.org](http://www.ifc.org)

## International Framework Agreements

### **Agreements with global unions**

In recent years, multinational enterprises have been signing agreements with global union federations that deal with a host of labour issues including child labour. These ‘international framework agreements’ have been signed by such companies as Volkswagen (with the International Metal Workers) and France’s energy company EDF (with the International Federation of Chemical, Energy, Mine and General Workers’ Union). Each agreement, which is in effect a code of conduct, covers all local operations and subsidiaries of the multinational and can relate to its suppliers. These agreements are a recent but fast-growing part of the international labour relations environment. Some 35 of the 39 agreements in place by mid-2005 were signed since 2000. All but two of them include provisions regarding child labour.<sup>8</sup> Most agreements involve European companies. Thus, a large enterprise can point to such an agreement to demonstrate its commitment to ensuring that it does not employ child labour.

### **Mostly Europe-based companies**

<sup>8</sup> See *International Framework Agreements: An Employers’ Guide* (IOE, Geneva), updated, Sept. 2005.



## Living up to the code

### Words and action

A code is a standard to follow. The code is not only worthless if not followed, but worse: it can make a company look hypocritical. Non-governmental organizations, and especially the media, can create considerable bad publicity by demonstrating the difference between the code and actual practice. Box 11 provides some useful tips on setting – and adhering to – a code.

### Box 11

#### Tips for setting a code of conduct

In considering establishing a code of conduct, an enterprise might consider the following:

- *Behaviour counts more than words.* While a code can encourage good behaviour, it is the behaviour rather than the code itself that is important. Thus, enterprises that have a code of conduct are not necessarily better than those that do not.
- *Fix the problem before setting the code.* Failure to deliver on the commitments made in a code will usually have more of a negative effect than a failure to formulate a code.
- *Communicate internally first.* It is usually a mistake to issue a policy statement unless provision is made to communicate it effectively to managers and workers and to train them on its implications.
- *Internal codes often end up in the public domain.* Even if the code is not intended as a public document, it can easily enter the public domain, notably through the media and non-governmental organizations. Thus, write the code and follow it as if the public will know about it.



## Step 8: Auditing, monitoring and certification

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### ***Certification and proof to buyers and consumers***

To ensure that a business or a supplier does not employ child labour, some type of assessment can be made. A single assessment is generally referred to as a social audit. A series of repeated assessments is generally called monitoring. Auditing and monitoring are conducted internally or by outsiders, and several approaches are described in more detail below. Monitoring can take place every two weeks, every month or for whatever period the enterprise decides. The terms 'monitoring' and 'auditing' are often used interchangeably; for simplicity, 'monitoring' is used in this section.

### ***Must be credible***

Monitoring has two purposes. Firstly, it acts as a detection and verification system. It lets the enterprise know that it is free of child labour or, if it is not, it provides information on the nature and extent of the problem. This knowledge can be used to take remedial action. Secondly, monitoring is an assurance mechanism that provides proof to buyers and consumers that an enterprise is free of child labour. Following an assessment, an enterprise may be certified as free of child labour either by the auditor itself, or by an organization that approves of the audit.

### ***Assuring others***

A monitoring system must be reliable but in the case of child labour the system must be especially credible to satisfy this second purpose of assuring others. Once that credibility is broken, however (e.g. the media or an NGO finds that children are employed where it was claimed they were not), then the credibility of the monitoring system and the enterprise involved is damaged.

### ***Main types***

Several methods have been developed to enhance the credibility of monitoring. The main method is to allow the monitoring to be conducted by a third party that is neither the enterprise itself nor a buyer. Some companies use both their own internal system of monitoring and an external process conducted by a credible outside organization. The various types of assessment are provided below.

### ***Internal monitoring***

As its name suggests, internal monitoring is a system in which the enterprise monitors itself. Also known as first-party monitoring, it is the easiest to manage but may lack credibility. If the company is large, with manufacturing plants, mines or plantations spread over several countries it can be an important system to ensure that all units are in compliance with the company's policy on child labour.



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### ***Buyer monitoring***

A second approach, known as buyer or second-party monitoring, refers to a process in which a buyer monitors its suppliers. It is used both by international buyers relative to their producers, and by domestic producers who subcontract to other enterprises. It can often be difficult to operate if there are many subproducers, and can result in tensions with these suppliers. However, there are many good examples. See the example in Box 12 of a layered system of buyer monitoring used by a carpet firm in India.

