

Child Labour and Responsible Business Conduct

A Guidance Note for Action



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for every child

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Foreword

The 2021 International Year for the Elimination of Child Labour presented an important moment. Stakeholders from across the world pledged to intensify efforts to eliminate child labour. There is no better time to make good on these pledges than now. With only three years left to achieve the target of the elimination of all child labour by 2025 as set out in the Sustainable Development Goals, there remain 160 million children in child labour globally. That's 1 in 10 children under 18. Increasing child poverty due to the COVID-19 crisis may set back progress. Without social protection mitigation measures, an additional 8.9 million more children will likely be pushed into child labour as a result.

While there are no easy fixes, we have the tools and knowledge to eliminate child labour. We know child labour thrives where families are poor and excluded. It thrives where women and girls are discriminated against. Where institutions are weak or undermined by crises. It thrives when children lack access to fundamental services, such as education, health, nutrition, child protection and social protection.

Businesses can play a critical part in addressing these challenges. However, to do so they must look inward, at their own policies and practices, to avoid causing the proliferation of child labour. Decent work, adequate wages, responsible purchasing practices and child rights approaches that are embedded in wider human rights due diligence efforts are critical for this to succeed. Efforts must also include looking beyond their own, immediate operations, and considering the wider contexts in which they operate. The Durban Call to Action, adopted in May 2022 following the Fifth Global Conference on the Elimination of Child Labour, firmly recognized the role of businesses in tackling the root causes of child labour, leaving no question that they must lead, implement and inspire holistic approaches to prevent child labour.

This year we celebrate the tenth anniversary of the Children's Rights and Business Principles (CRBP). The CRBP have served as an inspiration and framework for many companies across the world in driving advances towards greater recognition and respect of children's rights. We need to build on this progress and accelerate action. We need to see holistic business approaches, supported by the right legal and policy environments, to achieve impact on a greater scale.

Cornelius Williams,
Director Child Protection,
UNICEF



Executive summary

The COVID-19 pandemic has had unprecedented impact on children, families and communities worldwide. Millions of families continue to suffer from the effects of falling living standards, job insecurity, income losses, school closures and increased care burdens. Women and girls have been disproportionately affected, exacerbating pre-existing inequalities and reversing previous gains. Workers and their families throughout global supply chains, particularly in informal settings, have been especially hard-hit due to the widespread absence of adequate social protection coverage.

Child labour risks have increased markedly due to the pandemic. While many businesses have responded with mitigation measures to ensure business continuity and protect workers, the crisis has thrown into sharp relief shortcomings in prevailing business responses to child labour. Additionally, the crisis has demonstrated that addressing child labour through holistic child rights-based approaches remains a significant blind spot for many businesses. This is reflected particularly by a failure to view child labour within its socio-economic contexts – that is, the root causes that lead to a family having to rely on a child's income. In addition, businesses rarely reflect on how their own practices, including their procurement decisions impact decent work opportunities at supplier level, interact with or reinforce vulnerabilities, and ultimately contribute to child labour. In short, evidence shows that businesses rarely address child labour holistically through the different pathways in which they may cause, or contribute to, child rights deprivations.

This report emphasises the importance of businesses taking a holistic approach to addressing child labour. It recognises that where children are not directly employed by a business, child labour may still contribute to the production of goods and services along domestic or global supply chains. Moreover, even where child labour occurs purely in the context of local subsistence farming or production, the report demonstrates that businesses may still contribute to child labour if they fail to ensure, for example, decent work and living wages in their supply chains without which families are more vulnerable and at higher risk of relying on child labour.

This report improves on existing literature by placing particular emphasis on holistic, child rights-based approaches to tackling child labour, with responsible business conduct at their core. It is written for businesses, policy makers and other business stakeholders, outlining how the private sector can respond to child labour in more effective and sustainable ways. It highlights some of the key root causes of child labour, how businesses may exacerbate them, as well as the role of business in addressing them through responsible business practices. The report also includes deep dives into three sectors, analysing business policies and practices in specific contexts in greater detail. Based on this analysis, it offers guidance on how child labour strategies should be grounded in child rights-based approaches, focusing on prevention and integration across core business practices and strategies. Lastly, the report explores emerging mandatory human rights due diligence legislations, and the criteria these laws should include to be effective in protecting children from adverse business impact, including child labour.

Disclaimer: This report was produced by UNICEF's Children's Rights and Business Team. The analysis and recommendations in this report are based on research undertaken and commissioned by UNICEF. The report draws on a literature review, mapping and analysis of business practices, subject matter expert input and key informant interviews. Research contributing to this report was led by Development International and the Centre for Child Rights and Business. The report also benefitted from review and insights from experts from within and outside UNICEF. UNICEF is grateful for the financial support for this report provided by the German Ministry for Economic Cooperation and Development (BMZ) and the technical support of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).



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PART 1

Overview and background

Child Labour and Children's Rights

Global estimates published in 2021 show that more children were engaged in child labour than four years before; a development described by the International Labour Organization (ILO) and UNICEF as alarming.¹ This reverses a trend of almost two decades of declining child labour numbers. The stalled progress means that, without accelerated and targeted action, the international community's commitment to eliminate child labour by 2025 is practically out of reach. In the absence of adequate mitigation measures, the socio-economic consequences of the COVID-19 pandemic are expected to further exacerbate the situation.

International standards and frameworks

Target 8.7 of the Sustainable Development Goals sets a goal for child labour elimination in all its forms by 2025. As the recent data starkly illustrate, the world is currently failing on this collective commitment. During the 2021 Year for the Elimination of Child Labour, Guy Ryder, General Secretary of the ILO, called the new estimates 'a wake-up call'.²

Convention on the Rights of the Child, ILO Convention 138 and ILO Convention 182

Eliminating child labour is an important policy objective for the international community. The Convention on the Rights of the Child, the ILO Minimum Age for Admission to Employment Convention (No. 138) and the ILO Worst Forms of Child Labour Convention (No. 182) provide the legal basis for national and international action on child labour.

Under these instruments, countries have the obligation to protect children from child labour in all its forms. The importance of the eradication of child labour is re-iterated in the ILO Centenary Declaration for the Future of Work (2019) and other instruments. Most recently, the Durban Call to Action (2022), which followed the Fifth Global Conference on the Elimination of Child Labour, called for a renewed commitment to eliminate the practice in all its forms by tackling the root causes and scaling action.³

Child labour is a cause and consequence of wider children's rights violations. Therefore, it cannot be addressed in isolation from underlying child rights deprivations. As highlighted in a joint statement by the ILO and the Committee on the Rights of the Child:

"Reversing the trend [of rising child labour] will require a renewed commitment by countries to place children's rights at the centre of economic and social policy. Realizing children's rights to quality education, to healthcare, to social protection, to an adequate standard of living and having their voices heard in the decisions that affect them, are fundamental to their right to be free from child labour."⁴

1 UNICEF & ILO, 'Child Labour: Global estimates 2020, trends and the road forward', 2021

2 UN News, 'Child labour figure rises to 160 million, as COVID puts many more at risk', 2021

3 ILO, 'Global Child Labour Conference agrees Durban Call to Action to end child labour', 2022

4 ILO, 'ILO and the Committee on the Rights of the Child call for urgent action to protect children's rights and accelerate progress towards eliminating child labour by 2025', 2021

UNICEF's multi-sectoral response to child labour

Figure 1. UNICEF's multi-sectoral response to child labour



Business responsibility to respect children's rights

While states hold the primary duty to eliminate child labour, there is widespread recognition that businesses have a complementary responsibility to address the practice when linked to their operations or supply chains.⁶ Children's rights are human rights that specifically recognize the unique needs of a child. Under the UN Guiding Principles on Business and Human Rights (UNGPs), all businesses and employers, nationally and internationally, have a responsibility to respect children's rights. This includes preventing and eliminating child labour they may cause, contribute to or be otherwise linked to. Addressing adverse human rights impacts which may contribute to child labour, such as lack of decent work and living wages for adults, is essential to discharging this responsibility.

