



# Good Practice Note

## Addressing Child Labor

### In the Workplace and Supply Chain

According to International Labour Organization (ILO) statistics published in May 2002, there are an estimated 352 million children aged 5-17 engaged in some form of economic activity around the world. Of these 352 million, 246 million are either (i) below their country's minimum age for employment; (ii) working in occupations that jeopardize the physical, mental or moral well-being of a child; or (iii) working as slaves, prostitutes or bonded laborers.

Experience shows that the existence of harmful child labor across many industries in the developing world is often rooted in complex historical and livelihood practices which themselves hinge upon broader issues of poverty and society. Work that is hazardous to the health of a child or interferes with the child's education can have significant long-term effects on the development of both the child and ultimately of society by producing successive generations of adults who lack the basic skills needed to function in a modern economy. This downward cycle is often perpetuated by adults who, having worked as children themselves, submit their own children to the same life pattern.

While there are many actions a private sector company can take on its own to tackle the problem

of child labor, there are also situations where a single actor needs to work in concert with others. Action against harmful child labor tends to be most effective when it involves a range of stakeholders

*Companies are increasingly working together with government and civil society to address complex issues such as child labor.*

from the public and private sectors as well as civil society. Government has a role to play in drafting and enforcing laws and providing educational opportunities. Civil society performs a valuable function by filling gaps in government services and by lending a voice to community concerns. Companies are increasingly working together with government and civil society to address complex issues such as child labor.

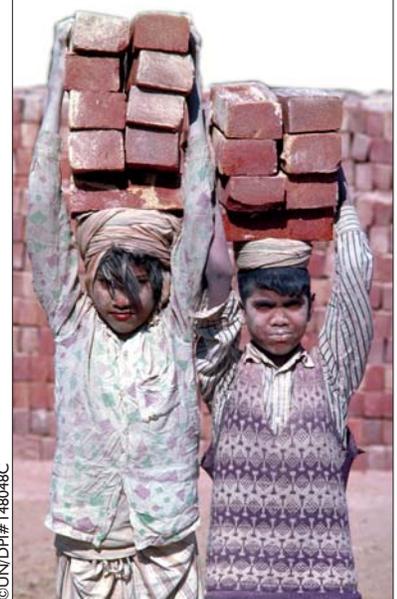
This Good Practice Note does not constitute policy or contain policy requirements; rather its purpose is to share learning and experiences with a private sector audience. (For IFC-financed projects, policy requirements for sponsors may be found separately in IFC's *Policy Statement on Forced Labor and Harmful Child Labor, 1998*.) The Note seeks to provide companies who are interested in the topic with a range of basic, good practice approaches that other businesses have successfully applied in addressing the issue of harmful child labor in their own workplaces and those of their vendors and suppliers. Many companies are now targeting child labor in the context of promoting good workplace practices. This is a learning process for many

Environment and Social Development Department



**INTERNATIONAL FINANCE CORPORATION**  
World Bank Group

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## Defining What Is Harmful

A number of international agencies have established minimum standards with regard to children and work. IFC's approach is guided by UN and ILO standards.

### **Worst Forms of Child Labor (ILO Recommendation 190)**

- (a) work which exposes children to physical, psychological or sexual abuse;
- (b) work underground, under water, at dangerous heights or in confined spaces;
- (c) work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- (d) work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
- (e) work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

### **UN Convention on the Rights of the Child**

"States Parties recognize the right of the child to be protected from economic exploitation and from performing any work that 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."

### **IFC Policy Statement on Forced Labor and Harmful Child Labor (1998)**

"Harmful Child Labor consists of the employment of children that is economically exploitative, or is likely to be hazardous to or interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral or social development."

companies which means that approaches are continually evolving and results are mixed. Many of the examples cited in this Note come from publicly available sources such as company websites. IFC has not verified the accuracy of such information nor the companies' practices, and in many cases it is simply too soon to judge whether implementation of various measures and programs has been successful.

Given the variations across countries and cultures, there is no "one size fits all" approach to tackling child labor issues. First and foremost, companies should adhere to national and local laws in the country of operation. How to do so, while addressing the various dimensions and complexities of the issue, is a challenge for which this Note tries to provide some guidance. Companies must exercise judgment in selecting which practices, or combination of practices, are best suited to eliminating harmful child labor in their particular context.

## What Constitutes Harmful Child Labor?

While not all work undertaken by children is harmful to them, many jobs considered harmless to an adult can have detrimental impacts on children due to their special physiological needs. Employing anyone under the age of 18 requires careful consideration. The first step for any company is to comply with relevant laws concerning the minimum age for employment. Beyond this, employers must be certain that employees under age 18 are not exposed to conditions harmful to children. To do this effectively, businesses need to be aware of the sectors in which child labor tends to be most

*Many jobs considered harmless to an adult can have detrimental impacts when undertaken by a child.*



## Global Regulations on Child Labor

Several international instruments relevant to child labor have been developed by the UN and ILO. The UN Convention on the Rights of the Child, ILO Convention 138 and ILO Convention 182 are the major international instruments in this area.

**UN Convention on the Rights of the Child (1990)** Ratified by all but two countries. Defines child as anyone under the age of 18. In addition to prohibiting the harmful employment of children, this convention requires signatories to (i) provide for a minimum age of employment; (ii) regulate hours and conditions of work for children; and (iii) penalize those who contravene the above-referenced regulations.

**ILO Convention 138 (1973)** Ratified by 116 countries. Convention 138 sets a universal minimum age for employment at 15 (14 in countries "whose economy and educational facilities are insufficiently developed").

**ILO Convention 182 (1999)** Ratified by 117 countries. Convention 182 calls for the immediate elimination of the worst forms of child labor and defines a child as anyone under 18. Worst forms include: (i) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (ii) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (iii) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; (iv) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

*For references to the full text of these conventions, please see "Useful References," page 20.*

prevalent, the specific types of activities that are hazardous to children, and whether employment interferes with access to education. (For examples by sector see Table A, page 18.)

In addition to national and local laws, there are a number of UN and ILO Conventions and accompanying documents that set minimum standards regarding the employment of children (please see box on page 2). The 1990 UN Convention on the Rights of the Child provides a definition of what constitutes the harmful employment of children, while the 1999 ILO Convention 182 and its associated Recommendation 190 define and prohibit the "worst forms" of child labor. In 1998, IFC adopted a policy statement based on the UN Convention's definition.

## What Are the Implications for the Private Sector?

Aside from the motivation to be good neighbors and valued members of their communities, members of the private sector are increasingly compelled by business considerations to address issues such as child labor.

### Product Differentiation

In today's global marketplace, the power of socially and environmentally conscious consumers cannot be underestimated. Companies are expected to supply quality products and services and to do so through responsible social and environmental practices, while encouraging the same of their contractors. There is a growing trend among companies to employ socially responsible practices as a means of attracting and retaining customers.

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*Part of the reason harmful child labor persists in many parts of the world is that people do not recognize its potential for long-term damage.*

Whether it is fair-trade coffee, conflict-free diamonds or child labor-free soccer balls, an increasing number of businesses are differentiating and branding their products along these lines in order to gain market advantage over competitors.

