

Remarks by Ronnie L. Goldberg

Executive Vice President, United States Council for International Business

Vice President, International Organisation of Employers

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Last week, in commemoration of the World Day Against Child Labor and the 10<sup>th</sup> anniversary of Convention 182 on the Worst Forms of Child Labor, U.S. Senator Tom Harkin gave a moving and eloquent address in this room. He reminded us that child labor is a uniquely offensive practice that is never acceptable and never excusable. He challenged all of us to be more proactive and to do more in this fight.

This challenge is particularly relevant in the context of this Jobs Summit and of the Jobs Pact we have negotiated over the past two weeks. Economic hardship should never be an excuse for violating fundamental rights, but sadly such violations are often a consequence. We need increasing vigilance to prevent a downward spiral that threatens the progress we have made thus far and endangers more children.

I would like to take this opportunity to share with you the response of my organization, the USCIB; and indeed of organized employers in this House, to his call to action.

First, as employers, as engaged members of our communities, as mothers and fathers and grandparents, we appreciate both the scope of the problem and our joint responsibility for addressing it. Despite recent progress, hundreds of millions of children can still be found working in deplorable conditions. Much child labor is part of subsistence level economic

activity in the informal economy. Some is the result of abusive practices by governments. The issue for us is that a considerable portion occurs at the bottom end of global supply chains. Companies that invest in and source from developing countries are at risk of being unwittingly implicated in its use. For us, this is not only a human rights issue. It is a business issue.

Child labor in global supply chains is on the agenda of activists, the media and public and private investors as never before. The consequences for businesses of being associated with the use of child labor can include reputational damage and shareholder disappointment or even divestment. In affected communities, when child labor is detected too often there is no remediation, and a problem that stymies development and prevents children from realizing their basic rights continues unchecked.

To uphold universal values and avoid complicity in child labor problems, companies must understand the prevalence of child labor in the countries and sectors where they operate. They must actively manage the risk that child labor will occur somewhere along their supply chains. However, child labor is complex and dynamic, arising or diminishing in response to changes in any of a number of conditions, many of which are beyond companies' direct control. Moreover, in most countries it is illegal and hidden from plain view.

Recently, U.S. companies came together in a forum sponsored jointly by USCIB, the IOE and the ILO to address these challenges by hearing from experts and sharing experiences. Our goal was to explore strategies that work in identifying, preventing, and remediating child labor. Our conclusions can be summarized in five key themes:

1. Addressing child labor requires the engagement of all stakeholders, including governments, the ILO, employers of all sizes, employer organizations, NGOs, socially responsible investment funds, unions, and other interested members of civil society.

2. Better information and data are required at all levels. We cannot constructively raise awareness or ensure the appropriate allocation of resources unless we can be confident that we know the nature, size and location of problems. The ILO has a special role in helping to collect and disseminate information and improve data accuracy.

3. We need to share and leverage local best practice solutions, recognizing solutions require a holistic understanding of the issues underpinning poverty, including quality education and the provisions of other basic social services. One way companies have organized themselves is by industry. Important child labor initiatives are underway for example in the coca, sugar and cotton industries. These initiatives are most fruitful where governments are willing to recognize and address the issue as a national priority. In this respect, we look forward to working together with the government of Uzbekistan to address the issue of child labor in the Uzbek cotton industry.

4. Tools and resources are available. We can all work to better disseminate them, and we can better leverage our mutual efforts and commitments

5. Industry-wide supply chain perspectives are important. Supply chains are often diverse and complex, and clarity of roles and responsibilities within them is critical to taking corrective action and holding supply chain entities accountable. Companies have a powerful tool here in their risk management strategies and experience, which by definition address the

complex interaction of risk factors in their commercial and operational activities. However, we must ensure against unrealistic expectations. It is not in the power of company supply chain management programs, however robust, to solve this problem alone. If we want sustainable solutions, at the end of the day governments will have to take responsibility and engage with both companies and other actors to develop cooperative approaches that fit their national circumstances.

Eliminating child labor is a challenge to all of us: governments, workers, and employers. I hope that these brief remarks convey some sense of the seriousness with which employers regard these challenges, and of their commitment to working together with many other groups in society to share experiences and innovations in this common fight.