Businesses also have an opportunity to support children's rights in ways that stretch beyond the basic principle of doing no harm. They can contribute to addressing child labour beyond their immediate activities and relationships; for example, by supporting wider public and community efforts to strengthen children's rights in workplaces and communities, as articulated in the [Children's Rights and Business Principles \(CRBP\)](#).

As Figure 1 highlights, UNICEF promotes a concerted multisectoral approach in responding to the multifaceted nature of child labour. The approach includes programming across education, social protection and child protection. It also focuses on data and evidence generation, labour market policies and responsible business conduct to address children's rights holistically. UNICEF's crosscutting work, for example related to gender and social and behaviour change, are also instrumental to these efforts.⁵

In addition to the UNGPs, the business responsibility to address child labour is embedded in a range of international standards and instruments. The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) – the first ILO instrument to address businesses directly – includes provisions on minimum age for

⁵ UNICEF, 'Ending Child Labour Through a Multisectoral Approach', 2021

⁶ UN Global Compact, 'Business Actions to Eliminate Child Labour', 2021

work and worst forms of child labour. The OECD Guidelines for Multinational Enterprises, and accompanying sector tools, require businesses to embed child labour prohibitions and prevention strategies across policy, human rights due diligence, and remediation.⁷ Ending child labour and all forms of forced and compulsory labour is also integral to the Ten Principles of the United Nations Global Compact.

Most recently, in May 2022 the ILO released guidance on how businesses can tackle root causes of child labour, based on the ILO MNE Declaration.⁸

Child labour prohibitions are also included in an increasing number of national (and proposed regional) laws placing obligations on businesses to act with human rights due diligence in their operations and supply chains. For example, Germany's Supply Chains Act (adopted in 2021) requires businesses to prevent negative human rights consequences, including child labour, through due diligence in their operations and supply chains. Specific child labour legislation also exists in France and Switzerland, among other countries. In February 2022, the European Union released a draft Corporate Sustainability Due Diligence Directive, which includes provisions on the rights of children, including freedom from child labour.⁹

However, translating these provisions and the corresponding obligations on businesses into meaningful action requires an understanding of the root causes of child labour and the role that businesses and employers can play in addressing them in effective, comprehensive and sustainable ways.

Overview of Child Labour

Key definitions, concepts and forms

Child: A 'child' is a person below the age of 18.

Child labour: Refers to work that deprives children of their childhood, potential and dignity, and that is harmful to their physical and/or mental development.

Light work: Children aged 13-15 (12-14 in some developing countries), can do 'light work' with adult supervision, to earn pocket money outside school hours or during school holidays.

Worst forms of child labor: Refers to children who are exposed to serious hazards, enslaved, separated from their families, and/or left to fend for themselves. This could include slavery, forced labor (including in armed conflict), prostitution and other illicit activities.

Young worker: A young worker is often defined as a person aged above the legal working age but still considered a child under international law (i.e., below the age of 18). In many countries, these are children who work and are between the age of 15 and 17.

Hazardous work: This is work that endangers the physical, mental or moral wellbeing of the child, either by its nature or by the conditions under which it is performed (e.g., carrying heavy loads, working with machinery, dangerous tools or chemicals).

Source: ILO, Business and Child Labour

⁷ ILO & IOE, 'Child Labour Guidance Tool for Business', 2015

⁸ ILO, 'ILO Brief: The elimination of child labour and its root causes', 2022

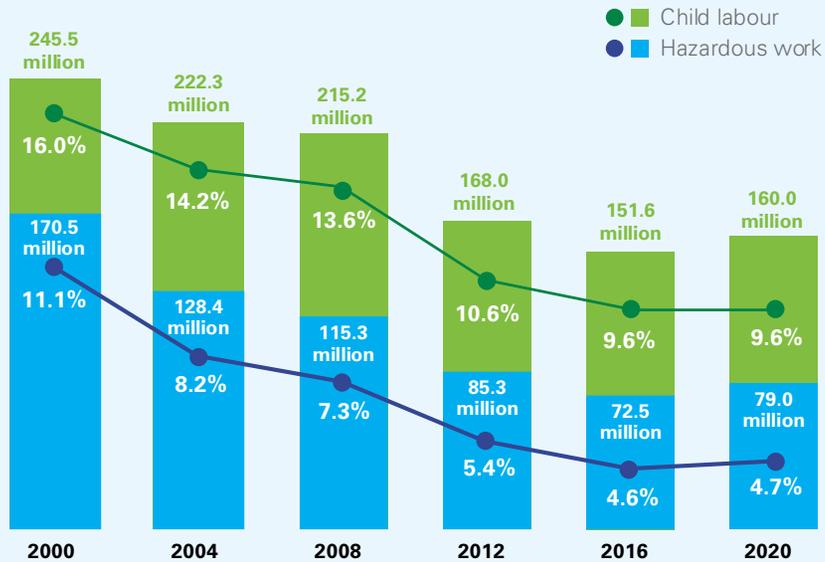
⁹ European Commission, 'Corporate sustainability due diligence', 2022

Prevalence and distribution

— TRENDS —

Figure 2. Global progress against children labour has stalled since 2016

Percentage of children aged 5 to 17 years in child labour and hazardous work



— CURRENT SITUATION —

Figure 3. Worldwide, 160 million children are endangered in child labour; 79 million of them are performing hazardous work

Number of children aged 5 to 17 years in child labour and hazardous work

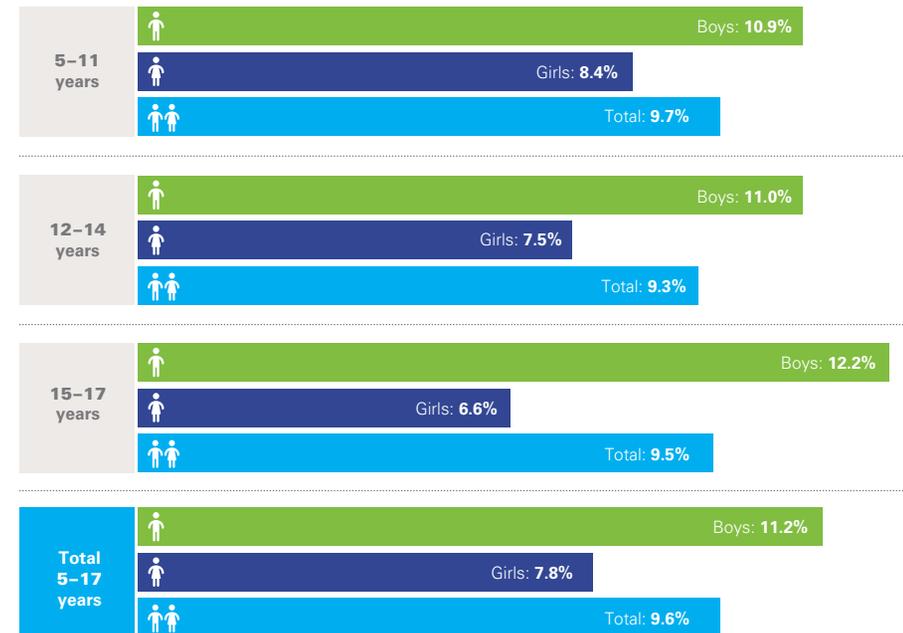
Children in child labour
160.0 million



Children in hazardous work
79.0 million

Figure 4. Child labour is more prevalent among boys than girls at every age

Number of children aged 5 to 17 years in child labour and hazardous work



In the past four years, child labour prevalence has increased among boys and decreased among girls