### **Development of Future Workforce**

Human capital is an essential element of any company. Private firms need a healthy, educated and well-motivated labor force as well as a prosperous consumer base to facilitate production and market growth. The use of child labor can undermine these objectives by distorting labor markets, limiting the growth of human capital, and negatively impacting society as a whole. The private sector can best meet its own long-term needs, and at the same time serve its community, by helping to eliminate harmful child labor.

### **Reputational Risk**

Companies accused of exploiting child labor — either in their own operations or in those of their suppliers — risk serious harm to their reputation and consequent loss of market share. Several highly publicized cases in recent years have demonstrated that while controlling the behavior of suppliers is a difficult task, it is nevertheless vital to a company's reputation.

### **Misperceptions about Cost Savings**

Children are sought for work for a number of reasons, the most frequently cited of which are dexterity and lower cost. However, research indicates that these advantages are more perceived than real. Children, in general, have a shorter attention span and low quality control appreciation. These factors result in higher product rejection rates, which in turn offset any labor cost savings or advantages due to size or dexterity.

## Addressing the Issue in the Workplace

Taking a pro-active approach by anticipating and preventing labor problems is often the best way for a company to ensure that it does not find itself engaged in or condoning poor practices like harmful child labor. Promoting culture change often requires leading by example. This entails actively communicating company values both internally and externally, educating employees on the issue, putting in place a system of implementation that supports policy objectives, vigorously monitoring this system to ensure results, and working with government and civil society towards achieving a common objective. The following section provides Good Practice pointers for companies trying to address the issue at various stages of the process.

### **1 Raising Awareness**

 Educate families, communities and local business owners about the detrimental aspects of child labor. Part of the reason harmful child labor persists in many parts of the world is that people do not recognize its potential for long-term damage. Private companies, as influential members of the community, can often have the greatest impact by raising awareness within local communities about the consequences of child labor, and by demonstrating a commitment to end such practices.

 Inform communities and local employers about national and local legislation pertaining to child labor and penalties involved for violating the laws



Small business owners, local employers, and families may not be aware of existing laws pertaining to minimum age requirements and conditions for the hiring of children. Creating awareness of these regulations and the punitive measures employers may face for breaching them can be an important first step in addressing the issue.

In 1986, the introduction of the “Child Labour (Prohibition & Regulation) Act” by the Indian Parliament led **Obeetee**, a leading Indian carpet manufacturer and exporter, to take action both internally and externally to change attitudes toward children in the workplace. A major campaign was initiated to create awareness about child labor in villages where the carpets were woven. Obeetee executives themselves traveled from village to village informing the loom owners and heads of households, in the local language, of the main provisions of the new “Child Labour Act.” They emphasized the detrimental impacts on children as well as the severe penalties under the new legislation for the use of child labor. They underscored the commitment of Obeetee not to buy carpets made by children.

## 2 Policy Development

☞ Identify and comply with all relevant national and local labor laws

Even the smallest companies should be aware of local and national regulations relating to child labor and have a labor policy that, at minimum, requires legal compliance.

☞ Develop a Company Policy

A company's policy should prohibit harmful child

labor in its own workplace and the workplaces of any suppliers doing business with the company.

**Wal-Mart**, a top U.S. general merchandise retailer, states the following in its *Supplier Partner Standards*: *Wal-Mart will not tolerate the use of child labor in the manufacture of products it sells. Wal-Mart will not accept products from Vendor Partners that utilize in any manner child labor in their contracting, subcontracting or other relationships for the manufacture of their products. No person shall be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.*

[www.walmart.com](http://www.walmart.com)

☞ Make Policies Positive rather than Punitive

Policies that support children at risk by assisting them to leave harmful work without loss of essential individual or family income, or by helping them combine education with income-earning opportunities (where they are of legal age to work), tend to be most successful because they not only address the immediate situation but begin to deal with the roots of the problem.

☞ Make Policies Participatory

Soliciting employee input and involvement in the development of a corporate policy can help to build ownership and shared accountability for the issue at all levels of the company.

Soliciting employee input in the development of a corporate policy can help to build ownership.



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## The Challenges of Age Verification

Establishing the age of job applicants remains a major challenge in many parts of the world. Many companies working in countries where birth records are non-existent or a recently adopted practice have had to devise their own means for determining age.

In its 2001 Corporate Responsibility Report, Nike relates its experiences in verifying the age of workers in its partner manufacturers in Cambodia. There, a factory manager seeking to comply with national law and Nike Code of Conduct standards “must deal with a bewildering set of documents presented by a worker, including a record of family births and deaths (the ‘family book’), a district registration, voter’s registration, and a medical certificate. All carry some form of official stamp. And each can be purchased on the black market for the equivalent of \$5.”

So long as public records remain unreliable, this challenge will remain for employers seeking to avoid hiring children. Some strategies for addressing the issue include requiring multiple forms of written documentation, requiring prospective employees to undergo medical examinations prior to hiring, carrying out interviews with candidates whose age appears questionable, issuing photo identification cards to all employees, and maintaining a database to flag underage job applicants.

*Establishing the age of job applicants remains a major challenge in many parts of the world.*

## 3 Implementation

- Create procedure for age verification of applicants as part of hiring policy
- Establish protocol for how to respond when harmful child labor is detected (see p. 8)
- Communicate the policy to employees, suppliers/contractors and the community
- Obtain support of senior management and provide training to all senior staff
- Cultivate a core group of committed staff to act as “champions” of the issue
- Provide training and awareness programs for employees at all levels
- Build accountability by assigning clear responsibilities at all levels
- Reward staff for their efforts toward eliminating harmful child labor
- Create a mechanism by which employees and others can report violations with the assurance of confidentiality

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**Wal-Mart** requires that a copy of its Supplier Partner Standards is posted in a location visible to all employees at all facilities that manufacture products for Wal-Mart Stores, Inc. The company has recently established a toll-free phone number (accessible outside the U.S. as well) to allow manufacturers' factory employees and others to report possible violations of Wal-Mart's supplier standards directly to Wal-Mart.

[www.walmart.com](http://www.walmart.com)

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## 4 Monitoring

- Actively monitor and enforce company policy through in-house monitoring and independent verification



Even the best policies can run into problems during implementation. For this reason, monitoring and enforcement are critical components of any program aimed at regulating the use of child labor. There are three general types of monitoring a company can employ: internal, external, and independent.

**Internal monitoring** is conducted by company staff. The company will train members of its own staff on the requirements of the labor policy and then empower these employees to conduct inspections of workplace facilities and practices.

**External monitoring** is generally conducted by auditing firms. A company will hire the auditor to inspect and monitor its workplace facilities and practices.

**Independent monitoring** is generally carried out by non-governmental organizations or other interest groups. In this case, the monitors are normally not paid by the company. This is generally believed to lend greater independence and credibility to the monitoring process and its results.

