



**International Business Forum on
Engaging Business - Addressing Child Labor
Case Studies**

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Tripartite social forums for banana and flower production in Ecuador

In Ecuador, child labor is prevalent in the banana and flower sectors, although it has at times been difficult for companies in these sectors to acknowledge this.

Banana production

The Social Forum for the Banana Production Sector, (Forum), set up in 2003, was the banana industry's response to a 2002 report by the human rights advocacy group Human Rights Watch, about child labor and obstacles to trade union membership in Ecuador's banana plantations. The report resulted in international pressure for banana certification, particularly for the American and European markets, to guarantee that bananas are produced without child labor and labor rights are respected.ⁱ

The ILO subsequently became involved in the Forum,ⁱⁱ helping to develop it into a tripartite initiative based on social dialogue with effective trade union participation. An ILO baseline survey on child labor helped the Forum get underway and led to the banana producers acknowledging that child labor was a problem in their sector. The ILO's participation in the Forum, along with that of UNICEF, has helped to reduce tensions among banana producers, exporters and workers and to build consensus among these groups of the need to join forces to combat child labor. In May 2004, a Banana Sector Plan for the elimination of child labor was launched.

Activities carried out by the Forum to date include:

- carrying out a series of awareness-raising activities on child labor for trade unions, entrepreneurs, families and children;
- setting up a child labor inspection and monitoring system in the provinces of Guayas, El Oro and Los Rios, where the main banana producers are located;
- playing an important role in getting banana companies to agree to labor inspections on their farms and plantations.

Spin-off activities include private sector initiatives to improve family and community living standards in banana producing areas, which reflect the increased emphasis on social responsibility fostered by the Forum's activities.

Cut flower production

In 2002, following Ecuador's ratification of ILO Convention No. 182, EXPOFLORES, the country's association of flower producers and exporters, became a signatory of a statement on eradicating child labor. International and consumer concern about the use of child labor in flower production in Ecuador and Colombia provided additional impetus for setting up the Social Forum for Flower Production (Forum)ⁱⁱⁱ in 2005.

The ILO played a proactive role in creation of the Flower Forum, ensuring that it was tripartite in nature from the start, and continues to provide resources and technical assistance. An ILO baseline study helped companies to evaluate the extent of child

labor in plantations and has provided the basis for the development of an action programme on elimination of child labor for the cut flower industry. As in the banana sector, one of the Forum's main successes is the promotion of social dialogue by getting government, companies and trade unions together around the same discussion table. Though it is too early to evaluate the Forum's effectiveness in tackling child labor, an increasing number of flower growers are now enforcing regulations in their enterprises regarding child labor.

Central to the strategy of the efforts against child labor in the cut flower industry is the transition of children above the minimum age for employment from hazardous work, such as the application of pesticides, to non-hazardous aspects of flower production. Once they are engaged in non-hazardous work, a key challenge for the Forum has been to ensure that children do not work in excess of the limits on number of hours worked prescribed by the Ecuadorian Labor Code.

Some lessons learned from these two Forums include:

- They are useful in developing social dialogue and consensus building between business and labor interests.
- Child labor provides a relatively easy area to achieve dialogue-based consensus, which could in turn stimulate consensus building on other labor topics.
- There is growing understanding that solving social problems is not solely a government function and that tripartite activities may be the most suitable way for dealing with the problem of child labor.
- International pressure is an important factor in spurring action on child labor. It would be difficult to establish similar forums in sectors that are not subject to such pressure.
- A period of capacity building and strengthening of the actors involved was an essential prerequisite for creation of the Forums. The role of the ILO and other international organizations in providing support for capacity building was crucial.
- Strong Ministerial support, especially during the process of creation, is also critical.

ⁱ Comité Nacional para la Erradicación Progresiva del Trabajo Infantil.

ⁱⁱ Membership: government representatives from the Ministries of Labor, Agriculture, Education, and Social Security; producers/employers – AEBE, Dole, Noboa, Wong, and the Corporación para la Promoción de las Exportaciones e Inversiones (CORPEI); trade unions – The Federación Nacional de Campesinos e Indígenas Libres del Ecuador (FENACLE) is the main trade union involved; NGOs – one voting representative but other NGOs also attend meetings; ILO and UNICEF are official advisers to the Social Forum and attend meetings.