### ***External monitoring***

With external monitoring, an enterprise contracts a firm or organization to monitor its worksites or, more commonly, those of its suppliers. This is an example of third-party monitoring but, because the monitored firm is paying, the process may lack a degree of credibility. Such credibility will, however, be higher if the third party is respected for its assessments.

### ***Independent monitoring***

Independent monitoring is like external monitoring, except that the process is not organized or paid for by the enterprise. A trade association or an NGO takes on these responsibilities and either conducts the monitoring itself, or engages a firm or another body. The fact that the enterprise does not pay means that the results are not likely to be biased in any way.

### ***Certifying auditors***

International concerns regarding labour practices have led to the development of multi-player systems of auditing and monitoring. In these arrangements, non-profit organizations that are respected in the area of labour practices certify or accredit others to undertake assessments. The Fair Labour Association and Social Accountability International are two of the key organizations in this respect. (These organizations also do monitoring themselves.) When an enterprise or a trade association engages one of the accredited auditors, the assessment has the support of FLA or SAI. This means that, even though an enterprise may engage and pay for an auditor itself, the assessment is highly credible. Appendix 1 lists some accredited auditors.

## The monitoring process

### ***Making an accurate assessment***

Regardless of the method chosen, all monitoring systems must overcome several key issues. These include: the difficulty of ascertaining a child's age; the falsification of documents; and the possibility that children will be temporarily taken out of the work places when an inspection visit takes place. Suppliers have developed techniques for putting on a false show for auditors by hiding their child workers or diverting such workers from export production to domestic production worksites. These problems can be overcome by employing surprise checks and monitoring all the enterprise's worksites.

The mechanisms used to audit an enterprise include:

- review of relevant documents, such as enterprise's stated policy, documentation on workers' age and time sheets.
- interviews with management and workers, and sometimes with other parties such as NGOs or community representatives
- on-site inspections (announced and surprise).

### **Box 12**

#### **Carpets and inspections, India**

Obeetee Ltd., the Indian carpet brand, works with 4,000 loom operators in about 1,000 villages. To ensure that child labour is not used, it has established a detailed monitoring system that includes the following:

- 2-4 inspectors are employed at each of Obeetee's 21 depots (buyer centres)
- each loom operator is inspected at least once every 15 days
- executives at the depots carry out surprise checks and must certify to senior management each month that no children were illegally employed by the loom operators
- a special unit at headquarters carries out further surprise inspections on each loom at least once every 60 days
- a database records the names, ages and addresses of the weavers and of the loom owner's children
- loom owners must register with the government-sponsored Carpet Export Promotion Council (this allows any customer to determine on which loom a carpet was produced).

As a result of these efforts, no cases of a child working illegally in the production of carpets for Obeetee Ltd. have been found for the past several years.

Source: Statement given by V.R. Sharma, Managing Director, Obeetee Private Limited, at the Labour Roundtable, International Finance Corporation, October 9, 2001 (<http://www.obeetee.com>).



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### ***Complaints procedure for workers***

It is rarely possible to employ a monitor full time in the workplace. However, the people who are present on a continuous basis are managers and workers, and they can report the use of child labour in their workplace. This can be done in part through the trade union or similar workers' organization, where they exist. A complaints procedure could be incorporated into monitoring arrangements. Multi-stakeholder initiatives, such as the Clean Clothes Campaign, the Fair Trade Coalition and Social Accountability International, have been developing this aspect of complaints. Multi-stakeholder initiatives generally provide only limited information to the public about working conditions in specific audited factories.

## **Social labelling**

### ***Labelling products, not enterprises***

A social label relates to a product or service, not to a specific enterprise. The label is provided on the packaging or takes the form of a tag on the product itself. A label related to child labour indicates to the consumer that child labour was not used in the production of that good. Social labelling has been used to good effect for rugs and footballs – sectors which have had a reputation for employing children. Social labels are also used for environmental standards, bio products and fair trade practices (such as paying a just price to small coffee producers). The label is voluntary and usually backed by the credibility of an industrial association or social group and a monitoring system. It aims to work through market forces, the premise being that the end consumer will, if properly informed, reward the producer for respecting ethical standards in its work.