## 5 Forging Partnerships

Partner with other companies and organizations

When it comes to tackling child labor issues, private sector companies need not go it alone. In fact, some of the more successful initiatives have been the result of partnerships in which businesses have come to together with communities, government agencies, NGOs and international organizations to work toward a common objective. Companies often find that there are existing programs, run by

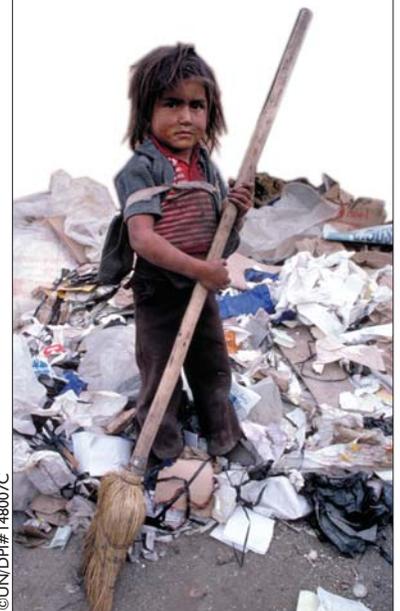
the public sector or non-governmental organizations, that can provide resources to assist children and advise companies on how best to handle the particular issues they face.

*In 1995, the **Bangladesh Garment Manufacturers and Exporters Association (BGMEA)**, in cooperation with the **ILO's International Program for the Elimination of Child Labour (IPEC)** and **UNICEF**, embarked on a program to free the country's garment industry of child labor and provide displaced child workers with access to schooling. The joint agreement provided for: (i) a survey to identify underage children in BGMEA factories; (ii) removal of children under 14 from work and transfer to specially created schools; (iii) provision of stipends (as income compensation) to former child workers; (iv) enrollment of children in vocational skill training programs; and (v) an independent monitoring and verification system. [www.bgmea.com](http://www.bgmea.com)*

*While the design of this program is a clear example of good practice, implementation has presented many challenges. ILO and UNICEF are currently evaluating the initiative to draw lessons for companies confronted with similar concerns.*

*Brazilian businesses are required to contribute to **SESI (Serviço Social de Indústria)**, a federal social services agency that routinely establishes Centers of Worker Activities (*Centros de Atividades do Trabalhador*) in cities around the country. However, in the shoe district of Novo Hamburgo, the Sapiranga facility has been converted into a school for children in the community who would otherwise be employed in the shoe industry. The education is free and as an additional incentive for parents to send their children to school instead of work, SESI provides a R30 per*

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month coupon (US\$ 17) to each family per child enrolled (up to a maximum of three children per household).

**Muramati**, a Kenyan tea exporter, is active in the lush tea growing areas of Kenya. Child labor is not uncommon in the country with children often working in plantations and agriculture as well as in many other sectors. Against this backdrop, Muramati has adopted a campaign against harmful child labor as part of its outreach program. In doing so, Muramati works closely with an NGO, the **Child Welfare Society of Kenya (CWSK)**. CWSK's mission is "to ensure survival and protection of all children and to facilitate their participation and development to their full potential." With the support of ILO and IPEC, it launched the Child Labor Program that seeks to end child labor and help children from needy backgrounds who are rescued from forced labor conditions. The program provides assistance in the form of formal and technical education. Muramati supports this program in two ways: it provides student loans and it creates employment opportunities for these individuals once they have attained the legal age to work.

## How to Respond When Child Labor Is Detected

### Good Practice Objectives

- ☞ Release children from work that is harmful
- ☞ Enrol them in school
- ☞ Reintegrate children with their families and communities in cases where they are alienated from them
- ☞ Provide alternative income generating activities for the parents or other adult relatives of those children who are relieved from harmful work
- ☞ Address the physical and mental health of children working under harmful conditions
- ☞ Create conditions that remove the need for children to do harmful labor
- ☞ Protect and educate children who work legitimately
- ☞ Identify safe work with fair wages and healthy working conditions for working children who meet minimum age requirements

The easiest response to harmful child labor — to simply send the child away — can sometimes be the worst response. Most children work out of real or perceived necessity, and therefore may be pushed to take work in even worse conditions. This poses a real dilemma for employers who discover child labor in the workplace or supply chain.

Children who are of legal age to work should be removed from work that is physically or psychologically damaging, but kept on the payroll while a solution is found. In some cases, the "harmfulness" lies in the number of hours worked rather than in the work itself. In this case, a simple reduction in hours may solve the problem. Where educational opportunities exist, giving these children



time to attend school is a crucial consideration, but in situations where educational facilities are poor or non-existent, a training or apprenticeship arrangement might have a better long-term effect. In cases where all activities in a company's operations are potentially harmful to children, the company should help the child find other employment or — sometimes an easier answer — offer employment or skills enhancement to adult family members so that the family can supplement income lost from the child not working.

Underage children, on the other hand, should not be permitted to continue working, but where possible, every effort should be made to address the economic roots of the problem and ensure that a child simply does not move into a similar or worse circumstance. As demonstrated in the good practice example by Levi Strauss & Co. and its contractors, one solution may be to maintain the salaries of underage children provided they attend school and hire them back once they have reached the legal age and completed their education. Another possibility may be to work with government agencies or NGOs who often have ongoing programs targeting underage and school age children.

*In the early 1990s, **Levi Strauss & Co.** discovered that some of its contractors in Bangladesh were employing a number of underage girls in their factories. Realizing that these children and their families desperately needed the income and that dismissal might force the girls into more precarious circumstances, Levi Strauss & Co. worked with its contractors to find an appropriate solution. The contractors agreed to stop hiring underage workers but continue to pay the girls' salaries on the condition that they go to school. In addition, they committed to*

*hiring the girls once they had finished their schooling and were of a legally employable age. For its part, Levi Strauss & Co. paid for the girls' tuition, books and uniforms.*

[www.levistrauss.com](http://www.levistrauss.com)

## Managing Supply Chain Risks

Businesses which do not permit harmful child labor practices in their own workplaces may nevertheless find themselves confronted with it in their supply chain. This is particularly problematic given that companies have much less control over the practices of their suppliers, yet can be directly affected by them in terms of reputational risk. While harmful child labor can be found in both formal and informal sectors, a much greater risk is posed by suppliers in the informal sector where conditions are less regulated. The situation is especially difficult to control where the work is a traditional family activity or contracted out to the household or domestic sphere. (See box on Family-based Child Labor in the Agricultural Sector, page 10.)

Companies have used a range of methods to manage supply chain risks related to child labor. These include everything from legal agreements, certification programs and vigorous monitoring, to providing suppliers with training assistance and monetary incentives to improve their workplace practices.

### 1 Selecting Quality Suppliers

Perhaps the first and most obvious way for a company to manage its supply chain risks is to carefully select the partners with whom it does

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*Companies must be prepared to terminate business agreements with partners who do not demonstrate a willingness to comply.*

business. Choosing suppliers who share similar values and checking their workplace practices and facilities in advance can go a long way toward preventing problems down the road. Companies that do business with multiple suppliers often have a formalized vendor selection process whereby vendors have to meet a series of stringent requirements before they are approved.

## 2 Contractual Agreements

One method commonly used by companies is to include a clause prohibiting the use of harmful child labor in contractual agreements with suppliers and

contractors. For this to be effective, monitoring mechanisms must be put in place and companies must be prepared to terminate business agreements with partners who do not demonstrate a willingness to comply.

