

Ethical CORPORATION

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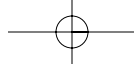
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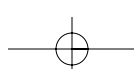
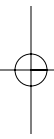
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Child labour and cocoa

Raw materials, raw issues and progress

Deborah Leipziger considers a multi-stakeholder scheme – the International Cocoa Initiative – and its efforts to eliminate child labour from cocoa production

Corporate social responsibility is entering a new phase in which sector-specific initiatives are becoming more common and starting to deliver real results.

The International Cocoa Initiative (ICI) is a leading example of this new breed of partnership: a collaboration that brings together companies and civil society in both the northern and southern hemispheres. Its members include Mars, Hershey Foods, Nestlé and Cadbury-Schweppes, and represent a large portion of the cocoa-related industry.

These companies partner with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF), the International Confederation of Free Trade Unions and non-governmental organisations including Free the Slaves, Global March and the Consumer's League.

Unlike many partnerships, the ICI has a very specific – yet extremely challenging – goal: the elimination of the worst forms of child labour and forced labour in the cocoa sector. Also unlike many corporate social responsibility initiatives that seek to build reputation, this issue has the immediacy that goes with protecting reputation, particularly important for high-profile branded products associated with luxury.

When the ICI was founded in 2002, it faced a strategic choice. It could have taken the easy way

out by creating small projects, seeking localised impact and feeding public-relations demands.

Instead, ICI chose to address the causes of these practices through real engagement over the long term to make the changes in the sector sustainable. In many ways, this choice is the same one for companies deciding on a corporate social responsibility policy. By taking a long-term view to create structural change, the ICI is an innovator in both the corporate responsibility and development fields.

Unacceptable

The ICI takes as a starting point that the worst forms of child labour and forced labour as described in the relevant international conventions are “simply not acceptable”. Customers are understandably horrified that chocolate can be associated with child labour, even indirectly.

However, as in many extended supply chains, cocoa companies were not cognisant of the extent to which child labour existed in a sector where there are over 1.5 million smallholder farms supplying cocoa in West Africa alone.

The supply chain is the pressure point for the cocoa sector, as both suppliers and brands have a mutual self-interest to ensure a sustainable supply of raw materials that is reliable over the long term and untainted by bad practices. Companies are therefore willing to invest in their supply chain

A key barrier to change is that in many developing countries, while there may be strong legislation to prevent child labour, enforcement is weak

Lessons learned from the ICI experience

Setting expectations and creating an environment that leads to change

- Create an enabling environment, with legislation that supports the goals for change.
- Empower local communities to understand the concerns and make their own decisions.
- Don't raise expectations; real social change takes time.
- Consider how to foster larger social changes that will reinforce your programme goals.
- Understand the gaps in training and other programmes.
- Recognise that social change often requires cultural changes and heightened awareness.

Communications

- Analyse the need for change at several levels within the supply chain: at the community level, local level and national level.
- Engage with a broad range of actors within national governments in developing countries. Government needs to drive the process, but companies need to inform and encourage the process.
- Identify leaders who will inform their constituencies about the initiative.
- Use local media, such as radio, dance, theatre and other vehicles to address social norms.
- Remember that as they are better understood, problems may get worse before they get better.
- Avoid development jargon, and present things in a way that creates effective dialogue.

Internal challenges for partnerships

- Be strategic about which countries you will operate in. At the start, pick those countries in which your product/commodity is an integral part of the economy.
- Local presence on the ground is vital.
- Focus on productivity and combine the social imperative with business goals.

Addressing the worst forms of child labour will require the involvement of all key stakeholders and significant commitment from the international community

beyond the need for quality product. But how can companies engage with their suppliers to create positive social change?

To Peter McAllister, executive director of the ICI, governments of producer countries are key, being the primary guardians of their citizens' rights. He says: "There are two routes for industries operating in the developing world concerned with social impact. The first is to create bubbles of good practice, for example mining companies have typically done this around their operations. With this option, you make a bit of the world better, but this rarely prompts larger societal change.

"Another approach is to broaden the scope of their impact and to innovate in the social arena. This approach – the ICI approach – requires the creation of an enabling environment to be complemented with real action programmes."

The ICI is working with various ministries and civil society in cocoa-producing countries to develop an approach that will change practices across the sector by addressing the root causes of child labour.

A framework for change

Working in partnership with governments the International Labour Organisation and Unicef, local trades unions and NGOs, the ICI asks: "What are the causes of child labour? What is being done? What is missing? Who is best placed to drive change?"

A key barrier to change is that in many devel-



Local customs respected

oping countries, while there may be strong legislation to prevent child labour, enforcement is weak. Another barrier is that child labour is confused with culturally acceptable practices. Partnerships that include industry can help to focus attention on these issues and promote a willingness to create the relationships and dialogue that can drive change.

An example is the provision of training to help police and local authorities to understand and utilise the existing laws. While it would be difficult for a company on its own to train police or to assist in the development of a legal system, a partnership is well positioned to build this capacity.