Figure 5. Asia and the Pacific and Latin America and the Caribbean have steady progress on child labour since 2008; similar progress has eluded sub-Saharan Africa

Percentage of children aged 5 to 17 years in child labour, by region

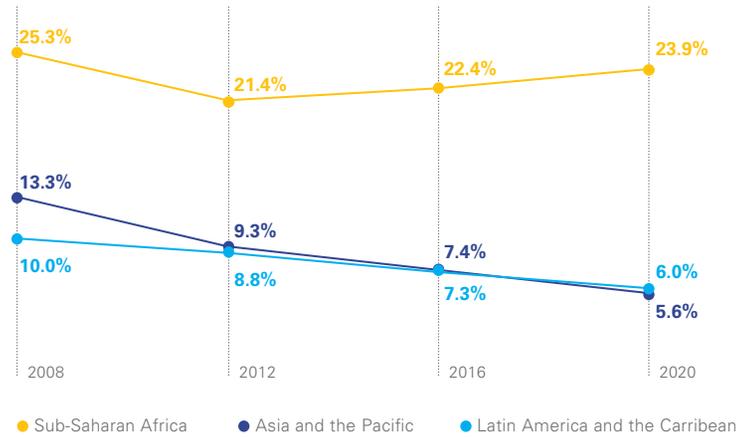
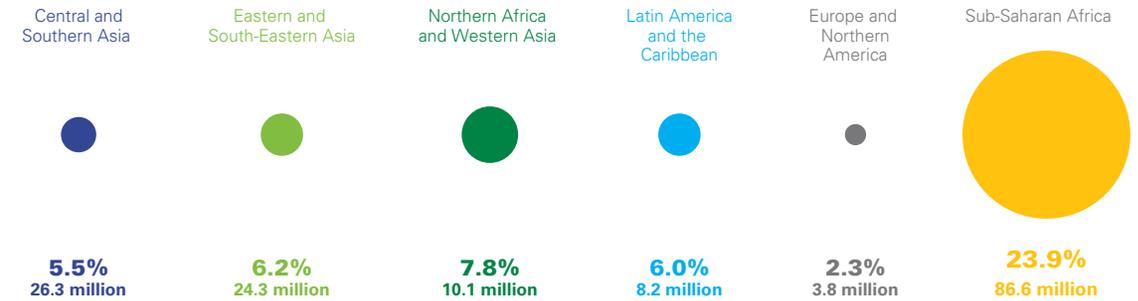


Figure 6. Sub-Saharan Africa stands out as the region with the highest prevalence and largest number of children in child labour

Percentage and number of children aged 5 to 17 years in child labour, by region



There are now more children in child labour in sub-Saharan Africa than in the rest of the world combined.

Note: The figure shows regional groupings used for ILO reporting. Comparable historical data prior to 2016 were not available for other regions.

Note: The size of the bubbles is proportionate to the absolute number of children in child labour. The figure shows regional groupings used for SDG reporting. The region of Oceania is omitted because of low data coverage. For this reason, region-specific numbers do not add up to the global total.

Figure 7. Most children in child labour work within their own family unit

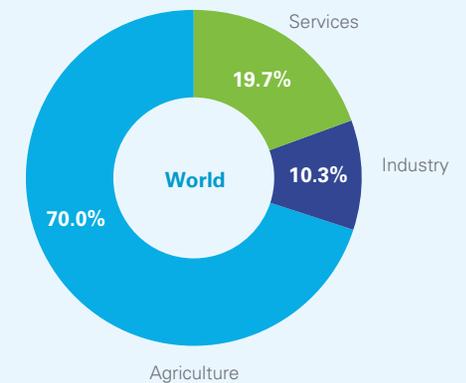
Percentage distribution of children aged 5 to 17 years in child labour, by status at work

Note: Due to rounding, figures in percentages do not add up to 100 per cent.



Figure 8. The agricultural sector for the largest share of child labour worldwide

Percentage distribution of children aged 5 to 17 years in child labour, by sector of economic activity



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Impact of child labour on children's rights

Not only is child labour in and of itself a children's rights violation, but it is also a barrier to the fulfilment of other rights. It undermines education,¹⁰ nutrition,¹¹ health,¹² including by contributing to HIV¹³ and hinders the social and economic development of children and families. It also exacerbates discrimination and social inequality.

For businesses, it is therefore important to understand that effective child labour prevention strategies that address root causes can contribute to improvements of a range of children's rights.

As child labour frequently occurs in informal and small-scale settings which, by their very nature, tend to be unregulated, child labourers are often exposed to a range of physical, biological, psychological and ergonomic risks and hazards. Due to their unique stages of development, children are more vulnerable to these hazards than adults – workplace exposures that affect adults may have an even more pronounced effect on children.¹⁴ Although occupational safety and health measures are usually absent, even when they are present, they may not be effective for children as these measures are typically designed specifically for adults. And contrary to the common perception that family-based child labour occurs under safer conditions, a significant share of child labour within the family is hazardous. More than one in four children aged 5-11 and nearly half of children

¹⁰ Ibrahim et al., 'Child labor and health: a systematic literature review of the impacts of child labor on child's health in low- and middle-income countries', 2019

¹¹ Ibid

¹² UNICEF, 'Healthy Environments For Healthy Children: Global Programme Framework', 2021

¹³ ILO, 'HIV and child labour in sub-Saharan Africa, A Synthesis Report', 2003

¹⁴ ILO, 'Towards the urgent elimination of hazardous child labour', 2018

aged 12-14 in family-based child labour are in work that is likely to harm their health, safety or morals.¹⁵

Businesses may be connected to child labour on family farms through extended supply chains. They may also be causally linked to child labour by failing to guarantee decent work and living wages for parents and caregivers working in their operations or supply chains.

In the agriculture sector, where child labour is most prevalent, millions of children are widely exposed to harmful pesticides and other agrochemicals which can damage their physical and cognitive development.¹⁶ For example, heavy lifting increases the likelihood of musculoskeletal defects developing in later life. Long hours in the sun, normally without rest or access to drinking water are conditions under which children in extended global supply chains have been documented to work.¹⁷ Risks of neurological disorders and cardiovascular diseases are raised significantly through exposure to toxicants in artisanal and small-scale mining.¹⁸ Children in the worst forms of child labour in particular often experience highly traumatic events, which may include exposure to serious hazards, separation from their families and sexual and other forms of violence. These exploitative and abusive conditions and the loss of developmental

opportunities not only have immediate ramifications but can also negatively impact children into adulthood and over the course of their life.¹⁹

Similarly, low levels of educational attainment, as a result of forfeiting school in order to work, can impact child labourers as they move into adulthood as poor literacy and lack of vocational training impedes their ability to access decent work opportunities and escape poverty, thus perpetuating the cycle of child labour.