**Label must be recognized**

The label depends on consumer recognition, which requires some type of information campaign. The sponsoring organization carries out such a campaign, provides a financial link between producers and consumers, supplies or organizes monitoring services, and often carries out developmental activities in the local communities. Financing for these activities may come from the producers who benefit from the scheme, from the elimination of middlemen or from a premium price paid by the final consumer. An example of social labelling for carpets is provided in Box 13.<sup>9</sup>

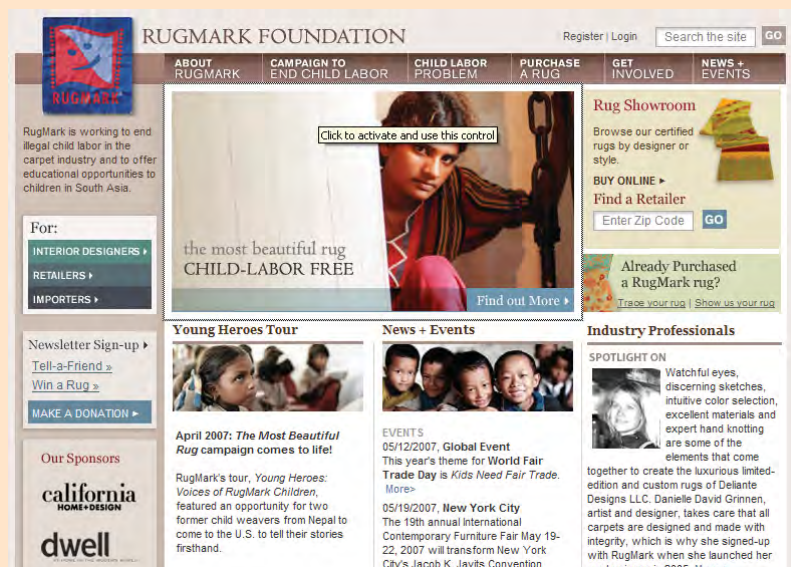
**Building credibility**

As with other types of monitoring, social labelling needs to be credible. When a claim is made that no child labour has been used to make a product, the discovery of a single infraction can, if well publicized, undermine the label’s credibility. Some schemes do not make such an absolute claim. In view of the difficulty of ensuring 100% compliance, that is a realistic policy. But, if the claim to be free of child labour is qualified, it complicates the task of convincing the consumer to be faithful to the product, especially when a price premium may be involved.

**Other reporting mechanisms**

**Global Reporting Initiative**

One multi-stakeholder initiative that has gained some prominence in recent years is the Global Reporting Initiative. The GRI has been in existence since 1997 and has been an independent organization since 2002. The GRI has produced the Sustainability Reporting Guidelines, which cover environmental, social and financial issues, and are used on a voluntary basis. Hundreds of organizations, mostly multinational enterprises, are registered in the GRI’s database. The section on child labour makes specific reference to the ILO’s Minimum Age Convention (C. 138) and addresses issues of monitoring. The most current version of the reporting guidelines is available at: [www.globalreporting.org](http://www.globalreporting.org).



<sup>9</sup> For a short and clear overview of the subject, see Janet Hilowitz, “Social labeling to combat child labour: Some considerations”, *International Labour Review* 136,2 (Summer 1997).

## Box 13

### The case of Rugmark

The number of children working in south Asia's carpet weaving industry has declined from one million to 300,000 over the past decade. Rugmark International has played a role in that decline. It has used social labelling to encourage consumers in North America, Europe and elsewhere to make ethical choices when they purchase carpets.



Rugmark monitors producers and certifies them as free of child labour. In India alone, the organization inspects 64 looms each day and a total of 16,000 per year. Certified producers can use the 'Rugmark' label on their goods. Some 15% of all carpets imported into the United States, the world's largest market, now carry the label.

Fees paid by producers to Rugmark, along with donations, are used to finance social programmes. The organization has helped to release 3,000 children from work and provide them and other children with schooling at 14 education centres (schools, rehabilitation centres, vocational training centres). These centres are run in collaboration with local communities in India, Pakistan and Nepal. Children may also attend other private or public schools, and money may be provided for fees, books, uniforms and materials.