*In Brazil, the fuel distribution industry is required to include a certain percentage of alcohol in its gasoline. Sugar cane is the primary raw material used in alcohol production and children are often involved in harvesting sugar cane. As a fuel distributor and operator of close to 4,000 gasoline retail stations throughout the country, **Shell Brasil** must purchase alcohol from a network of local distilleries. To address*



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### Family-based Child Labor in the Agricultural Sector

Globally, the prevalence of child labor is highest in the agricultural sector. In this industry, it is very common for children to work as part of the family unit. Parents expect and often need their children to help out in the fields and plantations. Children often view the opportunity to work as a right of passage indicating maturity, and for all those involved, extra hands translate into extra wages.

ILO Convention 138, which sets the universal minimum age for employment, recognizes the special circumstances presented by family-based child labor. Article 5 of Convention 138 states: “The provisions of the Convention shall be applicable as a minimum to the following: mining and quarrying; manufacturing; construction; electricity, gas and water; sanitary services; transport, storage and communication; and plantations and other agricultural undertakings mainly producing for commercial purposes, **but excluding family and small-scale holdings producing for local consumption and not regularly employing hired workers.**”

Due to the special circumstances surrounding family-based labor practices, working with small-scale suppliers such as family-owned cooperatives or smallholder farms may require a slightly different approach from that applied to other supply chains. Given the difficulty in enforcing practices throughout such a dispersed supply chain of family-run businesses, special emphasis needs to be given to awareness raising and education within local communities. Parents are often unaware of the concerns surrounding harmful child labor and the potentially damaging consequences of such work — including long hours — on their children. Experience indicates that targeted awareness programs designed to inform households and communities of child labor's consequences are more effective in ensuring a healthy balance between children's labor inputs and their educational needs than are external attempts to police and enforce standards. However, periodic monitoring is still required to assess whether increased awareness is indeed improving the conditions under which children work within the family.



the issue of child labor in the sugar cane industry, Shell, in 1999, became the first gasoline distributor in Brazil to introduce a standard clause in its contracts with distilleries prohibiting the use of child labor on the part of its suppliers. This is backed by the company's commitment to cancel the contract of any supplier violating this or any other of Shell's stated General Business Principles.

[www2.shell.com](http://www2.shell.com)

### 3 Subcontracting Safeguards

Supply chains can be complex, many-tiered arrangements where imposing absolute control over contractors is often difficult if not impossible. The risk to companies is further increased in cases where contractors engage in subcontracting of services. Businesses approach the issue in different ways. Some prohibit the use of subcontractors altogether. Others hold the contractor legally responsible for compliance of the subcontractors with agreed codes of conduct. Still others insist on corporate approval and auditing of any proposed subcontractor.

**Target Corporation** has established limits on subcontracting by its vendors:

"Limitation of subcontractors: All subcontractors involved in the process of manufacturing products for us will be identified by Target Corporation. Restrictions on the use of subcontractors will be controlled through the Letter of Credit with vendors."

[www.targetcorp.com](http://www.targetcorp.com)

### 4 Labeling and Certification

Under the right conditions, labeling and certification

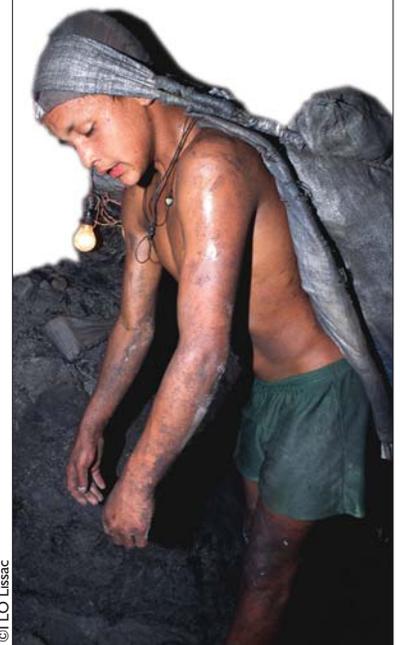
programs can be an effective means by which consumers and companies can ensure that the products and materials they purchase have been ethically sourced. A number of independent organizations offer labeling and certification programs specific to child labor. However, experience with such programs has been mixed and companies must be diligent in verifying the reputation and track record of those with whom they are partnering.

**The ABRINQ Foundation's Child-Friendly Company Program (CFCP)** is a social labeling initiative aimed at engaging companies in activities that can improve the lives of Brazilian children. To qualify for the label, Brazilian companies must formally commit to a code of conduct that requires them to: (i) comply with Brazil's minimum age limitation; (ii) promote this policy throughout their supply chain; (iii) promote the practice of antenatal care and breastfeeding among their female employees; (iv) see that every school-age child of an employee is currently attending school; and (v) support programs dedicated to the educational or social development of children. Companies are assisted by the Foundation in the development of actions that can prevent or eliminate child labor in their workplace and supply chain.

[www.fundabrinq.org.br/peac](http://www.fundabrinq.org.br/peac)

**RUGMARK** is an international initiative to eliminate harmful child labor in the carpet industry. It works with loom owners and carpet exporters in India, Pakistan and Nepal as well as with importers in the U.S., Europe and Canada. Carpets produced according to RUGMARK criteria receive the internationally registered label. Each label has a serial number that allows every carpet to be traced back to the loom where it was produced. Participating carpet

A number of independent organizations offer labeling and certification programs specific to child labor.



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Consolidation allows companies to better regulate working hours and conditions, and prevent the employment of children in the production process.

manufacturers commit to: (i) not employ children under 14 years of age (in traditional family-run businesses, younger children are allowed to work as long as they can prove that they attend school regularly); (ii) pay at least the official minimum wage; (iii) disclose orders to the RUGMARK office; (iv) accept unannounced inspections at any time; and (v) pay 0.25 % of the export value of the carpets to RUGMARK in order to cover the running costs entailed in the inspection and labeling system.

RUGMARK also manages a license program in the consumer countries whereby carpet importers pay a minimum charge of 1 percent of the import value of the labeled carpet. Seventy-five percent of this money goes back to the carpet-producing countries where it is then used to finance social and rehabilitation programs for former child workers and children of carpet weavers. Close to 50 carpet importers including Carpetland, one of Europe's leading retailers of carpets and home textiles, participate in the RUGMARK program. The initiative is also supported by UNICEF.

[www.rugmark.de/](http://www.rugmark.de/)

## 5 Consolidating Production Centers

Some companies, operating in industries or countries where various stages of the production process lend themselves to subcontracting and home or piece-work, may find themselves in a situation where work is being done by thousands of disparate individuals at the village or household level over a widely dispersed geographical area. This can make it virtually impossible for a company to keep track of who is doing the work and the conditions under which the work is done. The risk to the company is that it does not know, and cannot

monitor, whether children are being exploited in the production of its products. To address this problem, certain businesses have elected to impose greater control over their production process by building centralized factories, centers or depots where workers are brought in to do their work, whether it be stitching, weaving, cutting, etc. This type of consolidation allows companies to more readily regulate working hours and conditions, better track the locations in which their products are manufactured, and prevent the employment of children in the production process.