COVID-19 and the need for urgent action

The COVID-19 pandemic has upended decades of progress on poverty reduction, heightened vulnerabilities and led to greater inequality – all contributing to a significant crisis for children. The percentage of children living in multidimensional poverty (deprivations in at least one of the following: education, health, housing, nutrition, sanitation or water) increased from 46-48 per cent pre-COVID-19 (approximately 1 billion children) to 52 per cent in 2021 (an additional 100 million children).²⁰

The closure of schools is another key consequence of COVID-19, with direct ramifications for child labour and educational outcomes. As of January 2022, more than 616 million students were still affected by full or partial school closures.²¹ As in previous crises, families grappling with economic and labour market shocks tend to discount schooling altogether, with immediate and long-term impacts on child health, well-being and protection. For example, for millions of children inadequate access to schooling has also meant inadequate access to nutrition. In January 2021, UNICEF and the World Food Programme estimated that a total of 39 billion in-school meals have been missed since the pandemic began.²²

Increasing food insecurity may drive more children to work to earn money for food, or to work on farms in exchange for food. Meanwhile, children already in child labour may be working longer hours or under more precarious conditions, while many more may be forced into the worst forms of child labour.²³ Studies in Brazil also suggest that parental unemployment due to economic shocks has led children to step in to help with work, and similar effects have been documented in Guatemala, India, Mexico and the United Republic of Tanzania.²⁴

15 UNICEF & ILO, 'Child Labour: Global estimates 2020, trends and the road forward', 2021

16 UNICEF, 'Healthy Environments for Healthy Children Global Framework', 2021.

17 Ibid

18 ILO, 'Mapping interventions addressing child labour and working conditions in artisanal mining', 2020

19 UNICEF & ILO, 'Child Labour: Global estimates 2020, trends and the road forward', 2021

20 UNICEF, 'Preventing a lost decade: Urgent action to reverse the impact of COVID-19 on children and young people', 2021

21 UNICEF, 'Media Factsheet: COVID-19 Scale of education loss 'nearly insurmountable'', 2022

22 UNICEF Office of Research – Innocenti, 'COVID-19: Missing More Than a Classroom. The impact of school closures on children's nutrition', 2021

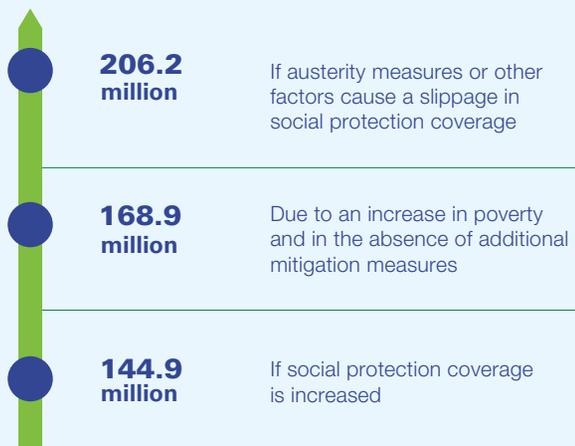
23 UNICEF & ILO, 'Child Labour: Global estimates 2020, trends and the road forward', 2021

24 ILO & UNICEF, 'COVID-19 and Child Labour: A time of crisis, a time to act', 2020

Impact of COVID-19

Without mitigation measures, the number of children in child labour could rise from 160 million in 2020 to 168.9 million by the end of 2022

Figure 9. Number of children aged 5 to 17 years in child labour, projected to the end of 2022



COVID-19 and responsible business practices

There are growing accounts that the pandemic has weakened responsible business practices and due diligence systems, leading to further risks to children's rights.²⁵

Longstanding weaknesses in global supply chains have only made it more difficult for families to hedge against the crisis. Lockdown measures and economic disruptions highlighted the state of worker vulnerability and decent work deficits, especially in low-income countries, and particularly in buyer-driven, labour-intensive sectors.²⁶ Businesses of all sizes, but particularly the micro, small and medium-sized enterprises (MSMEs), have been hard hit due to demand-side declines in consumer spending, and supply-side disruptions, resulting in millions of families grappling with job insecurity, reduced income, inadequate social protections and reduced access to decent work opportunities for adults.

Even prior to the COVID-19 crisis, there were growing calls for stronger regulation, social protection, inclusion and worker voice, especially with respect to the informal sector and non-standard forms of employment which have been especially affected since the start of the pandemic. Although some businesses enacted emergency measures in response to the crisis, many working families and their children have

fallen through the cracks, with the loss of household income exposing many to poverty and food insecurity. In part this is also due to the limited coverage of inclusive family-friendly policies and effective social protection systems.²⁷ While short-term, project-based initiatives may provide families with temporary relief, they do not address structural issues nor stave off risks of children succumbing to child labour.

As this report highlights, addressing child labour through holistic child-rights based approaches remains a significant blind spot for many businesses.

Businesses often neglect to view child labour within its structural socio-economic context; that is, the root causes that lead to families having to rely on a child's income. This can include a lack of decent work or living wages for adults and caregivers, or the lack of decent work for young workers above the legal minimum age for work. Businesses also rarely reflect on how their practices, the way prices are set or suppliers are managed interact with or reinforce vulnerabilities, and ultimately contribute to the challenges of child labour.

The following section summarizes key pathways through which business practices may affect child labour outcomes, in the context of COVID-19 and beyond, highlighting key areas where greater awareness, commitment and holistic action is needed.

²⁵ ILO, 'Issue paper on COVID-19 and fundamental principles and rights at work', 2020

²⁶ ILO, 'COVID-19, vaccinations and consumer demand: How jobs are affected through global supply chains', 2021

²⁷ UNICEF, 'Family-Friendly Policies and Other Good Workplace Practices In The Context Of Covid-19: Key steps employers can take', 2021



PART 2

Business impact on child labour outcomes

Business impact on root causes

Child labour is often driven by economic incentives. Even where children may not be directly employed by an incorporated business, child labour may add economic value to goods and services that are linked to businesses through trade and domestic or global supply chains.²⁸ Moreover, where child labour occurs purely in the context of local subsistence farming or production, businesses – through their presence, activities and relationships – may still have leverage to address the root causes. While they may have limited due diligence responsibility to act in these circumstances, there is increasing recognition of the importance of collaborative action, including by businesses, with an area-based, landscape approach to tackle child labour.²⁹

While the primary duty to protect children against child labour rests with governments, evidence shows that many of the structural drivers of child labour are linked to business conduct.³⁰

Through action or inaction, business can causally compound (or be part of the solution to address) the root causes of child labour. Given the multi-dimensional root causes of child labour, action by businesses cannot be effective where it

fails to consider and address the full spectrum of child rights deprivations they may cause or contribute to. Accordingly, these are also elements that need to be addressed in human rights due diligence approaches, both in law and practice, to prevent child labour.