Source: [www.rugmark.org](http://www.rugmark.org)

## A note on dealing with the media

### **Media as an ally**

The media will often report instances of non-compliance with the law or with codes of conduct. High-profile enterprises with brand name products have been exposed by the media for using child labour in their supply chains, even though they may not have known that the practice existed. Because media reports can damage an enterprise's reputation, it is important to engage the media constructively. Attempts to conceal evidence on the employment of children can backfire if later found out.

### **Plan a media strategy**

Enterprises are well advised to have a policy toward the media and most large ones do. The nature of the policy will depend on the type of enterprise, its size and its geographical coverage. Smaller enterprises may feel that little media attention is best. Some enterprises have used an open approach to the media to good effect. These firms argue that they have done their best to rid their factories and their suppliers of child labour, but that if the practice is occurring they want to hear about it so that corrective action can be taken. This more open approach to the media is currently used by Nike (see Box 14).

## Box 14

### Nike's experience with social reporting

Nike began increasing its monitoring after cases of bad labour practices became public in the mid-1990s. In 1999, the company began making a list of supplier factories available to the Fair Labour Association (FLA). A year later, it disclosed on-line the names of suppliers making college and university licensed products and, in 2001, it published its first Corporate Responsibility Report.

During this time, the company was battling a legal action charging that its public statements on labour practices at its suppliers constituted false advertising. The case was settled out of court in 2003, with Nike donating US\$1.5 million to the FLA.

In 2005, it released its much delayed second Corporate Responsibility Report, which was reviewed prior to publication by a panel of senior experts from labour, business, NGOs and academia. Simultaneously, Nike listed (on-line) the names of more than 700 factories that manufacture its products.

The report noted that Nike conducted 569 in-depth audits of contract factories in 2003 and 2004, with an additional 50 audits conducted by the FLA. A range of issues were audited. Nike's own audits found that violations of minimum age standards – which it defines as age 18 for footwear and 16 for apparel – are rarely found. The finding is consistent with FLA audits.

The report concluded that monitoring on a factory-by-factory basis will not greatly improve working conditions in the industry. Instead, multi-stakeholder partnerships are needed to create transparency of the industry's supply chains. Nike said it released the names of supplier factories to: i) increase the visibility of shared suppliers, allowing buyers to reduce duplication of monitoring and increase the effectiveness of remediation; ii) make monitoring less cumbersome for suppliers; and iii) promote common standards and transparency.

Sources: [www.nikeresponsibility.com/reports](http://www.nikeresponsibility.com/reports); *Financial Times*, "Nike makes the step to transparency", 13.04.05, "Nike ushers in a new age of corporate responsibility", 20.04.05.



## A reminder: child labour in society

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### **Monitoring society, not just the workplace**

Monitoring focuses on the workplace, not on children. Monitoring or single audits may establish that no under-age children are present at a workplace. It does not, however, indicate what children are doing. The ILO programme on child labour, known as IPEC, has developed monitoring arrangements that shift attention from the withdrawal of children from work to the identification, rehabilitation and tracking of child workers. It is part of an effort to create a society free of child labour, and not solely specific industries that are child labour free.<sup>10</sup> Assessment and verification are conducted both in the workplace, and also in schools, training centres and communities. These systems have been used in Bangladesh, Cambodia, and Central and East Africa.

### **Governments are still responsible**

Furthermore, voluntary initiatives have developed in large part because the government regulation of child labour, or indeed social dialogue alone is not effective. Voluntary monitoring is useful, but governments are still responsible for enforcing child labour legislation where it exists.

<sup>10</sup>Yukiko Arai, *CLM—towards establishment of effective and sustainable mechanisms*, ILO, November 2001.



## Appendix 1: Independent auditors

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An enterprise can engage a third party to conduct a social audit of its operations. The auditor can be a private business or a non-profit organization that will check for child labour and review the conditions of young workers. Such auditors are also engaged by employers' organizations and multi-stakeholder initiatives.

In turn, these auditors may be accredited – given the stamp of approval – by recognized international bodies with expertise in this area. The organizations and firms listed below, except for one, are accredited either by the Fair Labour Association or by Social Accountability International. The FLA accredits commercial and non-governmental organizations on a country-by-country basis, while SAI certifies mainly commercial organizations on a global basis. Other reputable auditors exist that are not listed here.