ⁱⁱⁱ Membership: government representatives from the Ministries of Labor, Agriculture, Education, and Social Security; producers/employers – EXPOFLORES, the country's association of flower producers and exporters, acts as the representative for the flower industry; trade unions – the official representative organization is still to be nominated; NGOs: one voting representative but other NGOs also attend meetings; ILO and UNICEF are official advisers to the Social Forum and attend meetings.

Private Sector contributions to combating child labor in sugarcane in El Salvador

Background and initiation of industry involvement

El Salvador ratified ILO Convention 182 in 2000 and determined that child labor in sugar cane harvesting constitutes one of the worst forms of child labor in El Salvador.

With support from the U.S. Department of Labor, International Labor Organization's International Programme on the Elimination of Child Labor (IPEC) launched a project in support of El Salvador's Time Bound Programme to eliminate the worst forms of child labor in 2002, including in sugarcane.

From the outset, the Salvadoran sugar industry was an essential contributor to efforts to tackle child labor in sugarcane. ILO-IPEC engaged the Salvadoran Sugar Association's charitable foundation, FUNDAZUCAR, as one of its main implementing partners. The Sugar Association is a member of the national employer's association ANEP, which participates in the National Steering Committee on Child Labor, established with IPEC's support.

Because they are associated with industry and have built considerable good will as a result of funding social development projects in the sector, the partnership with FUNDAZUCAR has been fundamental to IPEC's success in withdrawing to date some 7,300 children from sugarcane. In addition, 13,000 children at risk of entering work in sugarcane have been prevented from doing so.

IPEC engaged FUNDAZUCAR to carry out the baseline research that was critical to informing the design of interventions and established the original target group to be assisted. Their good name allowed access to farms that otherwise would have resisted efforts to register child laborers, and their staff in the field provided access to education, income generation and other social services that enabled families to do without child labor.

Non-formal education centres were set up to provide complementary education activities, tutoring and recreational and cultural activities for children withdrawn from work or at-risk for child labor. FUNDAZUCAR donates supplies – notebooks, pencils and athletic equipment, etc. – and helps to train teachers so that child labor concerns are included in the curriculum. Community leaders and teachers have been trained in child labor monitoring, and community networks have been created to track the extent of the problem.

The Sugar Association issued a directive in 2003 banning the use of child labor in its nine mills as well as on plantations that supply the unprocessed cane. Farms or cooperatives that still use child labor are fined through a reduction in cane prices whilst repeated violations can lead to an end in the business relationship with mills. A child labor monitoring system has also been set up by the mills. Each mill has hired social workers, who help to raise awareness on child labor and collaborate with Labor Ministry inspectors to identify child laborers.

The supply chain dimension and The Coca Cola Company

In the midst of this growing industry response to the problem, in June 2004, the human rights advocacy organization Human Rights Watch (HRW) published a report on child labor in sugar cane plantations in El Salvador. It stated that children harvested sugar used to make Coca-Cola in El Salvador for domestic consumption, among other products.

In interviews with HRW, IPEC staff attested to the presence of child labor on sugar plantations in El Salvador and provided information on the conditions and hazards faced by children. These include injuries from sharp cutting tools such as the machete, hazards associated with sun exposure, musculo-skeletal problems, respiratory problems, pesticide exposure, insects and snakes, and psycho-social effects such as low self esteem. The effect on ability of children to achieve a basic education is also disastrous.

Sugar cane in El Salvador is mostly produced by cooperative farms, formed after an agrarian reform some 25 years ago, and children of cooperative members are among the child laborers found on these plantations. The cooperatives sell the harvested sugar cane to any of nine sugar cane mills in El Salvador. One of the largest mills is an authorized supplier of sugar to The Coca-Cola Company. Coca-Cola is a major purchaser of sugar cane in El Salvador.

Following the release of the report, Coca-Cola sent a team to El Salvador to investigate the problem. IPEC met with them and described ongoing national efforts to eradicate child labor in sugar cane through increased enforcement and the provision of educational alternatives to children, alternative income generation options to parents, social mobilization, and awareness raising. IPEC also shared with Coca-Cola quantitative data from research surveys and regular updates on progress in the sector, and accompanied them on visits to sugar cane plantations.