Poverty and lack of access to basic services and entitlements

Economic and commercial pressures, particularly around price, cost and time can play a crucial role in contributing to child labour outcomes. This role tends to be overlooked or not well understood by business, evidenced when multinational firms require suppliers to meet certain labour standards, while simultaneously undermining their ability to meet those standards through their business models or purchasing practices. For example, short-term supplier relationships and volatility in order volumes and lead times can contribute to budgetary and workforce constraints, which in turn incentivize downward pressure on wages, as well as other decent work deficits.

It is well established that household income and child labour generally present a negative relationship.³¹ When parents' income drops, the likelihood of children getting involved in child labour is greater as there is increased dependence on the extra income children may generate. The UNGPs outline that businesses may contribute to human rights violations through their purchasing practices, and that they therefore have a direct responsibility to mitigate and remediate these risks.

Given the centrality of household poverty to child labour, ensuring responsible business models and purchasing practices that support the provision of adequate wages is crucial to reducing vulnerability to child labour. Similarly, creating an enabling environment for decent work and family-friendly policies can be critical in supporting working parents and caregivers to provide and care for their children. Measures such as paid parental and family leave, breastfeeding and other nutrition support, access to quality, affordable childcare and child benefits are all beneficial in reducing socio-economic pressures on families, thereby promoting child development, family support and worker well-being.

28 Development International, 'Addressing root causes. Private sector impact on child labour outcomes', 2022

29 ILO and IOE, 'Child labour guidance tool for business: How to do business with respect for children's right to be free from child labour', 2015

30 Development International, 2022

31 Ibid

To be impactful, businesses should work collaboratively with stakeholders to address decent work deficits in high-risk areas; for example, through programmes that address recruitment and non-discrimination, women's empowerment, freedom of association and living wages. Similarly, enhancing

decent work opportunities for youth, building the resilience of communities and promoting access to markets and livelihood improvements through capacity building and technical support can help families break the cycle of poverty and improve their long-term prospects.

Purchasing practices and responsible business standards

Commercial pressure on suppliers can be a key factor contributing to decent work deficits, including child labour. Price, costs and time are three factors that – combined with other elements – may exert pressures on suppliers that contribute to child labour.³⁴ A 2017 ILO survey found that 39 per cent of suppliers spanning numerous industries across 87 countries received prices that did not allow them to cover their production costs. And that if market prices are below the cost of production, suppliers who are on the other bargaining side may react to such pressures by implementing strategies that increase the risk of exploitation of workers (e.g., paying low wages or not paying overtime).

Critical ways in which irresponsible purchasing practices influence supplier practices that lead to higher child labour risks include downward pressure on wages, increased overtime, outsourcing and the use of informal labour. Quota systems can also incentivize child labour in times of high production pressure.³³

Accordingly, aligning business models and purchasing practices with sustainability objectives is critical to support the enabling environments that contribute to child labour prevention. Responsible company practices include reviewing purchasing practices and embedding decent work criteria (*for more guidance, see Decent Work Toolkit for Sustainable Procurement, UNGC, 2019*).

Social protection and vulnerability to shocks

Adequate social protection is central to mitigating the socio-economic vulnerability that underpins child labour. Social protection plays an essential role in supporting vulnerable families to escape poverty and build resilience.³⁴ In the absence of sufficient fallbacks to cope with economic shocks, children are more susceptible to child labour and can be imperilled from both immediate as well as long-term consequences when their access to health, nutrition and schooling is impaired. Research has shown that social protection has the potential to improve a myriad of child and household well-being outcomes, including food security, school enrolment, access to basic needs and psychosocial well-being. Despite the evidence, social protection remains chronically underfunded leaving safety nets largely out of reach for most families.

Approximately 61 per cent of all working age people are in the informal sector, and by virtue of their labour terms, fall outside many or all aspects of social protection systems and labour regulations. It is estimated that almost three out of four children worldwide are not covered by any form of social protection, leaving them vulnerable to economic hardship and exploitation.³⁵

Businesses can contribute to strengthening social protection systems through support of contributory and non-contributory schemes. Payment of taxes and government-mandated fees can support the roll-out of public goods and social services,

³² ILO, OECD, IOM, & UNICEF, 'Ending child labour, forced labour and human trafficking in global supply chains', 2019

³³ Ibid

³⁴ ILO and UNICEF Office of Research – Innocenti, 'The role of social protection in the elimination of child labour: Evidence review and policy implications', 2022

³⁵ ILO, 'World Social Protection Report 2020–22: Social protection at the crossroads – in pursuit of a better future', 2021

including income replacement and security for vulnerable families, which in turn can reduce dependency on child labour. Tax avoidance and reduction impedes public resources to strengthen safety nets and fight poverty, as corporate taxes are an important source of revenue. Businesses can also boost social protection coverage through decent work and adequate wages, and by ensuring social security benefits apply to all workers regardless of their contract type, while also making parallel efforts that encourage the formalization of employment contracts and reducing casualization and precarization of workers. Business can also play an important role in supporting the delivery of social protection services; for example, as private service providers to public authorities through innovation, technology and assets that strengthen delivery of social protection programmes.³⁶



COVID-19, gender and the role of business

In contrast to previous crises, COVID-19 has had an outsized impact on industries where high proportions of women are employed. Data suggests that women and girls have been disproportionately affected by the socio-economic fall-out of the pandemic. The gender disparity has been further compounded by school and childcare closures, leaving families – particularly women and girls – to grapple with increased caregiving responsibilities.³⁷ Even as economies recover, the work hours and earnings of women in the informal economy have not recovered as rapidly as those of their male counterparts,³⁸ with women's labour force

participation receding in the face of prolonged unreliability of care arrangements.³⁹ The disproportionate care burden may compel women to opt for more flexible and low paid informal employment to enable them to balance work and care responsibilities, contributing to occupational segregation, whereby women are concentrated in lower-paid, lower-skilled positions with more precarious working conditions. Girls have also borne the brunt as their time is being shifted from schooling towards unpaid care and domestic work – with potential longer-term impacts on well-being and increased vulnerability to child labour.

Greater attention is required to these gendered risks and vulnerabilities, including their effect on child labour. Indeed, there is potential for business responses to child labour to position gender-responsive programmes as a key mechanism to reduce family vulnerability, ensure women's equal participation in the labour force, reduce the work-school trade-off for girls, and increase girls' earning potential which in the long run can help stem the intergenerational propagation of child labour.

³⁶ UNICEF, 'Global Social Protection Programme Framework', 2019

³⁷ UN Women, 'From Insights to Action: Gender equality in the wake of Covid-19', 2020

³⁸ WIEGO, 'The Triple Crisis: Impact of COVID-19 on Informal Workers' Care Responsibilities, Paid Work and Earnings', 2021

³⁹ UN Women, 'Fallout of Covid-19: Working moms are being squeezed out of the labour force', 2020



SNAPSHOT ONE

Cobalt extraction in the Democratic Republic of Congo (DRC)

Cobalt is an essential raw material used to build rechargeable batteries, which are a critical component of electronic devices and electric cars. The DRC alone accounts for more than 70 per cent of the world's cobalt production, of which approximately 15-30 per cent comes from artisanal and small-scale mining (ASM), and the rest by large-scale mining (LSM).⁴⁰ Child labour is particularly prevalent in ASM, which is the focus of this analysis.