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In 1995, **Reebok** entered the soccer ball market and learned that the well-established cottage industry in Pakistan functioned by distributing factory-cut panels to homes and villages for stitching. Reebok also discovered that children were often involved in the home-based work. To address this concern and provide better monitoring of workplace practices, Reebok's supplier in Pakistan constructed a state-of-the-art manufacturing facility where all production, including stitching, is performed on-site. The factory is regularly inspected by local human rights monitors. This program is part of Reebok's wider corporate commitment to human rights and now enables it to offer soccer balls with the label "Guaranteed Manufactured Without Child Labor." In 1997 the company created the Reebok Educational Assistance to Pakistan program (R.E.A.P) which provides \$1 million in educational support from the sale of Reebok balls to Sialkot, the soccer ball producing region of Pakistan. It is working with a local institute to keep children out of the labor pool and get them into schools.

[www.reebok.com](http://www.reebok.com)

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**Nike** worked with its soccer ball supplier in Pakistan to devise a plan whereby stitching previously done in the



home could be moved to a more controlled work environment. One option was to abolish home-work altogether and construct a factory in the city to which stitchers could be bussed. But this raised concerns about the disruption of village and family life given that the city center was hours away and necessitated travel on roads where accidents were commonplace. The supplier proposed instead to construct eight stitching centers around the Sialkot district whereby stitchers would be taken out of their homes, but not out of their villages. Nike supported this investment by agreeing to pay higher prices for the soccer balls.

Today these centers employ several thousand workers, the youngest being 18 years of age. They provide free lunch and free medical care, day care and recreation facilities. Because Pakistan's Islamic tradition does not permit men and women to share a workplace, one center is dedicated solely to women.

[www.nikebiz.com/labor/ch\\_soccer.shtml](http://www.nikebiz.com/labor/ch_soccer.shtml)

## 6 Supplier Training and Incentives

A number of national and multinational companies, either alone or in association with others, have taken the opportunity to improve supplier workplace practices through training and education. Another approach has been to use monetary incentives as a means of encouraging suppliers to stop using child labor. Similarly, reward or recognition programs have been shown to increase supplier employee motivation and diligence with regard to workplace practices. Businesses have found these approaches not only useful in reducing reputational risk, but in increasing their productivity and profit in the long run.

As part of its drive to eliminate child labor from its supply chain, **Obeetee** took a step which was considered radical and questionable by many in the

Indian carpet industry. The company instituted a significant wage increase as a monetary incentive to loom owners to weave Obeetee carpets without employing children. This was meant to compensate the loom owners in part for the costs associated with replacing child workers with adults and having to train the new adult recruits. While the decision increased costs for Obeetee in the short run, it believed this would be compensated by a boost in reputation. Currently, Obeetee is earning more profits than ever before. (See case study on page 16 for more details.)

**Target Corporation** offers vendor education programs to any vendor with whom it does business, to ensure that its partners understand and agree to meet the specified terms of agreement. For non-U.S. vendors, Target conducts vendor education classes called "Introduction to Vendor Partnerships for Imports" which includes a review of the company's standards of engagement and verification requirements. Non-U.S. suppliers are required to state that the goods produced were not made by child or forced labor. Target Corporation requires this legal verification as a condition of receipt and payment for merchandise.

[www.targetcorp.com/targetcorp\\_group/about/vendor.jhtml](http://www.targetcorp.com/targetcorp_group/about/vendor.jhtml)

## 7 Monitoring, Compliance and Corrective Action

Companies cannot rely solely on legal agreements, codes of conduct and certifications from suppliers to do the job. They must actively monitor working conditions through audits and independent inspections, and exercise their ability to take corrective action up to and including termination of the relationship with partners who violate the law or their contractual terms of engagement.

Companies should actively monitor working conditions through audits and independent inspections.



©ILO David Brown



# Addressing Child Labor

A company does not have to be large to have a positive impact on at least its main suppliers.

**Levi Strauss & Co.** requires every contractor who manufactures or finishes products for the company to comply with the terms of its Global Sourcing & Operating guidelines. The company employs trained inspectors to audit and monitor compliance of close to 600 cutting, sewing and finishing contractors in more than 60 countries. The incidence of child labor is monitored as part of these standards. If the Levi Strauss & Co. assessors determine that a contractor is in violation of its terms of engagement they will work with the contractor to find the best long-term solution and require the implementation of a Corrective Action Plan within a specified period of time. If a contractor fails to meet the commitments outlined in the Corrective Action Plan, the business relationship will be terminated.

[www.levistrauss.com/responsibility/conduct/](http://www.levistrauss.com/responsibility/conduct/)

## Scaling Up

A company does not have to be large to have a positive impact on at least its main suppliers. Economies of scale can be achieved by joining with other companies or industry associations to use the same suppliers so as to influence employment practices in the industry as a whole. Similarly, leadership exercised in this area by multinational companies or a leading national company can have a positive impact on the practices of other national and local companies. In Brazil, efforts by a single industry association have resulted in a scaling up of efforts through the private sector.

In 1989, the Brazilian Association of Toy Manufacturers (ABRINQ) established the Board for the Defense of Children's Rights, which soon transitioned into the **Abrinq Foundation** for Children's Rights. Though the Foundation's roots were

in the toy industry, its first actions were to involve as many partners from as many different industries as possible to raise awareness of the plight of Brazil's children.

Supermarket chains, fast-food chains, banks and paper manufacturers all joined forces with Abrinq to get the initial social marketing campaigns underway. From this start, the Abrinq Foundation has broadened its membership even further. Today, it funds activities in seven action areas with financial support from over 3,000 companies throughout Brazil. From humble beginnings as an industry association focus group on children's issues, the Abrinq Foundation has grown into a prominent and internationally respected advocate of child labor issues.

[www.fundabrinq.org.br](http://www.fundabrinq.org.br)

Brazil's business associations and industry groups continue to promote socially responsible business practices. **Instituto Ethos** promotes awareness among its more than 200 corporate members and catalyzes partnership between these businesses and child labor-related programs. **Abecitrus**, the association of orange juice exporters, sponsors programs to enable the children of harvesters to go to public school and participate in recreational programs rather than accompanying their parents to work.

**Sindifumo**, the union of tobacco producers, works with the families of producers to raise awareness and ensure that school age children are not working. Similarly, the footwear industry based in the city of Franca has come together to create the **Pro-Child Institute**, an NGO which runs a special labeling program targeted specifically at shoe manufacturers. Source: "Private Sector and Child Labor," Social Protection Note (Draft) 2002, Social Protection Unit, World Bank. Forthcoming at:

[www.l.worldbank.org/sp/](http://www.l.worldbank.org/sp/)



# Target Corporation Vendor Compliance

## General Information

Target Corporation is proud of its record of maintaining high ethical standards and business principles in everything we do. This is our commitment to guests, team members, shareholders, vendors and the communities in which we do business. Everyone at Target Corporation is a part of that. We distribute a Business Conduct Guide throughout the company to be sure we are reinforcing those standards.

Target Corporation is opposed to any form of slave, child or prison labor, whether domestic or international. We take the protection of human rights very seriously. We expect our vendors to share these same ethical standards.

Our *Standards of Vendor Engagement* reinforce that we will demand that vendors provide employees with a safe and healthy workplace, that they will not use forced or other compulsory labor, that they adopt nondiscrimination principles and limit work hours, that they pay fair wages and very importantly, that they will not use child labor. On the last point, we have determined that not only will we expect our vendors to comply with the law of the country in which a product is being made, but that they do not use labor from persons under the age of 14 regardless of the law of the country of origin.