The Coca Cola Company's Supplier Guiding Principles program, which prohibits child labor, does not cover sugar farms providing cane to its authorized mill in El Salvador. Coca-Cola considered a number of possible responses to the HRW report, including ceasing the purchase of Salvadoran sugar and acquiring its sweetener from other sources in which the prohibition on child labor is assured. The Company chose to initiate a project aimed at combating child labor in sugarcane. IPEC and FUNDAZUCAR provided guidance to the design of the initiative, which provides children above the minimum age for work with safe, alternative sources of income while enhancing their technical skill development and keeping them in school.

Initiated in 2006, the program required the 30 participating children to attend school instead of cutting sugarcane. To supplement their school curriculum, the program brought in an agricultural technician to teach the children how to plant vegetables and manage the project-funded greenhouse and orchard. In 2007, the children grew and harvested 1,350 pounds of tomatoes, and they have also produced chilies, eggplant, corn, cucumbers, yucca, tomatoes, cabbage and green beans. The project is on track to be self-sustaining by 2008, using the income derived from the sale of its vegetable products.¹

¹ 2008, BLIHR – Harvard – TCCC Case Study (forthcoming)

As important as this direct action is, the sustained advocacy for greater attention to the child labor problem in sugarcane carried out by Coca-Cola among stakeholders in El Salvador is likely to have a greater long-term impact. It contributed to a more robust response by the Salvadoran sugar industry, the Salvadoran government, and civil society. Marked declines in the levels of child labor in sugarcane are evidence that this increased response is taking effect.

However, more must be done to ensure that this progress is sustained and increased over time. Sugar cooperatives continue to struggle, many farming families are mired in poverty, and core labor rights are not sufficiently upheld. Access to quality education and other basic social services is still inadequate, so there is a lack of viable alternatives to child labor. Resolving these root causes of child labor in El Salvador is not a simple task, but one that is critical to eliminating child labor in sugarcane in El Salvador.

The International Cocoa Initiative

The public and international outcry that followed media reports in 2000 of trafficking of children for labor in slavery-like conditions on cocoa plantations in West Africa led to the drawing up of the Protocol for the Growing and Processing of Cocoa Beans and their Derivative Products in 2001 (Cocoa Industry Protocol). The Protocol was developed in consultation with the global chocolate industry and other international stakeholders, including the ILO, and in partnership with US Senator Tom Harkin and US Congressman Elliot Engel.ⁱ

One of the outcomes of the Protocol has been the creation of the International Cocoa Initiative (ICI) Foundation in 2002 by the global chocolate industry in cooperation with other international stakeholders.

The industry-funded International Cocoa Initiative is a coalitionⁱⁱ of the global chocolate industry, international trade unions, and NGOs whose mission is “to oversee and sustain efforts to eliminate the worst forms of child labor and forced labor in the growing and processing of cocoa beans and their derivative products.” Its governing board is made up of six members each from industry and civil society, a Swiss journalist and a Swiss lawyer. The ILO helped with the setting up of the Foundation and is a member of its Advisory Council.

Pilot ICI projects with a research focus are underway in Cote d’Ivoire and Ghana, the world’s two largest producers of cocoa. In Cote d’Ivoire, the ICI is supporting the Ivorian government in its efforts to develop laws on trafficking. It is helping a group of experts to develop a workable approach to “social protection” (a term which is used to describe the process of identifying cases of worst forms of child labor, withdrawing these children from work and providing the support they then need). It has supported three government planning workshops on the worst forms of child labor and one on determining hazardous practices which led to a detailed elaboration of proscribed practices in the cocoa sector. Civil conflict in the country has made it difficult however for the ICI to work on the ground.

In Ghana, the ICI is supporting the efforts of the Cocoa Board to make child labor a mainstream issue in the country. The Board has appointed a desk officer and is liaising closely with the national child labor unit. A research study is being carried out to help determine the best approach to social protection for cases of abuse identified in the field.