Poverty is among the main root causes linked to child labour in the cobalt mining industry. Poverty in the sector is driven by the lack of decent work opportunities for adults leading to unemployment and reduced or no access to basic social services, such as healthcare, education or social protection. Thus, parents have their children work in cobalt ASM to help sustain the household and pay for food, water or education. Other root causes include social norms and practices linked to a lack of education, parental health, migration and – to a lesser extent – displacement. Another threat with implications for child labour outcomes is climate change, as environmental degradation is causing fights over water, land and infrastructure. A recent study from UNICEF DRC shows that between 31-41 % of children are engaged in hazardous work in two health zones studied in Lualaba Province where the world's cobalt capital – Kolwezi – is situated. The study also revealed that mining communities in the area also send their children to work in other sectors in order to meet the needs of the family

with income from child labor contributing up to 52% towards household expenditure.

COVID-19 slowed demand for raw materials in the sector. This meant that workers earned less compared to before the outbreak of the pandemic, which is expected to increase child labour. The pandemic also caused the closure of schools, which also affected child labour outcomes.⁴¹ However, some positive responses include the development of youth apprenticeships or skills training to produce sanitation goods (such as hand washing basins and other infrastructure), which also contributed to income diversification. Prior to the pandemic, a number of companies in the sector funded economic diversification projects to assist families in generating sufficient income to provide for decent living conditions and school fees, which can help mitigate the adverse impact of external crises such as the COVID-19 pandemic. Yet more is needed for sustainable impact at scale. Figures published by the DRC National Business Federation show that more than \$647 million have been paid as mining tax revenue to the Copperbelt provinces in 2021 Q1. This amount alone could have enabled the construction of:

- More than 6,000 primary schools
- 64 universities
- 64 hospitals
- More than 300km asphalt road
- And the construction of a 200mw hydroelectric power plant.

⁴⁰ World Economic Forum, 'Making Mining Safe and Fair: Artisanal cobalt extraction in the Democratic Republic of the Congo', 2020

⁴¹ Reuters, 'Congo officials vow to tackle child labour at mines as virus threatens spike', 2020

Table 1: Snapshot of relevant business practices and examples in the cobalt sector in DRC:⁴²

Pathway	Prevailing practices	Responsible practices	Examples
Labour 	<ul style="list-style-type: none"> Low income and lack of decent work opportunities contribute to child labour in ASM communities by fuelling poverty and limiting access to affordable education. 	<ul style="list-style-type: none"> Living income initiatives to support families and increase household income. Support young people transitioning from education to employment by supporting skills development for young workers. 	<ul style="list-style-type: none"> A number of companies fund economic diversification projects to assist families in generating sufficient income to provide for decent living conditions and paying school fees.
Supply chain 	<ul style="list-style-type: none"> Only a small number of companies map their mineral supply chain to the point of extraction. De-risking practices: some companies stopped purchasing from small-scale miners altogether to disassociate their companies from child labour. 	<ul style="list-style-type: none"> Supporting and fostering the formalisation of ASM. Increased traceability efforts to provide better visibility within upstream supply chains. Support the development of a responsible common cobalt framework of practices and support capacity building of artisanal miners to meet standards. 	<ul style="list-style-type: none"> Some multinational companies are piloting blockchain programs to trace cobalt from mine to product to increase transparency in the supply chain. A multinational company is helping a supplier build their ability to manage social and environmental impacts across its activities and operations to meet the multinational company's standards. A business association is supporting responsible production and sourcing of Congolese cobalt, including by supporting the formalization of the cobalt ASM industry. An ASM on-site mobile application tool is being developed to mitigate risks of child labour.
Society 	<ul style="list-style-type: none"> Lack of longer-term interventions by companies to mitigate the "externality" of child labour (often, when the financing for the intervention stops, the issue returns). 	<ul style="list-style-type: none"> Investing in education and professional training to develop the local workforce, sub-contractors and local vendors. Investing in sustainable interventions to address child labour root causes, informed by stakeholder analyses to map and coordinate based on what has already been implemented in the sector, identify gaps, address the key challenges and avoid duplicating efforts. Scaling up impacts by working jointly with governments and other stakeholders and increase accountability in terms of supporting responsible practices and anti-corruption initiatives. Supporting the development of a responsible cobalt framework, such as the one for gold and the 3Ts and the participation of capacity building of artisanal miners to reach the norms and standards. Contributing and facilitating in the building of a local economy surrounding the mining settings which allows income diversification and decent work opportunities. Advocate for a common platform to plan, coordinate and monitor the Cahier des Charges impact at scale (DRC Mining social obligation). 	<ul style="list-style-type: none"> In 2019, multinational technology companies launched a multi-stakeholder project to support ethical and safer practices. In the initial 3 years, the project runs various analyses on workers' lives, work environment, and communities and identify how they can be improved. Interventions include (a) increasing access to education, (b) holding training and workshops on diversification and entrepreneurship, women's rights, positive parenting, and conflict resolution. In 2019, a multinational automotive corporation implemented a community-level project in Kolwezi DRC that fosters school attendance and economic livelihoods. In 2021, a Pooled-Fund to Prevent Child Labour in Mining Communities has been established to coordinate community development interventions across different stakeholders and the DRC Mining Code social obligations.

⁴² The review of company practices in each of the three snapshots is based on an analytical framework developed by Development International, 'Addressing root causes. Private sector impact on child labour outcomes', 2022.

Pathway	Prevailing practices	Responsible practices	Examples
 <p>Government:</p>	<ul style="list-style-type: none"> Lack of support for ASM formalization efforts, which remains a key challenge. The DRC government has adopted a Mining Code and has already begun to assign pieces of land specifically for ASM. Overall, lack of transparency in mining revenue spending and multiplicity of new taxes regulations 	<ul style="list-style-type: none"> Advocating to the government for more transparent tax revenue management and increased investment into basic services, such as healthcare, civil services and sanitation coverage. Supporting government efforts on ASM formalization at scale. 	<ul style="list-style-type: none"> A number of companies are beginning to support common standards for ASM formalization through a multi-stakeholder approach with key actors along the supply chain including: the government, cooperatives and concession holders, civil society organizations, workers, and manufacturing and end-user companies. The systems-based approach is key to developing responsible cobalt production and trade practices.

Child protection systems

The COVID-19 crisis has had significant impact on national child protection systems, rolling back gains and putting more children at risk of violence and exploitation, including child labour. Several countries have reported a decline in birth registration rates due to the partial or complete suspension of services.⁴³ Without legal identity, children face limited access to social protection services, school continuity and decent work prospects. Similarly, temporary school closures have immediate as well as long-term consequences for the poorest and most vulnerable children and is especially negatively impactful for girls. Austerity measures and disruptions in essential services for families and children have exacerbated these effects. Evidence shows that once children enter child labour, they are unlikely to return to school, even if their economic situation improves.

It is therefore important that special attention be given to prevention-based approaches, underpinned by child protection systems that can cater to those most-at-risk. Through synergies with the public sector, businesses can contribute to ensuring child protection systems are more robust to protect children and be better equipped to prevent and respond to the risks of child labour (for example, through businesses support in areas such as finance, expertise, technology and innovation).

Where businesses have their own systems or processes in place (e.g., child labour monitoring and remediation), it is critical they are coordinated with and strengthen public systems and community efforts, instead of acting in parallel (or even in conflict) with existing services, systems and principles. Through integrated approaches, businesses can support more effective child protection systems that identify,

provide support and coordinate social services for families and children at risk with the aim to reduce children’s exposure and vulnerability. In Ghana, for example, the government is implementing a digital child protection referral system to strengthen integrated social services for vulnerable children, including those at risk of child labour.⁴⁴ Businesses can play an important role to support and/or complement existing national monitoring and remediation programmes; for example, by referring – and supporting access for – at-risk or identified child labourers to local resources and child protection services. Businesses should also pay attention that measures are responsive to the unique needs of girls and boys, children on the move, migrant workers and other vulnerable groups.