A community-based approach

In order to drive social change, the ICI works at three levels: with local NGOs, with local government, and with national ministries. What makes these initiatives different from some corporate social responsibility partnerships is that they focus on action, not just dialogue. At the national level, the ICI works with international organisations.

This includes the ILO, Unicef and the German Technical Co-operation Organisation. These partners, with members of the cocoa industry in Ghana and the Ivory Coast, have created the environment for change. This has meant, for example, co-sponsoring efforts in both countries to develop national action plans for addressing child labour.

At the community level, ICI established a pilot programme with 30 communities where cocoa is a main product. In these communities, a process of dialogue takes place resulting in community-owned plans to address child labour. The ICI approach recognises the concerns of cocoa-producing communities and supports them to take the lead in deciding on and managing change.

The resulting activity means that communities own the changes in practices and improvements that they work towards rather than relying on an external force for change, as is the case in many approaches.

According to McAllister, "people change only when they decide to and can see real benefit set against the risks that change often entails. Sustainable change must therefore be in the hands of local people."

In these pilot communities and working through local partners, the ICI has fostered the following changes.

- The worst forms of child labour were identified in all the pilot villages and measures have been taken to eliminate hazardous practices.
- Fifty-one teachers have been appointed and six classroom blocks have been built, with the major part of the resources coming from the communities themselves.
- More than 1,500 children have been enrolled in school.
- Support is being provided to centres that rehabilitate victims of trafficking.
- Practices have changed: children may still help on the family farm, respecting local culture, but with attention paid to health and safety. As an example, children are banned from the workplace when pesticides are being sprayed.

Through its work, the ICI is altering the labour mix, where parents pick up some of the tasks that were once performed by children so that children can attend school. As a result of these efforts, there has been a clear demonstration that practices can be changed, but there remains the challenge of scaling this effort up in Ivory Coast, Ghana and other cocoa-producing countries in the region.

What does change look like?

When you ask McAllister if child labour has decreased as a result of the ICI's work, his answer is: "A start has been made but the closer one gets to a problem like this, the more one uncovers its magnitude ... In the first few years, we created an enabling environment to support change with the local and national networks. The small community-based pilots are demonstrating that change can happen and now we can scale up.

"Only once there is an enabling environment and effective social infrastructure is it possible to see meaningful change across the scale that the cocoa sector demands."

One of the major changes resulting from the project is that companies no longer question the need to work on advocacy. Industry did not realise the complexity of the child labour issue and that a regular business approach may not apply in the social arena. At the same time, business methods have made a positive contribution in addressing child labour.

According to John Long, vice-president of Hershey: "It's important that businesses understand the challenges of working to drive positive social change in their supply chains. Problems can be complex, solutions take time, and effective partnerships are indispensable.

"For cocoa, the ICI provides both a very effective framework for working with local governments and NGOs, and solid capacity to deliver on-the-ground



ICI has helped build six classroom blocks

change. Industry support of programmes aimed at improving farmer incomes and access to education helps extend this work, improving the broader context in which West African children and their families live."

McAllister has a message for companies: "Take action before the media get hold of the social problems inherent in complex supply chains, but do it thoughtfully. If you wait until the issue is in the political arena, it will be more expensive and much more difficult to create the partnerships needed for real change.

"Conduct due diligence before the cameras put their spotlight on the activities of your company."

The road ahead

The ICI has ambitious plans. Having demonstrated an effective approach in Ivory Coast and Ghana, the ICI will expand its work to include other countries in the West Africa region and undertake investigative work in the cocoa-producing regions of Asia in 2007 and then of Latin America.

The ICI has changed the debate in the industry from problem-management to effective engagement. Two years ago, companies did not understand that they could have a role to play in developing the capacity of countries such as Ghana and Ivory Coast to address child labour. They now understand that the role they can play is not just philanthropic but good business sense.

Initiatives such as the ICI are paving the way for major changes within the development community. Most development projects are child-labour-blind. In order to scale up the work of the ICI, bilateral and multilateral initiatives must be more aware of their impact on children.

While the long-term goal is to eliminate all child labour, addressing the worst forms of child labour will require the involvement of all key stakeholders and significant commitment from the international community. By pioneering new approaches and engaging industry, the ICI can continue to provide useful lessons for other sector initiatives and for companies and governments seeking to address the complex issue of child labour. ■

The ICI approach

The ICI operates at three levels: community level, local government and national government.

Communities are the authors of their future

- At the community level, there is a need to build skills and to create a process.
- With NGOs, discuss what will help to trigger social change. For example, the ICI works with Hope for Humanity, a group that focuses on water in Ghana.

Local government plays a key role in providing services

- At the district level, ICI works to brief and train local actors on the needs of children. The local authorities together with civil society need to ensure social service provision is in place.

National ministries set the context and goals

- Assist national ministries in developing goals and targets in a national action plan.
- If necessary, assist in drafting adequate legislation. Government is often in denial that there is a problem despite having made commitments through international conventions.

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