## Target Corporation Compliance Organization

Target Corporation has established a Corporate Compliance organization, with a key focus on enforcement of our vendor standards. The department's initiatives, which focus on vendor education and verification, include:

- ▶ Implementation of a new compliance inspection program. In this new program, our inspection staff will conduct random visits of vendor and subcontractor manufacturing facilities. The eight-person compliance staff will include four full-time foreign-based Target Corporation inspectors. Compliance violations will be addressed ranging from administrative probation to severance of the relationship.

- ▶ Limitation of subcontractors. All subcontractors involved in the process of manufacturing product for us will be identified by Target Corporation. Restrictions on the use of subcontractors will be controlled through the Letter of Credit with vendors.
- ▶ Vendor evaluations. Target Corporation buyers and other Target Corporation personnel who visit vendor factories will undertake a "vendor compliance evaluation." This screening tool will be used by inspection staff to determine the need for a full inspection of the facility.

## Vendor Contracts

In our Conditions of Contract, we require our vendors to warrant that all goods are made in compliance with applicable laws including the Fair Labor Standards Act of 1938, a law that governs how employers pay and treat their employees. Our Conditions of Contract also requires that the companies our vendors do business with will be in compliance with the law. In non-U.S. markets we establish similar basic minimum requirements. If vendors violate our agreements, the penalty may be loss of the contract or order and potentially, all of our future business.

## Direct Foreign Sourcing

Since 1992, Target Corporation has required its non-U.S. direct suppliers to state that the goods produced were not made by child or forced labor. This legal verification is required as a condition of receipt and payment of merchandise through legal Letter of Credit stipulations.

For non-U.S. vendors, Target Corporation conducts vendor education classes called "Introduction to Vendor Partnerships for Imports," which includes a review of the company's standards of engagement, and verification requirements.

[www.targetcorp.com](http://www.targetcorp.com)



# Addressing Child Labor

## Case Study: Eliminating Harmful Child Labor in the Carpet Industry

### I. The Company and the Context

Obeetee, a leading Indian manufacturer and exporter of hand-knotted and hand-tufted woolen carpets and floor coverings, was established in 1920. It is the world's first "Woolmark" licensee for hand-made carpets and the first brand partner of "Wools of New Zealand" in the hand-made carpet industry. The company directly employs over 600 workers and contracts some 10,000 artisans across north India. Its headquarters are in Mirzapur.

In the late 1970s and early 1980s, the Indian carpet industry experienced a sharp increase in demand for hand-knotted carpets. Hand-knotted carpets require intensive labor and much more time than their machine-woven counterparts. Rising demand naturally led to an increase in the demand for weavers. This led to an increase in the employment of children both in factories and at home where the family often serves as a production unit.

In 1986, the Indian Parliament passed the "Child Labour (Prohibition & Regulation) Act," which prohibits the use of children under the age 14 in carpet weaving except on the looms of their parents or siblings. The enactment of this legislation, combined with the growing negative images associated with the practice and the realization of the harmful aspects of child labor, led Obeetee to take action. Obeetee took the corporate decision to relieve children from its existing workforce and prohibit them from being recruited by the company or its suppliers.

### II. Obeetee's Challenges

**Monitoring difficulties in the Informal Sector.** Implementing Obeetee's decision proved a challenge because the production of hand-knotted carpets is undertaken primarily in the informal sector. Independent loom owners in thousands of villages weave in or near their homes. Obeetee carpets were woven on more than 4,000 looms in about a thousand villages. Continuous monitoring of looms as well as suppliers to ensure child-free weaving of carpets was impossible. How far could Obeetee extend the scope for monitoring harmful child labor in its supply chain?

**Challenging Cultural Norms.** Combating child labor was further complicated by the fact that in rural India child labor is not considered an evil, but rather a way to avoid poverty. Children often contribute significantly to household income, and this income is sometimes a matter of family survival. In this context, was it fair for Obeetee to deprive poor families of these essential earnings? Furthermore, the decision about whether a child works rests with the head of household, usually the father. Would Obeetee's monitoring of child labor be interpreted as interfering in private family decisions?

**Loss of Workforce and Increased Costs.** Removing children from its labor force would have a direct impact on the company's bottom line. How could Obeetee maintain its profits and high level of quality while losing a large part of its workforce? Would the company be able to recruit skilled adults as replacements and would this further increase costs by having to train adults to weave carpets? These are crucial issues that Obeetee continues to grapple with.

**Lack of Reliable Information.** Since birth certificates and hospital records are difficult to furnish in rural India, Obeetee managers often have to rely on physical appearance and interviews when judging a young person's eligibility for employment.

### III. Obeetee's Approach

**Changing the Culture of Work and Building Awareness in the Community.** The first step in Obeetee's approach was to change the thinking about child workers within the company and among its suppliers. To this end, the company launched various awareness programs. A major campaign was initiated to create awareness about child labor in villages where the carpets were woven. Obeetee executives went from one village to another informing the loom owners and heads of households, in the local language, of the main provisions of the new Child Labour Act. They emphasized the severe penalties for the use of child labor. They underscored the commitment of Obeetee not to buy carpets made by children.



## The Obeetee Approach

**Instituting Contractual Provisions.** The managers of Obeetee required written assurances from loom owners that they would not employ children. For each production order Obeetee issued, loom owners were required to sign a form that explained the provisions of the law and committed them not to employ children below the age of 15 years (even though the minimum age for employment in India is 14).

**Blacklisting of Suppliers.** The company informed all loom owners in writing that any loom owner found employing children in the weaving of Obeetee carpets would lose their business and be blacklisted from doing any future business with company.

**Increasing Wages.** Obeetee increased wages significantly as an incentive to loom owners to weave Obeetee carpets without employing child labor. This was considered a radical and questionable move by many in the industry. This step increased the costs for Obeetee in the short run; however, they believed this would be compensated by a boost in reputation. Currently, Obeetee is earning more profits than ever before, lending credence to the view that short-term costs can foster long-term profits.

**Consolidating Production and Supply Chain.** Obeetee recognized that its primary constraint in preventing the incidence of harmful child labor lay in the company's inability to monitor its dispersed supply chain. To tackle this problem, Obeetee instituted a comprehensive system for production and monitoring looms. It established a network of official "depots" across the weaving area, which is predominantly rural. Instead of working in their homes, weavers would come to work at these established depots. This system greatly assisted in maintaining normal and healthy work hours, but, importantly, looms could more readily be monitored for the presence of children by Obeetee staff. Currently Obeetee carries out its production in 21 depots.

**Monitoring and Inspection.** Each depot employs 2-4 loom inspectors. The loom inspectors continuously inspect and monitor the depot and report their findings once every 15 days to the Obeetee manager in charge of the depot. Moreover, the manager conducts unscheduled checks to verify the reports of the loom inspectors. Each depot manager is required to provide a monthly certificate to headquarters at Mirzapur

verifying that no children are employed in the weaving of Obeetee's carpets.