43 AbouZahr et al., ‘The COVID-19 Pandemic: Effects on Civil Registration of Births and Deaths and on Availability and Utility of Vital Events’, 2021

44 UNICEF, ‘Powerful digital tools, standards launched to improve integrated social services for vulnerable children’, 2021

SNAPSHOT TWO

Cocoa production in Côte d'Ivoire

Côte d'Ivoire is the largest producer of cocoa in the world, accounting for almost 40 per cent of total production.⁴⁵ In 2016, it was estimated that the industry supported more than 5 million people in the region.⁴⁶ The commodity also accounts for between 70 per cent and 85 per cent of cocoa farmers' income.⁴⁷ However, many Ivorian farmers earn less than US\$1 a day (\$0.78/day), which is below the extreme poverty line.⁴⁸ Poverty is one of the main reasons that child labour is endemic in the sector (which has not declined significantly over the last ten years), as impoverished farmers resort to child labour as labour inputs on the farm or use the revenue to pay for food and other basic household needs. Other root causes, apart from the socio-economic vulnerability of families, are weak structural conditions for development and social protection and socio-cultural practices that have been entrenched for many years. Latest estimates before the pandemic indicated that nearly 790,000 children aged between 5–17 remained exposed to work in cocoa production, including 770,000 to hazardous work.⁴⁹

The COVID-19 pandemic is expected to have increased this number.⁵⁰ From 31 December 2019 to date, bulk chocolate sales and the cocoa price have remained fairly stable, averaging USD 2,500.89 per ton over the period, with a standard deviation of USD 147.91.⁵¹

While there are no definitive trends yet on the pandemic's impact on the prevalence of child labour in Côte d'Ivoire cocoa sector, an ICI analysis observed that during the first lockdown (17 March to 15 May 2020), the percentage of children identified in child labour increased 21.5 per cent compared to the same period in the previous year.⁵² However, a second analysis between July and September 2020 (post-lockdown period) showed that hazardous child labour rates did not change significantly over the same period of the previous year.⁵³ Other effects of COVID-19 impacts in the region that may affect child labour outcomes were households' decreased income and increased expenditures, school closures and rising costs of study materials, and parents' health.⁵⁴

45 UNICEF, 'Promoting the Rights of children in the Cocoa Producing Areas in Cote d'Ivoire', 2019

46 AFD, 'Cocoa farmers' agricultural practices and livelihoods in Côte d'Ivoire', 2016

47 European Commission, 'Ending Child Labour and Promoting Sustainable Cocoa Production in Côte D'Ivoire and Ghana' 2021

48 Voice Network, 'Cocoa Barometer', 2018

49 NORC, 'Assessing Progress in Reducing Child Labor in Cocoa Production in Cocoa Growing Areas of Côte d'Ivoire and Ghana' 2020

50 World Economic Forum, 'How COVID-19 could create a spike in child labour', 2020

51 Nasdaq, Cocoa Historical Data

52 International Cocoa Initiative, 'Hazardous child labour in Côte d'Ivoire's cocoa communities during COVID-19', 2020

53 Ibid

54 International Cocoa Initiative, 'Annual Report', 2020



Table 2: Snapshot of relevant business practices and examples in the cocoa sector in Cote d'voire

Pathway	Prevailing practices	Responsible practices	Examples
Supply chain 	<ul style="list-style-type: none"> Lack of sustainable procurement practices that pressure suppliers, including: <ul style="list-style-type: none"> Last minute changes/cancellations to purchase agreements. Revolving procurement (an order of cocoa often exceeding the amount a cooperative can supply short term, resulting, inter alia, in non-certified cocoa entering the "certified" supply) Delayed payments. The strong involvement/influence of exporters in the initial funding, establishment, as well as the cooperative's ongoing management. Non-respect of government-mandated farm gate prices. Other issues affecting child labour in cocoa supply chains: <ul style="list-style-type: none"> Placing the burden of compliance with standards and regulations at the lowest level of the supply chain when there is little capacity, and no provisions made to build the necessary capacity. Negative unintended consequences of interventions that aimed at increasing productivity. 	<ul style="list-style-type: none"> Instituting longer-horizon purchasing agreements that account for realistic volumes and the necessary adult labour inputs (which allows for predictability on amounts and minimum prices, as well as farmers-cooperatives to organise their production and investment in labour and inputs). Providing or facilitating transportation of the cocoa pods from the farm to the point of collection (to avert children carrying heavy loads). Participating in interventions such as providing labour vouchers to producers (farmers) who can use the voucher to satisfy their own needs; however, if they use it to hire labour they receive an extra-premium. Launching a cash transfer program for farmers living below the extreme poverty line who supply raw commodities. 	<ul style="list-style-type: none"> A chocolate company commits to pay a fair price for cocoa beans that enables farmers to have a living income without relying on children's income or labour. A living income premium is paid on top of farmgate prices. A chocolate company developed coherent and interlinked sourcing strategies to address child labour, instead of focusing on mitigating the reputational risks of being associated with child labour. The company proactively identifies, remediates, and reports on child labour cases found in its supply chains, and transparently discloses data and progress against clearly defined goals. A chocolate company partnered with other stakeholders to raise farmers' income by offering financing (below-market loans) and mobile banking, long-term supplier relationships, income diversification and agroforestry assistance. A chocolate company implements a child labour monitoring and remediation programme that is connected with existing systems including a referral mechanism to public services. In 2021, the system detected over 11,000 cases in Cote d'Ivoire and Ghana – as a result 700 of these children were provided with birth certificates.
Labour 	<ul style="list-style-type: none"> Deflect the issue of child labour in agricultural supply chains by emphasizing certification memberships, non-binding pledges, or zero tolerance policies for child labour without adequate investments in systems and support measures. 	<ul style="list-style-type: none"> Model labour demands and facilitate the creation of adult work crews. Acknowledge, track and report presence of child labour. 	<ul style="list-style-type: none"> A chocolate company engages directly with farming communities to understand the social contexts that lead to the use of child labour, including an annual Multidimensional Poverty Index (MPI) survey, and direct engagement with farmers through co-op annual meetings and community facilitators.