Note

In 2002, a study of child labor on some 1,500 cocoa-producing farms in *Cameroon*, the *Côte d’Ivoire*, *Ghana* and *Nigeria* was carried out by the Sustainable Tree Crops Program of the International Institute of Tropical Agriculture in cooperation with IPEC.ⁱⁱⁱ The study found that hundreds of thousands of children were engaged in hazardous tasks on cocoa farms. Many child laborers came from impoverished countries in the region like *Burkina Faso*, *Mali* and *Togo*. Parents often sold their children in the belief they would find work and send earnings home. However, once removed from their families, the boys were forced to work in slave-like conditions. In the *Côte d’Ivoire* alone, nearly 12,000 of the child laborers had no relatives in the area, suggesting they were trafficked. In its 2000 report on human rights the US

Department of State observed that children are regularly trafficked into the country from neighbouring countries and sold into forced labor.^{iv}

This situation in *Côte d'Ivoire* triggered a public commitment by the companies in the global cocoa/chocolate supply chain to address the problems, as most conspicuously demonstrated by the Cocoa Industry Protocol, the International Cocoa Initiative,^v and the Cocoa Certification and Verification System which are all discussed in Guidebook 4, Chapter 5.

Cocoa certification and verification

The Cocoa Industry Protocol also provides the basis for another initiative on child labor by the global chocolate industry, namely, the development of a certification and verification scheme for the cocoa sector to reduce the use of child and forced labor in cocoa production. This work is being spearheaded by the chocolate industry's Global Issues Group, and a Cocoa Verification System Working Group^{vi} has been set up. The ILO has participated in the overall scheme through development of pilot child labor monitoring interventions under its West Africa Cocoa and Commercial Agriculture Project to Combat Hazardous and Exploitative Child labor (WACAP). The Protocol called for a certification and verification scheme to be in place in selected producer countries by July 2005, but this deadline has been extended to July 2008 and the work to establish a cocoa certification and verification scheme continues.

ⁱ Harkin-Engel statement on the cocoa/chocolate industry's effort to address the WFCL in cocoa growing. Press release, July 2005, <http://esponsiblecocoa.org/news/press-release-070105.aspx>

ⁱⁱ Members: Mars Incorporated, Hershey Foods, Cadbury Schweppes and Nestlé; the European Cocoa Association and the International Confectionery Association (two trade associations representing cocoa processors, trade and logistics companies and global confectionery manufacturers respectively); the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF), and the International Confederation of Free Trade Unions (ICFTU); the US National Consumers League; Free the Slaves and the Global March, organizations campaigning for the abolition of forced and child labor.

ⁱⁱⁱ International Institute of Tropical Agriculture: *Child Labor in the Cocoa Sector of West Africa: A synthesis of findings in Cameroon, Côte d'Ivoire, Ghana, and Nigeria* (Croydon, UK, Lambourn Ltd. 2002).

^{iv} US Department of State: *Country reports on human rights practices for 2000: Côte d'Ivoire* (Washington, D.C, DOS, 2001), p. 192.

^v E.J Schrage: "Addressing child labor in Côte d'Ivoire cocoa production: Case study 4". In University of Iowa Center for Human Rights: *Promoting international worker rights through private voluntary initiatives: Public relations or public policy?* A report to the US Department of State. (Iowa City, USA, 2004), p. 131.

^{vi} Cocoa - The Verification Working Group. See www.cocoaverification.org

ECLT Foundation: Eliminating Child Labor in Tobacco growing

In response to growing pressure globally to combat child labor in tobacco production, an international coalition of tobacco growers, manufacturers and a global trade union federation established the Foundation on the Elimination of Child Labor in Tobacco Growing in 2002.

In June 1999, the International Tobacco Growers Association (ITGA) and the International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF) signed a joint statement on the issue, which was witnessed by the ILO. In the statement, the ITGA and the IUF recognised the need to contribute to the elimination of child labor in the tobacco growing sector and to provide children with an upbringing that allows for their fullest mental and physical development.

Following this first initiative, in July 2000 British American Tobacco (BAT) joined the alliance and signed a memorandum of understanding with the IUF and the ITGA in July 2000. Within this new international partnership, the three organisations agreed to work jointly against child labor in tobacco growing and to involve all the stakeholders in the tobacco sector in order that child labor no longer plays a role in production.

