



Fairtrade Labelling Child Labour Position

Paper

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1. Introduction & Summary

Avoidance of child labour is one of the issues that most concern consumers who seek assurance on the ethical integrity of the products they buy. It is also a fundamental breach of human rights that damages children physically and emotionally, and limits their ability to achieve their full potential in later life. Although efforts to eliminate child labour by governments, NGOs, businesses and multilateral coalitions have had impact, child labour is unfortunately still a widespread reality in many communities in the developing world. It is a symptom of poverty and hardship that cannot simply be regulated away, but requires a coordinated approach across many fronts, including education of families and employers, and audits of production sites. It also requires measures to protect and rehabilitate children who are at risk of working illegally, or who have been found doing such work. Most importantly, the causes of child labour can only be tackled by ensuring that everyone can achieve a sustainable livelihood from their work, so that parents and/or guardians can ensure their children enjoy a safe childhood and receive the best possible education. All these approaches are contained within the Fairtrade system.

This paper explains how Fairtrade works to avoid child labour in the production of certified products, and how it addresses cases where child labour is suspected or proven within producer organisations seeking Fairtrade certification. Child labour is a very complex and intractable issue and while Fairtrade adopts a zero tolerance approach through its standards and compliance criteria, this principle is the starting point for a series of interventions through our own resources or in collaboration with others to help tackle the problem. No person or organisation can simply guarantee that child labour does not occur in a supply chain, but Fairtrade can provide assurance that its standards, certification, and producer support services all contribute to a solution. Most importantly, Fairtrade is unique in tackling the fundamental causes of child labour through its minimum price guarantee that ensures producers can afford to work ethically and sustainably, and the Fairtrade premium that provides resources for further investment in social, economic and environmental improvements.

Fairtrade is an initiative that seeks to promote development through trade and provides certification of products so that consumers can choose those that have been produced and traded in accordance with internationally recognised ethical standards. The Fairtrade Mark appears on thousands of products sold in the world's major consumer markets and 750 producer organisations representing over one million farmers and workers across various countries in Africa, Asia and Central and South America are certified to Fairtrade standards. Fairtrade addresses child labour through several areas of work, including:

- ◆ **Fairtrade standards** for producers require compliance with many international norms as an entry requirement: for labour rights issues these are typically ILO conventions and include those relating to child labour. Standards are set by an expert committee, representing all Fairtrade stakeholder groups, and supported by a technical unit who co-ordinate regular reviews of standards through extensive dialogue and consultation. *Further information on Fairtrade standards relating to child labour can be found in Section 6.*
- ◆ Prior to certification, our **Fairtrade's Producer Services & Relations (PSR)** team will help producers understand the implications of the standards and ensure that they can commit to the requirements. They will also be advised on how to make the necessary changes. PSR's Liaison Officers will also remain in contact with producers through the ongoing inspection and certification cycle to help producers retain their certification and address any areas where they are not fully in compliance with the standards. While

Liaison Officers help to explain to producers what they need to do, they are referred to other service providers for specific technical support where this is needed. Further information on the work of PSR in relation to child labour can be found in Section 8.

- ◆ Producer Organisations are **audited by** Fairtrade's specialist certification company, **FLO-CERT**, which is recognised as a leading authority in social and environmental audit practices. FLO-CERT retains professional auditors across the world so that producers are inspected by someone with knowledge of local languages and customs. Auditors receive regular training to ensure they are up-to-date with the requirements of standards and can share best practice in auditing compliance. Further information on how FLO-CERT verify standards relating to child labour can be found in Section 7.

Fairtrade's approach to development is based on the principle of empowering organizations of small-scale farmers and workers to take more control over their work and their lives. While a policing element to verification of standards is necessary, it is far more important that standards and certification provide a tool for producers to set their own goals and measure progress in achieving them. People everywhere want to work and produce sustainably – it is after all their future that is most at risk by not doing so. This is particularly true of child labour and parents everywhere want the best for their children and strive to provide the next generation with more and better opportunities than they received. Consumers can be assured that by choosing products certified with the Fairtrade Mark that they are forming a partnership with producers towards these goals that will deliver fairer trade for everyone.