***Please note that neither the International Labour Organization nor the International Organisation of Employers endorses the organizations listed below or the services they provide. The list is provided here only as a starting point for enterprises.***

- Verité is one of the key non-profit monitoring organizations, but it is not accredited by FLA nor SAI. Established in 1995 and based in the US, it works through a global network of NGOs and has performed more than 1,000 factory audits in some 65 countries. Its inspections include recommendations to management for corrective action and remediation, and it includes education and training for management and workers ([www.verite.org](http://www.verite.org)).

### **FLA accredited monitors**

- A & L Group Inc. is a labour inspection firm based in New York that is accredited by FLA in Mexico, Colombia, Dominican Republic, Honduras and the US.
- Phulki is an NGO based in Bangladesh which focuses on securing better working conditions, especially for women factory workers and slum children. It is accredited to monitor all the FLA code elements in the country, except for Freedom of Association.
- Cal Safety Compliance Corporation (CSCC) provides monitoring along with social responsibility education and training and is accredited in the US.

- Cotecna Inspections is based in Geneva and is accredited by FLA in Argentina, Brazil, Colombia, Costa Rica, El Salvador, Mexico, Peru, Dominican Republic and the US.
- COVERCO (Commission for the Verification of Corporate Codes) was formed in 1997 as a non-profit consortium of individuals from Guatemalan civil society and various professions to provide independent code monitoring. It is accredited to monitor the full FLA code in Guatemala.
- Bureau Veritas is a global testing and monitoring firm that is accredited in China (including Hong Kong and Macau), India, Indonesia, Philippines and Thailand.
- Global Standards/Toan Tin Global Standards is a code and compliance standards consulting firm that is accredited to monitor in China (including Hong Kong and Macau), South Korea, Thailand and Viet Nam.
- Grupo de Monitoreo Independiente de El Salvador (GMIES) is a civil society initiative formed in March 1996 to promote social responsibility and decent working conditions through independent monitoring. It is accredited to monitor the full FLA code in the country.
- Kenan Institute Asia is a joint American/Thai non-governmental organization based in Thailand that promotes cross-sectoral partnerships in environmental protection, economic development, labour standards and better business practices. It is accredited for China, Malaysia and Thailand.
- LIFT-Standards is a labour standards monitoring and consulting firm based in Bangladesh that is accredited for that country.
- Société Générale de Surveillance (SGS) is a Geneva-based global provider of testing, monitoring and verification services. It is accredited in China (including Hong Kong and Macau), India, Pakistan, Turkey and Viet Nam.
- T-Group Solutions is a labour compliance monitoring firm that is accredited in India and Sri Lanka.

***SAI certification bodies***

- Bureau Veritas Quality International, United Kingdom  
[www.bvqi.com](http://www.bvqi.com)
- CISE (Centro per l’Innovazione e lo Sviluppo Economico), Italy  
[www.lavoroetico.it](http://www.lavoroetico.it)
- CSCC (Cal Safety Compliance Corporation), United States  
[www.cscconline.com](http://www.cscconline.com)
- DNV (Det Norske Veritas), Hong Kong, China  
[www.dnv.com](http://www.dnv.com)
- Intertek Testing Services, United States  
[www.intertek-labtest.com](http://www.intertek-labtest.com)
- RINA SpA (Registro Italiano Navale Group), Italy  
[www.rina.org](http://www.rina.org)
- RMTUV Asia Pacific Ltd., Thailand  
[www.rwtuv.com](http://www.rwtuv.com)
- SGS-ICS, Belgium  
[www.sgsgroup.com](http://www.sgsgroup.com)
- TUV Rheinland Group, Hong Kong, China

# Eliminating Child Labour

**Guide One**    **Introduction to the issue  
of child labour**

**Guide Two**    **How employers can eliminate  
child labour**

**Guide Three**    **The role of employers' organizations  
in combating child labour**

**Employers and Child Labour** is designed to help businesses and their organizations understand and take action against child labour. The three practical guides provide ideas, advice and examples for the prevention of child labour, the withdrawal of children from work and the protection of young workers from hazardous conditions.

The package will be a key resource for the executives, directors and managers of employers' organizations and other business associations that wish to engage on this important and sensitive issue.

The guides focus on developing countries and provide examples of enterprises and employers' organizations that have taken concrete action, either by themselves or in cooperation with the International Labour Organization, donors and other local, national and international organizations.

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