In October 2000 in an international conference in Nairobi, Kenya, the partnership was officially launched. Its objective was to establish a permanent infrastructure to address the issue and provide a framework for ongoing action. The conference was attended by over 120 delegates and speakers representing 14 countries in three continents.¹

The industry-funded Foundation that was established after the conference now includes most of the major tobacco manufacturers.² The ILO participated in the Foundation's creation and is a member of its Advisory Council.

The Foundation develops independent research on the conditions and level of child labor in tobacco growing, supports and funds local and community-based projects and establishes and shares best practice and lessons learned. Examples of its project work include:

- *Malawi*: A mid-term evaluation³ of an ECLT project targeting the improvement of living conditions in 60 tobacco-growing villages in Dowa and Kasungu districts found that the project:
 - increased school enrolment by 32 per cent and decreased drop out by 64 per cent;

¹ www.eclt.org

² In addition to the ITGA, BAT and IUF, the Foundation's Board is made up of: Altadis S.A., Dimon Incorporated, Gallaher Group PLC, Imperial Tobacco Group PLC, Japan Tobacco Inc., Philip Morris International, Philip Morris USA, Scandinavian Tobacco Company, Standard Commercial Corporation, Tribac Leaf Limited and Universal Leaf Tobacco Co., Inc.

³ Available on <http://www.eclt.org>

- led to former full-time child laborers attending school at least in the morning; and
- cut both the time children spent collecting water and the incidence of water-borne diseases by providing safe water through the digging of shallow wells.

Another project constructed a junior primary school and provides running costs. Opened in 2004, approximately 150 of the school's 322 pupils attended school for the first time. An internal evaluation⁴ concluded that the project had helped mobilize the local community in support of the school, and in promoting improved school attendance, at least in the short run.

- *Philippines*: Since 2003, ECLT has worked with Philip Morris International and the Philippine Ministry of Labor and Employment to reduce child labor in 100 villages through awareness raising, increased access to education and income-generating projects for the poorest farmers. By the end of 2004, 100 tobacco-farming families had received the first part of a two-year scholarship worth US\$ 355.⁵ The parents are being trained to develop income-generating activities to help cover schooling costs once the scholarship programme finishes.
- *Tanzania*: In 2003, ECLT linked up with the ILO to launch a three-year effort to combat child labor in Tanzanian tobacco-growing villages. This includes promoting education, training farmers and helping to bolster incomes. By April 2005, 717 children (40 per cent of whom are girls) had been withdrawn from labor and reintegrated into primary school, compared with an original target of 500.⁶ Fifteen new classrooms had been built or were in the process of construction. Sixty-two children had attended vocational training institutes, with an additional 180 children due to go through similar training. Workshops had been conducted with 2,500 participants in 36 villages. In addition, some 180 children benefited from a one-year course at a vocational training centre in Tabora or Urambo. Skills taught included carpentry, construction and tailoring. Sixty-two other children attended a three-month intensive course at a vocational training school
- *Uganda*: the project in the Masindi region involves campaigning to change attitudes toward child labor, getting children out of the workplace and into to school and constructing a vocational skills training institute. In the first 15 months of the project, workshops had been held with 7,000 tobacco farmers, teachers, parents and children, compared with a target of 2,500 participants. Ninety-one child labor committees were formed. School enrolment and attendance were up 10 per cent and 28 per cent respectively, and absenteeism was down by 42 per cent. The vocational training institute opened in September 2005.

⁴ Available on <http://www.eclt.org>

⁵ http://www.eclt.org/activities/projects/philippines_updatedec04.html

⁶ ECLT Foundation: Tenth Board Meeting, Uganda and Tanzania, April 2005

Key features of the initiative include:

- ECLT recognized the need for better data on child labor in sugarcane and includes a strong research component.
- Immediate focus on initiating projects in tobacco growing communities produced tangible results and learning for policy setting.
- Action on the ground takes an integrated approach, emphasizing social mobilization, income generation, and linking with ongoing national efforts against child labor.
- When media reports of the child labor problem surfaced, a framework for action against child labor in tobacco had already been established by ITGA, BAT and the IUF, enabling a more proactive response to resolve the problem.