**Instituting a Child Labor Cell for Complaints and Inspections.**

Obeetee has created a Child Labor Cell consisting of senior Obeetee executives who are based at the company headquarters. The Cell acts on complaints from depots relating to child labor. The cell features vehicles for executives to access far-flung areas and conduct unannounced inspections at the depots.

**Working in Partnership with NGOs and Government Agencies.**

As part of its corporate responsibility, Obeetee seeks to ensure that children removed from Obeetee looms do not end up simply working under similar or worse conditions for other employers. To this end, Obeetee makes contributions to the Child Welfare Fund of the Carpet Export Promotion Council of India (CEPC), a government-sponsored industry association. A quarter percent from the sale value of each carpet is donated to this CEPC Child Welfare Fund. The Fund offers various child welfare programs, including schools that provide free education, monthly stipends, mid-day meals, vocational training and health care to children.

**Registering Each Carpet for Public and Independent Inspections.**

All loom owners are required to register with the CEPC. This helps Obeetee to provide its customers with the Registration Number of the loom used to weave each carpet. A customer can thus trace the carpet back to its loom and, if necessary, an independent inspection of the loom can be conducted.

**Labeling and Certification.** Obeetee subscribes to the Kaleen Label, which is the labeling program of the CEPC. Kaleen represents the commitment of the Indian carpet industry to eradicate child labor and to promote welfare measures for the education and rehabilitation of children taken out of carpet weaving. The major feature of the Kaleen scheme is a loom monitoring system based on random inspections by an independent agency. Other aspects include: the registration of carpets looms and the promulgation of a Code of Conduct requiring that no illegal child labor be used in the manufacturing of carpets. There are severe penal provisions for breach of the Code of Conduct.

# Addressing Child Labor

## Harmful Child Labor — Forms & Effects\*

The harmful nature of many kinds of child labor is not always readily apparent. Some work may seem harmless but can cause damage that manifests itself later in life. Other forms of employment are clearly hazardous to both adults and children. Determining whether work done by children is harmful requires careful assessment in light of the particularities of childhood development.

### Why Children Are at Higher Risk from Exposure to Hazardous Substances

- ▶ Children are undergoing rapid growth and development of the body, and particularly of the inner organs.
- ▶ The actual body composition of a child differs greatly from that of adult body composition.
- ▶ Children have a higher metabolic rate and oxygen consumption than do adults and, therefore, intake more air per unit of body weight.
- ▶ Children have greater energy and fluid requirements per unit of body weight than do adults.
- ▶ Children have a much larger surface area in relation to body mass than do most adults.

**TABLE A: Examples of Hazardous Occupations and their Consequences on the Health of Working Children\***

Sector	Tasks	Hazards	Health Consequences
Agriculture	Working with agricultural tools & machinery, use of lawnmowers & circular saws; handling & spraying of agrochemicals; caring for farm animals & herding sheep; crop picking & weeding; collecting fodder; loading	Inadequate or unprotected machinery & tools; driving tractors & farm vehicles; motor vehicle accidents; noise & vibration; risk of falls & suffocation in grain elevators & silos; dangerous animals; biological toxic agents; exposure to hazardous chemicals; arduous work; working without personal protective equipment; exposure to extreme temperatures; heavy loads.	Lacerations, cuts, injuries & death, fractures & amputations of fingers, limbs & toes, head injuries or other handicaps caused by equipment & farm machinery mishaps; induced hearing loss; eye injuries; parasitic infections & other infectious diseases; dermatitis; thermal stress; chemical poisoning (chronic & acute)
Auto repair	Repair of storage batteries; degreasing metals; electroplating; housekeeping; minor mechanical repairs; tire maintenance; washing & fueling cars	Exposure to carbon monoxide, benzene, solvents & asbestos; noise; unsafe tools & machines; manual handling of heavy objects; inadequate ventilation; poor housekeeping; risk of fire or explosion	Burns, injuries, carbon monoxide poisoning; falls; hernia & strain; dermatitis; chemical poisoning (lead, burns, injuries, carbon monoxide); asbestosis; lead poisoning
Carpet weaving	Yarn preparation; wool sorting, washing, hand spinning and weaving, dyeing, trimming	Inhalation of wool dust contaminated with biological agents; inadequate working postures (squatting); inadequate lighting; hazardous chemicals; inadequate ventilation, housekeeping & sanitation, repetitive movements	Musculo-skeletal disorders; eye strain & defective vision; respiratory diseases; fatigue; chemical poisoning
Ceramics & glass factory	Sorting & cutting glass; firing ceramics; coloring glass; drawing molten glass; carrying hot glass	Radiant heat & thermal stress; stepping on or handling hot broken glass; poor ventilation; hazardous dust; exposure to lead	Burns; cuts from broken glass; eye injuries; heat stress; respiratory diseases; lead poisoning
Construction work & brick-making	Digging earth; carrying loads; shoveling sand & cement; metal work; roofing; working with wallboards & fixing pipes; crushing, grinding, screening & mixing clay in brick-making; carrying bricks	Injuries due to falls & falling objects; arduous tasks; exposure to harmful dusts & noise; exposure to asbestos; poor housekeeping; working without personal protective equipment; extreme weather conditions; silica exposure, carrying of heavy weights; lead exposure from glaze; excessive heat from ovens; carbon monoxide from kilns	Musculo-skeletal disorders; respiratory diseases such as asbestosis; fatigue; injuries caused by falling objects & by stepping on sharp objects; falls from heights; burns, lead poisoning, silicosis, carbon monoxide intoxication; thermal stress
Dock work	Trimming & stocking; stevedore duties	Lifting & carrying heavy loads; falls from heights; arduous work; poor housekeeping; exposure to heat; long hours of work	Injuries from falls; burns; respiratory diseases, fatigue, physical stress & strain; musculo-skeletal disorders; thermal stress
Garment & leather workshops, tanneries & footwear manufacture	Cutting & incision; chasing; molding; embossing; hammering; mosaic formation; trimming; bonding; stitching; dyeing; sewing	Inadequate ventilation; noise; exposure to glues & solvents; exposure to formaldehydes & dyes; blocked exit doors; accumulation of combustible materials; overcrowded workspaces, poor housekeeping; risk of fire; overloaded electrical supplies, exposed wires & fuse boxes; unsafe machinery & sharp instruments; working without personal protective equipment; shift work & long hours of work	Cuts & injuries from machines & sharp instruments; burns; loss of fingers; fatigue, electrocutions; chemical poisoning; fire accidents; musculo-skeletal disorders



*Example: Lead Poisoning — Metals are retained in the brain more readily in children than in adults. In addition, the higher metabolic rate of children means that children will absorb lead into their tissues at a greater per capita rate than adults. Finally, though effects of poisoning are generally characterized by peripheral nervous system dysfunction (muscle weakness), children, thanks again to their higher metabolic rate and the lack of development in their nervous system defenses, have a greater tendency for central nervous system dysfunction that can result in irreparable changes in brain structure and function.*

**Occupational Health Concerns Specific to Children**

- ▶ Tools, workspaces and protective equipment generally are designed for adult use — the repetitive use of ill-fitted tools and equipment is particularly problematic in children because their bones, muscles and other tissues are still in developing stages.
- ▶ Children often lack the judgment necessary to properly anticipate danger and then deal with accidents once they occur.
- ▶ Work requiring the repeated hauling of even light loads can be detrimental to a child's musculo-skeletal development.
- ▶ Children possess a lower tolerance for heat than do adults because their sweat glands are not fully developed causing a greater need for oxygen and associated elevated heart rate when compared to adults under the same circumstances.