2. Fairtrade's Position on Child Labour

The Worst Forms of Child Labour (hereafter referred to as Child Labour) is prohibited in the Fairtrade system. Our aim is to make sure that these forms of labour are not involved in the production of Fairtrade certified products. We set internationally recognized standards, which include sections that prohibit child labour and we undertake rigorous audits to ensure that they are not part of the Fairtrade reality.

Fairtrade standards apply to all those who produce Fairtrade products. We support producers to gain Fairtrade certification, establish Fairtrade terms of trade and facilitate market opportunities with buyers so that producers can trade their goods globally. We continuously strive to improve the impact of our work and be recognized as a leader for our rigorous standards and a key international advocate for justice in debates on trade and development.

Fairtrade Labelling Organization unites 24 national Fairtrade organizations across Europe, Japan, USA, Canada, Mexico, South Africa, Australia and New Zealand, as well as producer networks representing Fairtrade Certified producer organizations in Central and South America, Africa and Asia. Today, more than five million people - farmers, workers and their families - across 59 developing countries benefit from the international Fairtrade system. The FAIRTRADE Certification Mark is a registered trademark of Fairtrade Labelling Organizations International. It signifies that products and processes have been independently audited against agreed Fairtrade standards, including those that prohibit child labour.

Our growing presence gives us a unique opportunity to influence the conditions under which products are grown, harvested, processed and traded, and with our Fairtrade Certified Trademark on products, we inform the world that these products have been independently checked against our standards. While we respect different cultures and values in countries

where Fairtrade producers and companies operate, we do so in a way that does not compromise the basic requirements regarding the rights and dignities of children as enshrined in the United Nation Convention on the Rights of the Child. We work with democratically organized cooperatives and relevant civil society organizations, and in full consultation with farmers and local communities, to support the development of appropriate remediation responses to the detection of child labour in the Fairtrade system.

3. Definition of a Child

Using the UN Convention on the Rights of the Child, a child is considered to be any human being below the age of 18 who is entitled to the rights proclaimed in the convention.¹

4. What is Child Labour?

Fairtrade regards child labour as a major non-compliance with the Fairtrade Standards. The Fairtrade GENERIC PRODUCER STANDARDS which applies to Small Producer Organizations, Hired Labour and Contract Production include sections on Fairtrade restrictions on child labour. We, like many international child rights organizations, however, differentiate between children's work and labour.

Child Work

Fairtrade regards child work in accordance with national laws as work that is structured so as to enable working children to attend school. For children who work outside of school hours, Fairtrade standards require that their work should not be so demanding as to undermine their educational attainment. Furthermore, if children work, they cannot execute tasks that are particularly hazardous for them because of their age. Family work in the form of children helping their parents after school and during holidays is not considered as child labour within specified limits. We recognize that children work to contribute to their own and/or family economy. They also work due to economic shocks caused by family disaster or HIV/AIDS, lack of adequate education or simply because of the demand for their labour by some employers.

Worst Forms of Child Labour

Fairtrade regards child labour as labour that is exploitative in its worst forms or likely to be hazardous, which interferes with a child's education or is harmful to her/his healthy development. Some examples of exploitative or hazardous child labour include children being separated from their families, trafficked, enslaved and/or used in the sex, drug or arms trade. Children working for excessively long hours, carrying heavy loads, exposed to dangerous chemicals, tools or equipment, and/or toiling underground or under water as in the mining or fishing industries are other examples.²

The term "child labour" does not include all work performed by girls and boys under the age of 18 years. As explained by the International Labour Organization (ILO), "[c]hild labour is not children doing small tasks around the house, nor is it children participating in work

¹ UN Convention on the Rights of the Child available at <http://www.unicef.org/crc/>

² Article 4 of ILO 182 Convention is explicit that it is up to individual countries to define what types of work are considered "worst forms" of child labour under this clause. Activities labeled "worst forms" under Article 3(d) of ILO Convention 182 are often labeled as "Hazardous forms of child labour." The companion recommendation document for ILO 182, Recommendation 190 Worst Forms of Child Labour Recommendation, suggests that these hazardous forms of child labour include:

"(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 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 temperature, 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 or the employer." (R190, Section II.3.a-e).