Prevention and Elimination of Child Labor in Soccer Ball Stitching in Pakistan

Origins of the Sialkot soccer ball program

Situated in the north-east of Punjab province in Pakistan, Sialkot is a thriving economic hub, home to more than half a million people in the city and around 3.5 million in the wider Sialkot district. Sialkot is renowned for its sports and surgical goods industries and is the world's largest manufacturer of hand-stitched soccer balls. Changes in the 1970s and '80s within the industry and in the business environment generally in Pakistan led to a growth of informal systems of production, through which companies began to outsource soccer ball manufacturing to contractors. These contractors redistributed football production to outside workers, mainly women operating from home. This led to a breakdown in the monitoring and control of working conditions, and more and more children became involved in stitching and related activities as a way to augment family income.

Against this backdrop, the globalization phenomenon of the 1990s saw significant growth in business and consumer interest in ethical trade and social compliance systems. Monitoring of how goods were produced in developing countries became an important element in business processes worldwide. Therefore, when media investigations of soccer ball manufacturing in Sialkot around the time of the 1994 Soccer World Cup and the 1996 European Football Championships found children working in the industry, the impact on the industry was significant and potentially disastrous.

Project to eliminate child labor in the football industry

In response to the situation, and with the support of the World Federation of the Sporting Goods Industry, the ILO, UNICEF, and the Sialkot Chamber of Commerce and Industry (SCCI) representing the companies producing hand-stitched footballs signed an agreement in Atlanta, USA, in February 1997 to work together to eliminate child labor in the football manufacturing industry in Pakistan.

Under the terms of the Atlanta Agreement, a project to eliminate child labor in Sialkot was developed and implemented from 1997 to 2004, with financial support from a range of donors, including the US Department of Labor, UNICEF, the Soccer Industry Council of America, the International Federation of Football Associations (FIFA) and, subsequently, the SCCI, the local companies concerned and the Sialkot district government.

The project aimed to:

- assist local companies in preventing child labor in the manufacture or assembly of footballs;
- identify and remove children from the manufacture or assembly of footballs and provide them with educational and other opportunities;
- influence community and family attitudes to child labor.

In order to achieve these goals, the project sought to develop a voluntary, credible and reliable monitoring system across the industry. It also withdrew children from hazardous work in the stitching industry, provided them with appropriate education, skills training, and health and social protection services and supported their families through income-generating activities. On a broader level, the project raised awareness among business, community and

religious leaders, families and children of the dangers of child labor and the importance of education.

Project impact

The project surpassed expectations and targets in some of its objectives (see box). Thousands of children were withdrawn from work and they and their siblings were enrolled in school. Some schools were set up through the project as state education facilities were not always present in outlying vulnerable communities surrounding Sialkot. Vocational education was made available to help older children develop new skills in trades that would provide them with a more secure future. A skills training and micro-credit program was also set up to help vulnerable families develop income-generating activities to offset the loss of children's income. In addition, health and hygiene activities were included as part of the social protection component, providing medical examinations and support to children and their families.

As the project progressed, the number of children working in the football industry fell considerably and prevention rates increased. Consequently, the education and social protection components were gradually phased out. Although some education centres closed as students graduated or moved to state schools, a large number was subsequently taken over either by the community or by the district government, improving education access across Sialkot district. This strategy ensured that education support continued to be available in those communities for as long as necessary and that the project was integrated effectively into the district government's primary education plan.

Centralizing production, protecting women's employment

A voluntary child labor prevention and monitoring program was opened to all football manufacturers that agreed to abide by its terms and conditions. Those that signed up paid a membership fee to contribute towards the costs of the program. As part of an overall effort to reorganize and streamline the industry, each signatory was obliged to set up registered football stitching centres which were monitored internally and externally to ensure compliance. Work previously done in households was shifted to centralized locations. The provision of child-care facilities ensured that mothers could continue to work, and the centralized production made monitoring for child labor feasible. Working conditions were

generally improved throughout the industry, with an additional focus on hygiene and related health and safety matters. In general, workforce morale improved, particularly in the stitching centres, which became a strong focus of community activity

Main project outcomes

- Over 10,500 children educated in 255 specially created non-formal education centres.
- Nearly 6,000 of these children absorbed into formal government schools.
- Health care provided to around 5,400 children.
- 177 Village Education Committees and 243 Family Education Committees set up.
- Access to micro-credit provided to families by the Punjab Rural Support Program.
- 66 manufacturers – representing 90% of total soccer ball production in Sialkot – participated in the monitoring program in phase 1.