Sector	Tasks	Hazards	Health Consequences
Home-based manufacture	Sewing, electronic assembly, jewelry making, etc.	Hazards depend on the type of work; poor lighting & inadequate working conditions; environmental exposure	Fatigue from long hours of work & injuries specific to type of work
Metalwork	Welding, soldering & smelting of metals (lead); brass work; electroplating	Exposure to extreme heat; flying sparks, exposure to lead & other hazardous metal vapors	Eye injuries, thermal stress, burns, neurological impairment; lead poisoning
Mines (quarries & underground)	Carrying rocks, slate slabs or other heavy weights; digging & quarrying; bending over, kneeling or lying down in cramped positions in underground work	Risk of falls; injuries due to falling objects & fatal accidents; risk of explosion from methane; exposure to harmful dusts, gas, fumes carbon monoxide; strain from carrying heavy loads; arduous work; poor sanitation; inadequate nutrition; noise	Fractures & injuries caused by falling objects, death; respiratory diseases (silicosis, pulmonary fibrosis, emphysema); physical strain & fatigue; musculo-skeletal disorders
Prostitution	Sex	Exposure to drugs, violence, abuse, bondage, danger to health & morals; exclusion from family & community	Sexually transmitted diseases (syphilis, hepatitis, HIV, etc.); psychosocial disorders; unwanted pregnancy
Scavenging & rag-picking	Reclaiming usable material from garbage heaps	Cuts from glass/metal; exposure to hazardous substances including waste from hospitals; inhaling noxious fumes & gases; exposure to flies; temptation to eat discarded food; unsanitary conditions; risk of being run over by trucks or bulldozers; living near the dump	Cuts, burns, tetanus; chemical poisoning; infectious diseases (HIV, hepatitis); tuberculosis, respiratory diseases; food poisoning; malnutrition; injuries & death
Street work	Hawking & vending goods; carrying drugs; selling newspapers; shoe polishing; begging; cleaning car windows; red-light performances; delivering goods; messenger	Exposure to drugs, violence & criminal activities & prostitution; traffic accidents; danger to health & morals	Injuries from traffic accidents; drug addiction; social outcasts; long working hours; malnutrition; sexually transmitted diseases; psychosocial disorders; unwanted pregnancy
Textile workshops	Spinning; weaving; knitting; finishing natural & synthetic fibers; dyeing, trimming	Unsafe machinery; noise; inhalation of contaminated dust; exposure to man-made fibers, asbestos dust; poor lighting; exposure to chemicals; inadequate ventilation; high humidity; high temperatures; working without personal protective equipment; lifting & carrying of heavy loads; poor housekeeping; risk of fire	Cuts & injuries from machines; chemical poisoning; respiratory lung diseases; induced hearing loss; musculo-skeletal disorders; byssinosis; asbestosis; physical strain

\*Forastieri, Valentina, *Children at Work: Health and Safety Risks*, ILO Child Labour Collection. International Labour Office, Geneva, International Labour Organization 1997.

# Addressing Child Labor

## Acknowledgments

"Addressing Child Labor in the Workplace and Supply Chain" is the first in a series of Good Practice Notes developed by the Environment and Social Development Department (CES) of the International Finance Corporation. It is based on an IFC review of harmful child labor in the private sector.

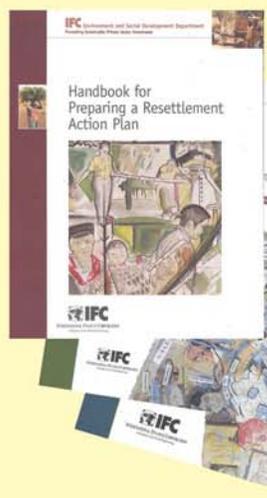
CES specialists visited nine countries in Africa, South and East Asia and Latin America, consulting with IFC clients, other companies, government officials, NGOs and representatives from the ILO and UNICEF. Kerry Connor served as task manager for CES's labor standards initiatives. Harry Pastuszek coordinated the child labor review with assistance from Tanya Scobie and Dan Owen.

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### GOOD PRACTICE NOTE ON HIV/AIDS IN THE WORKPLACE

An introduction to the issue of HIV/AIDS in a business context. This publication looks at the impact of the epidemic on the private sector, assesses the costs to companies, and provides a menu of program options from awareness raising and policy development to prevention, care and treatment programs for businesses interested in implementing HIV/AIDS initiatives to support their employees and the communities in which they work and live. **(Forthcoming July 2002)**

For more information, or to purchase any of these publications, please call 202-458-5000, fax 202-522-1500 or email [infoshop@worldbank.org](mailto:infoshop@worldbank.org).

## Useful References

The full text of all ILO conventions is available through ILO's ILOLEX service at <http://ilolex.ilo.ch:1567/english/docs/convdisp.htm>.

To research labor laws in your own country or a proposed country of operation, simply visit ILO's NATLEX database at <http://natlex.ilo.org/natlexnewfaceE.htm>.

To access UNICEF's resources on child labor, including the full text of the UN Declaration on the Rights of the Child, visit <http://www.unicef.org/crc/crc.htm>.

For more examples of private sector activities addressing child labor, visit the materials compiled by Business for Social Responsibility (BSR) at <http://www.bsr.org/BSRResources/WhitePaperDetail.cfm?DocumentID=394>.

The U.S. Department of Labor has done significant research and field work on child labor through the International Child Labor Program, part of its Bureau of International Labor Affairs. This includes a series of reports on the state of child labor internationally, which can be found at <http://www.dol.gov/ilab/welcome.html>.

UNICEF and ILO field offices can be of great assistance on all issues relative to child labor and particularly to companies that are seeking to partner with either NGOs or government to tackle child labor concerns. The following links offer contact information for ILO and UNICEF country offices around the world. **UNICEF** — <http://www.unicef.org/uwwide/fo.html>  
**ILO** — <http://www.ilo.org/public/english/support/lib/contact/index.htm>

To access IFC's policy statement on Forced Labor and Harmful Labor, please go to the Environment and Social Development Department website at <http://www.ifc.org/enviro>.

## Disclaimer

The purpose of the Good Practice Note series is to share information about private sector approaches for addressing a range of environmental and social issues. This Good Practice Note provides guidance and examples of basic good practice approaches that businesses have successfully applied in addressing child labor issues. IFC has not financed all the projects or companies mentioned in the Good Practice Note. Some of the information in the Note comes from publicly available sources such as company websites; IFC has not verified the accuracy of such information nor the companies' practices.

This Good Practice Note can be used in conjunction with the IFC Policy Statement on Forced Labor and Harmful Child Labor, but the Note does not represent a commitment by IFC to require projects it finances to take certain or all of the actions specified in the Good Practice Note in dealing with harmful child labor in a particular project. Instead any child labor issues arising in an IFC-financed project will be evaluated and addressed in the context of the particular circumstances of the project.

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