appropriate to their level of development that allows them to acquire practical skills. Millions of young people legitimately undertake work, paid or unpaid, that is appropriate for their age and level of maturity. By so doing, they learn to take responsibility, they gain skills, they add to their families' and their own well-being and income, and they contribute to their countries' economies. Rather, child labour is harmful to children and does not contribute to their well-being."³

5. Children's Rights With Regard to Work⁴

Fairtrade endorses the ILO concept and terminology on "Children's Rights with Regard to Work." According to the ILO, "All adults and children are entitled by international conventions to certain rights by virtue of being human, and it is recognized that children have rights, including the right to work, from a certain age, in a safe and healthful workplace environment where hazards have been identified, risks are assessed and appropriate prevention or control measures are put in place. ... [T]hey also have a right to know about the dangers and risks to their own safety and health and the consequences that working may have on their education and future. They should learn how to protect themselves, know which laws exist specifically for their protection, and know to whom they can turn for help..."⁵

To ensure that children have the protection they deserve, Fairtrade has recently developed the Fairtrade Child Protection Policy and Procedures, and those who come in contact with children in the Fairtrade system will need to adhere to this policy and procedures. In alignment with this Policy and Procedures, we work in close partnerships with leading civil society organizations, including child rights organizations to ensure that Fairtrade responses to children's rights with regard to work are in accordance with the guidelines of the UN Convention of the Rights of the Child and the relevant ILO Conventions included in Fairtrade Standards.

6. Fairtrade's Standards Setting on Child Labour

Fairtrade standards on child labour are based on the International Labour Organization ILO Convention 138 (1973) concerning minimum working ages and on ILO Convention 182 (1999) concerning the worst forms of child labour. Fairtrade has developed its standards, compliance criteria and audit tools in accordance with these ILO conventions, and FLO-CERT – an independent certification body – conducts regular audits to ensure that these requirements are met.

Specifically, Fairtrade standards for Small Producers' Organizations, Hired Labour Situations and Contract Production regulate the use of child labour. Given the different labour situations between certified organizations that employ hired labour in plantation settings, certified Small Producer Organizations and Promoting Bodies with registered producers, Fairtrade identifies specific standard requirements and applies them to these situations in the audit process.

In Hired Labour Situations the following standard requirements are stipulated.⁶

³ ILO, "Rooting out child labour from cocoa farms," Paper Number 2, Safety and Health Hazards, Annex, 2007, p. 28. Document available at www.ilo.org/ipeinfo/product/download.do?type=document&id=6445

⁴ Phrase taken from ILO, "Rooting out child labour from cocoa farms," Paper Number 2, Safety and Health Hazards, Annex, 2007,

⁵ Ibid

⁶ Generic Fairtrade Standards for Hired Labour, August 2009. Details on this standard is available at http://www.fairtrade.net/fileadmin/user_upload/content/HL_Aug09_EN.pdf

-Children below the age of 15 years are not employed. No further recruitment of children is allowed.

If a company has employed children under the age of 15 years prior to certification, it must immediately put in place a *remediation policy* to fully comply with this standard requirement within one year of certification. *The objective of this clause is to ensure that children who have been working for the employer do not enter into worse forms of work and/or life conditions if they are suddenly dismissed.*

In this case, the company must have a register of all children under the age of 15 who are still working for the company within the given period, indicating their age and their work. The company must assure that their conditions of work are compliant with ILO conventions for work given to children below the age of 15. 'Work' also relates to adults bringing children to the workplace in order to assist them or to do other work. The remediation policy of company must ensure that the child has access to education until he/she is no longer a child. This means that the company must cover the costs of education and/or hire members of the family so that the family can cover the cost of education, and/or pay the equivalent in lost income to the family.

After one year of certification, no child below the age of 15 works for the company.

-Work does not jeopardize the schooling or the social, moral, or physical development of the young person.

-Within one year of certification the company must ensure access to primary education for the children of all permanent resident workers.

Management should pay special attention to the education of workers' children in general.

-Under 18-year-olds shall not execute any kind of work which by its nature or the circumstances under which it is carried out, is likely to jeopardize their health, safety or morals.