Sustaining impact through an independent monitoring body

A new body, the Independent Monitoring Association for Child Labor (IMAC), was established in 2003 to take over and sustain the industry monitoring system.

Participating companies are required to implement their own internal monitoring systems, in addition to IMAC monitoring. Stitching centres are registered with IMAC, and balls stitched in these centres are stamped with special codes. A daily random list of workplaces to be inspected by IMAC monitors is generated by

computer software. Inspections cover a range of workplace elements, including but not exclusively the presence of children working there. In order to persuade the manufacturers to strictly adhere to the provisions of the program, IMAC provides incentives by categorizing the level of compliance and cooperation according to three tiers. After three months on the lowest tier, indicating no measures taken to improve compliance, the company is removed from the program.

An interesting general outcome has been a significant increase in awareness of child labor among communities within Sialkot district and particularly at district government and private sector levels.

Behind the Sialkot success story

A number of key elements contributed to the immediate success of the soccer ball project:

- The terms and conditions of the Atlanta Agreement were intensely negotiated between the partners in Pakistan. Consequently, ownership of the agreement by the partners and stakeholders was never in doubt.
- The project gained significant momentum and profile as a result of the signing of the agreement, which set out a partnership approach, including defining the roles and functions of each partner. The partnership between industry and non-industry actors was pivotal to the project's success and the leadership in industry was clear and decisive, although not all SCCI members were favourable to it.
- The project had time-bound targets for the elimination of child labor from the supply chain of participating manufacturers.
- The project received strong support from all the local stakeholders, including local communities.
- The project benefited from the vision of the local and international business leaders to accept responsibility for informal sector activities linked to soccer ball stitching. Tackling child labor at its source in informal supply chains was vital.
- The project was endorsed by the then All Pakistan Federation of Trade Unions (APFTU) and the Employers' Federation of Pakistan and these organizations were also members of the project coordinating committee.
- Once the activities were initiated, the project benefited from the support of a dynamic district government.
- An ILO-IPEC¹ project office was opened in Sialkot, ensuring coordination and the provision of technical support and creating a strong platform for communication, awareness-raising, and collaboration with partners and communities.
- The existence of credible, well-established and experienced civil society organizations meant they could take up the key roles of delivering relevant services, including education and social protection. Education and community empowerment models for child labor prevention and elimination tested elsewhere in the country under IPEC were adapted and introduced in the project areas.
- A detailed monitoring system was developed, which could be seamlessly transferred to a locally based organization.
- The support of partners and donors and the involvement of organizations such as FIFA and some major multinational sports companies, including Nike and Adidas contributed to the high profile of the project and its ability to capture the interest of the media and the general public.

Additional considerations and implications for business

¹ IPEC: the ILO's International Program on the Elimination of Child Labor.

Monitoring

In an ideal world, the prevention and elimination of child labor would be safeguarded by the existence of effective state labor inspection systems, supported by additional private sector social compliance systems. However, in some countries, such systems are either insufficient, understaffed or poorly trained and funded, while in some areas they may be non-existent, as was the case in the Punjab province where Sialkot is located. In these situations, private monitoring systems can play a crucial role, filling in the vacuum while state systems and capacities are developed.

The establishment of an effective monitoring system was one of the cornerstones of the soccer ball program (referring to the ILO-supported project as well as broader industry efforts that continue to this day) and industry's progress in eliminating child labor. The system was developed and operated with the technical support of the ILO, in collaboration with the various stakeholders. The ILO's role in operating the child labor monitoring system was intended to be short-term from the outset. Therefore, once the system was in place and operational, the ILO transferred responsibility for operations to IMAC and worked with the body for a period of time to ensure a smooth transition.

For companies, the monitoring aspect of the Sialkot program offers some significant lessons. The establishment of a locally driven monitoring system provides some assurance to multinational enterprises that their suppliers who participate in the program do not use child labor and other core labor standards are being respected. However it is a voluntary initiative that extends beyond the suppliers of multinational brands and is available to the entire soccer ball stitching industry. A significant portion of all soccer ball stitching in Sialkot has become centralized and joined the monitoring program, reducing household-based production; the increase in educational alternatives to child labor also has helped diminish the problem across the industry. The program builds capacity among all participating manufacturers through training and awareness raising, enabling the industry to more effectively prevent child labor from occurring. This benefits the industry as a whole, including those manufacturers working with the brands.