This includes not handling chemicals or performing other duties that imply a health hazard, including undertaking night work.

In the Small Producers' Organizations Standard the following standard requirements are stipulated:⁷

-Children below the age of 15 are not employed (contracted).

-Work may not jeopardize schooling or the social, moral or physical development of the young person.

-The minimum age of admission to any type of work which by its nature or the circumstances under which it is carried out, is likely to jeopardize the health, safety or morals of young people, shall not be less than 18 years.

Promoting Bodies with registered producers producing specified products the following standard requirements are stipulated:⁸

⁷ Generic Fairtrade Standards for Small Farmers' Organizations, December 2005. Details on this standard is available at <http://fairtrade.net/pdf/sp/english/Generic%20Fairtrade%20Standard%20SF%20Dec%202005%20EN.pdf>

-Children below the age of 15 are not employed (contracted).

-Work does not jeopardize the school attendance, the educational attainment, or the social, moral or physical development of the person less than 18 years of age.

-Persons less than 18 years of age shall not be admitted to any type of work which, by its nature or the circumstances under which it is carried out, is likely to jeopardize their health, safety or morals.

-Persons under 18 years of age shall not handle chemicals or perform other duties that constitute a health hazard, including undertaking night work

Fairtrade standards are set in accordance with the ISEAL Code of Good Practice on Standard Setting. This process involves wide consultation with stakeholders. Our standards undergo regular evaluations and are adjusted accordingly through a Standards Committee made up of relevant internal and external key experts.

7. Certification and Auditing

Fairtrade standards distinguish between minimum requirements, which producers must meet to be certified, and progress requirements that encourage producers to continuously improve and to invest in the development of their organizations and their workers.

In countries where Fairtrade farmer organizations operate, FLO-CERT has a global network of accredited auditors who speak the language and are familiar with the culture and working conditions. This gives us a good understanding and insight into the production of various Fairtrade goods and enables us to carry out audits effectively and regularly.

Audits are carried out to ensure that Fairtrade standard requirements are being implemented in practice and that Fairtrade has a way of controlling any non-conformities with our standards. If child labour or unacceptable child work is detected in our system, Fairtrade takes immediate action based on clear compliance criteria, timelines and priorities for fulfilling the requirements. Fairtrade's certification body will impose appropriate sanctions, ranging from corrective actions to decertification.

While immediate action follows child labour findings in an audit, the exact consequence is assessed on a case-by-case basis according to set criteria (e.g. the numbers of underage workers found, the condition of work impact on health and education, unaccompanied children and so forth). However, in the case of children employed under the age of 15 years by the organization or its members in Small Farmers, Hired Labour or Contract Production situations, there is a suspension of the certificate and a corrective action plan decided upon and agreed to by the certification body and the producer organization. In the case of a suspension the producer is not able to enter into new trade relationships under Fairtrade conditions until the suspension is lifted. The decision to lift a suspension is based on corrective actions and results of follow-up audits. If child labour is still detected the producer could be decertified.

Limitations

⁸ Generic Fairtrade Standards for Contract Production, January 2010. Details on this standard is available at http://www.fairtrade.net/fileadmin/user_upload/content/Fairtrade_Contract_Production_Standards_150110.pdf

Given the many various types of agricultural set ups, some of which use of seasonal workers, it is not always possible to undertake audits on these sites or monitor hiring practices at all times. To minimize the risk caused by the impossibility of auditing all farms and/or plantations at all times, Fairtrade requires certified organizations to be responsible for the labour practices of its members. This means that organizations must have internal controls to guarantee that hired child labour does not occur and if children are working, they are doing so in a manner that is defined in relevant Fairtrade standards. To ensure that these controls are in place FLO-CERT conducts audits (announced and unannounced) annually. In situations in which organizations contract companies which provide seasonal workers, these organizations are asked to sign a contract with the subcontractor in which they agree to comply with Fairtrade Standards. Fairtrade audits take place when seasonal workers are most likely to be hired.