In addition, the soccer ball program offers the possibility of advancing the debate on social compliance and monitoring systems, experimenting with new ideas, and closer integration of different monitoring entities. Because its stakeholders include district and national government, it provides a platform for effective collaboration with state labor inspection systems, and can support transferring more of the responsibility for child labor monitoring to the competent state authorities.

Collaboration with Multinational enterprises

Multinational enterprises such as Nike and Adidas supported the Atlanta Agreement and the development of the efforts to tackle child labor in the Sialkot soccer ball industry. However they were not signatories to the Agreement, and they implemented parallel monitoring systems to ensure compliance with their codes of conduct. These systems do not engage with as wide a range of stakeholders as the soccer ball project did; they are less likely to influence underlying causes of child labor such as insufficient educational opportunities and inadequate state enforcement capacity. This is not to suggest that the international brands should have directly provided the social services, training, and income generation alternatives that the soccer ball project and its partners did. But a more active role for the brands in the project may have leveraged increased investments by local and national governments and other

stakeholders, and furthered the success of the initiative in addressing the root causes of child labor in Sialkot.

For its part, the soccer ball program could have engaged the brands more directly, with a view toward making the monitoring system more suited to meeting the needs of the brands to ensure compliance with the full range of labor standards contemplated in their codes of conduct for suppliers. Indeed, when in 2006 a major brand terminated a contract with a major supplier in Sialkot, resulting in thousands of lost jobs, the supplier's lack of compliance with regard to freedom of association was cited as a cause. Expanding the soccer ball program to address all core labor standards² was one of the priorities established in the tripartite Sialkot Initiative signed in February 2007. The Sialkot Initiative establishes a plan to strengthen the program and provide new impetus to the achievement of decent work objectives in Sialkot.³

Meaningful engagement between locally based multi-stakeholder initiatives (MSIs) such as the soccer ball program and multinational enterprises seeking to apply their codes of conduct offers important potential benefits. Enterprises can anchor their codes within a wider alliance that can offer sustainable solutions to communities' child labor problems and build capacity within the entire industry to respect core labor standards. Given that a focus on compliance alone may do little to improve respect for labor standards, local MSIs offer a vehicle for strengthening capacity and addressing root causes. They can spur changes in industries that are highly effective in ensuring improved respect for core labor standards, such as increased formalization. Remediation becomes easier and less expensive as members of the MSI, such as governments and NGOs, fulfil their roles.

Local MSIs, by developing the ability to respond to multinational enterprises' needs for compliance with all core labor standards, increase their profile and relevance to local businesses. Providing monitoring services to multinational enterprises can also help MSIs sustain themselves financially. This is a critical issue for IMAC, which was obliged to reduce the number of monitors it employed after the ILO-IPEC funding ended and at times sent single monitors to visit factories instead of paired monitors, as called for in the system's design.

The industry as a whole can benefit from a unified compliance regime, reduced duplication and the resulting improvements in productivity. It is also important to note that children who are removed from work are more likely to have access to education and real alternatives to child labor if there is a locally-based MSI alliance supporting them.

Social dialogue

The Atlanta Agreement and the soccer ball program are founded on the basic principles of social dialogue and decent work. Workers need to be able to defend and promote their interests and working conditions through collective association and representation in the form of free and democratic trade unions. This was an issue in the soccer ball program as the employers and the SCCI were particularly strong and influential, whereas the former APFTU and the new Pakistan Workers' Federation (PWF) had limited presence in Sialkot district and particularly in the private sector. Contributing to mature systems of industrial relations is powerful way for multi-stakeholder initiatives to achieve their goal of improved respect for

² Freedom of association and collective bargaining, the prohibition of discrimination and forced labor as well as child labor

³ http://home.scci.com.pk/Sialkot_Initiative_2007.pdf

core labor standards. This requires building capacity of all partners, particularly employers, and working with established trade union organizations. Trade unions are uniquely qualified to provide continuous monitoring of the application of codes and offer a valuable grievance mechanism in the case of problems.