8. Producers Services and Relations

Fairtrade helps producers and producer organizations, through locally based Liaison Officers, to gain and maintain Fairtrade certification. Liaison Officers provide information, training and advice in local languages on certification requirements, including child labour requirements. They also provide support following audits, and in cases of suspensions provide input into corrective action plans and help build open dialogue and partnerships with UN, government, and civil society agencies specializing in ILO conventions and child rights to ensure that remediation responses are effective and sustainable. Working closely with Fairtrade's Strategy and Policy staff, the Producers Services and Relations representatives obtain regular training and updates on recent trends, models and approaches towards social compliance, including those that concern the elimination of child labour.

9. How does Fairtrade Help to Prevent Child Labour?

Child labour is understood in the Fairtrade system not only as problems faced by individual children and their families, but also as problems perpetuated by unfair terms of trade. Fairtrade recognizes that governments, NGOs, UN bodies, unions, businesses and community members need to work together in a long term and consistent manner to find reliable solutions to the problem of child labour. We need to tackle the root causes so that broad-based developments are created.

Fairtrade is doing its part to alleviate poverty and prevent child labour through a strategy of producer empowerment, long term trade relations and partner engagement.

Price

For most products, Fairtrade supports farmers to secure a more stable trading deal by setting a minimum price and encouraging long term contracts. The Fairtrade minimum price is the minimum price that a buyer of Fairtrade products has to pay to a Producer Organisation, Hired Labour Company or Promoting Body in Contract Production for their product. It is not a fixed price, but the lowest possible starting point for price negotiations between producer and purchaser. It is set at a level which ensures that Producer Organisations receive a price which covers the cost of sustainable production for their product. This means that the minimum price also acts as a safety net for farmers at times when world markets fall below a sustainable level. However, when the market price is higher than the Fairtrade minimum, the buyer must pay the market price. Producers and traders can also negotiate a higher price, for example on the basis of quality. Traders are also required to provide pre-financing if requested by the producer organization, up to a value of 60% of the contract. This is important for small-scale farmers'

organisations as it ensures they have the cash flow to pay farmers at the time they deliver their crop or have income between harvests.

Premium

A Fairtrade Premium is added to the agreed upon Fairtrade price and small producer organizations invest this in social, environment or economic development projects, decided upon democratically by producers with the farmers' organization or workers on a plantation. Farming organizations have contributed their premium to developments in education, health, safety, community services, gender relations, awareness campaigns and/or farm improvements.

By supporting democratically-run small farmers' organisations, Fairtrade can strengthen the ability of farmers to work together to address problems on a community-wide basis. In the context of child labour, community response to detection of child labour avoids singling out individual farmers to tackle the problem on their own and reduces the risks of children moving from one farm setting to another in search of work.

Partnerships

Partnerships and social dialogue with UN, government, businesses, unions, civil society organizations and consumers are crucial to Fairtrade's goal of improving the position of disempowered producers through trade as a means towards sustainable development. There are two levels of partnerships at Fairtrade: a) partnerships as a trading relationship between stakeholders in the supply chain that have both market-based and ethical elements, and b) partnerships as a development relationship between producers and local agencies, government departments, UN offices, unions and/or NGOs that work and dialogue together on issues to do with community needs, advocacy and service delivery. For example, Fairtrade recently facilitated partnership engagement of some of Fairtrade producer organizations with UNICEF and child rights NGOs on remediation projects. In the coming years, Fairtrade will increase these partnerships to ensure all members operating within the Fairtrade system have access to international and local experts in the areas of social, environmental and economic development, including child development.

10. Fairtrade's Commitment to Children Connected to Fairtrade

Children connected to Fairtrade cannot become empowered change agents to improve their lives, and that of their families and communities if they are not safeguarded from abuse and/or exploitation. Fairtrade is committed to protecting children from abuse and/or exploitation and enabling their healthy development, including "their right to work from a certain age and in a safe workplace environment, where hazards have been identified, risks is assessed and appropriate prevention or control measures are put in place."⁹ We will take active measures to ensure that those who come in contact with children in the Fairtrade system adhere to Fairtrade's Child Protection Policy and Procedures.

⁹ ILO, "Rooting out child labour from cocoa farms," Paper Number 2, Safety and Health Hazards, Annex, 2007, p. 28. Document available at www.ilo.org/ipeinfo/product/download.do?type=document&id=6445