Pathway	Prevailing practices	Responsible practices	Examples
<p>Society</p> 	<ul style="list-style-type: none"> Philanthropical support that doesn't address the most critical needs and root causes of child labour 	<ul style="list-style-type: none"> Initiating collaboration between companies, governments, development actors and civil society with the ultimate aim of assisting children through systems strengthening Using leverage to build and strengthen national and multi-stakeholder systems (rather than just focusing on their own supply chain), and thus potentiating shared responsibility Awareness raising and sensitization on child rights, child labour, and the worst forms of child labour within the industry, households and communities 	<ul style="list-style-type: none"> <i>A multinational agribusiness company launched several programmes to address root causes of child labour, such as raising awareness and training (on child rights and child labour), capacity building (professionalization of cocoa farming and beyond cocoa), the creation of village development committees to empower villages to plan and create for their success, facilitating access to financing, accelerating access to Water, Sanitation & Hygiene, introducing mobile banking among farmers, income diversification, and women's economic empowerment</i> <i>A multinational company rolled out a programme in cocoa growing regions to enhance child protection systems. The programme seeks to strengthen the capacity of communities, government and enterprises along the cocoa supply chain to address the safety, well-being and development of children in order to prevent child labour. One program implemented in 46 communities of the Nawa Region of Côte d'Ivoire established Community Child Protection Committees (CCPC) and Children's Clubs that provide space for children to learn about, and debate about their rights</i>
<p>Government</p> 	<ul style="list-style-type: none"> Implementing sustainability initiatives including Child Labour Monitoring and Remediation systems independently, creating parallel systems and a missed opportunity to strengthen national systems for sustained impact. 	<ul style="list-style-type: none"> Advocating for, and supporting government systems strengthening efforts to address child labour Supporting remediation through government social services and strengthening local services that provide support to child labourers 	<ul style="list-style-type: none"> <i>A chocolate company started leveraging social workers to implement community awareness raising sessions on child labour and other children's rights</i> <i>A multinational company signed an agreement with the Ivorian government's Conseil du Café Cacao (CCC) to help farmers increase productivity and therefore income to promote sustainable cocoa production</i>

Conflict, climate and other crises

Conflict and other crises may significantly alter the nature, extent and outcomes of child labour, exacerbating existing risks factors and triggering new ones. Worldwide, one in every four children lives in a country struck by conflict, fragility and/or disaster.⁵⁵ According to UNICEF's climate risk index, almost half of all children globally are at 'extremely high' risk of experiencing adverse impacts of climate change.⁵⁶

Vulnerabilities deepen in contexts undermined by crisis, as families may get displaced and livelihoods deteriorate, disrupting access to schooling, social protection and family support. In situations of prolonged conflicts and climate-related disasters, families are forced to migrate and send their children to work or engage in more hazardous forms of work. In Bangladesh, for example, vulnerable children are increasingly driven into child labour due to climate change-related weather events.⁵⁷ Moreover, the longer-term effects of shocks can precipitate a 'poverty trap', as families grapple with irreversible losses in child education and wellbeing, thereby increasing the likelihood of an intergenerational cycle of poverty and child labour.

The risks of business operations negatively affecting children's rights are greater in fragile contexts.

For example, families and children fleeing conflict may participate in the labour market, which may be linked to global supply chains. Due to their status, they are often at

heightened risk of being subjected to discrimination and precarious working and living conditions. They may also face additional barriers to education and health.

Addressing the vulnerabilities of workers and their families to poverty, inequality and deprivation can play a crucial role in reducing child labour risks. Addressing these risks might also necessitate tackling contextual factors, such as disaster risk reduction, food insecurity, water, sanitation and health (WASH), early childhood development, gender equality and birth registration. This should involve going beyond a company's own operations and engaging in community and sector-wide approaches, which focuses on strengthening systems, together with key stakeholders (see page 29).

Access to quality education

The closure of schools was a key consequence of the COVID-19 crisis, with direct ramifications for child labour and educational outcomes. UNICEF estimated that the total or partial closure of schools lasted for approximately 80 per cent of in-person instructional time,⁵⁸ and it was estimated that by September 2021, 1.8 trillion hours of in-person learning were lost throughout the world, which will result in long-term socio-economic inequalities. Moreover, the increase in poverty also led to a rise in dropouts, as families were unable to cover the costs of tuition fees and learning materials. As a result of these constraints, it is estimated that 24 million children have dropped out of formal education permanently;

in many cases, putting food security at risk, since vulnerable children are often fed by school feeding programmes. Food insecurity can lead children to child labour to earn money to buy food or to work in exchange for it.⁵⁹ For children already working, it can lead them to work longer hours or fall into worst forms of child labour.⁶⁰

The effect of business practices on household income can play a significant role in the decision to send a child to school or work. Low wages to parents and caregivers heighten the risk of child labour, both by making it more difficult for parents and caregivers to cover children's schooling costs and by increasing the incentives for sending children into the workforce prematurely to make up for shortfalls. The absence of early childhood development, including access to quality childcare, can also contribute negatively, as parents may be compelled to take their young children to work with them or leave them in the care of older siblings while they work. This exposes young children to workplace hazards and raises the risk that older siblings, particularly girls, will drop out of school to provide care. To address educational exclusion adequately, businesses can support broader initiatives to create an enabling environment, e.g., through programmes that provide and improve access to birth registration, safer roads, school infrastructure and capacity building among others. The school-to-work transition is particularly vital, and education opportunities such as Technical and Vocational Education and Training (TVET) can expand decent work opportunities for young people and help families break out of poverty and build resilience.

55 UNICEF, 'Humanitarian Action for Children', 2017

56 UNICEF, 'One billion children at 'extremely high risk' of the impacts of the climate crisis', 2021

57 Reuters, 'Climate disasters drive Bangladesh children from classrooms to work', 2022

58 UNICEF, 'Preventing a Lost Decade: Urgent action to reverse the devastating impact of COVID-19 on children and young people', 2021

59 FAO, 'Food security, nutrition, and ending child labour in agriculture for recovery and resilience', 2021

60 WBCSD & UNICEF, 'Tackling child labor: An introduction for business leaders', 2021

Social norms and attitudes

Attitudes and behaviours in relation to education and gender roles are considerable factors in determining the school-work trade-off, which children get sent to work and the type of work they perform. Thus, social norms can play an important role in influencing child labour. In some contexts, families may not be strongly influenced by others in their community to send their children to school and keep them away from work. In other situations, however, this social stigma may be high, and the social costs (e.g., guilt, shame) could discourage families from sending their children to work. Local norms may explain to an extent how countries with similar socioeconomic factors may have differences in the incidence of child labour.⁶¹

While social norms tend to be entrenched and pervasive, businesses can play a crucial role in tackling them by working at the community level to address those which are harmful and conducive to child labour. In addition to promoting positive norms in their own operations, businesses can also provide economic empowerment and gender-responsive programmes to vulnerable families, such as through workplace training programs and community outreach. As social norms interplay with wider deprivations, businesses can also invest in community or area-based social sustainability programmes that address vulnerabilities (e.g., by promoting living wages, access to quality education, school to work transition, vocational training, food security and alternative livelihood development).

SNAPSHOT THREE

Cotton production in Turkey

Turkey is the seventh-largest cotton producing country in the world, accounting for about 3.5 per cent of total world cotton production. The country is also a net importer of the commodity.⁶⁴ To understand the relevance of the sector in the country, it is necessary to consider that most of the cotton produced in the region is processed nationally by Turkey as added value.⁶⁵ The main sectors in Turkey that use cotton are textile, clothing and vegetable oil. Cotton is therefore an essential source of income as it employs, directly and indirectly, millions of people.⁶⁶ The estimated price farmers obtain for unginned cotton is TRY 2.93 per kg (based on the first 6 months of 2020), which is approximately USD 0.46 cents.⁶⁷

As in many other sectors, poverty and low wages are among the root causes of child labour. However, the characteristics of the sector plays a part.⁶⁸ For example, some cotton growing regions in Turkey are not economically well developed. While one of the main income-generating activities is cotton production, the work is seasonal. The sector also operates in an informal economy setting, offering limited opportunities of decent and consistent work for adults. In addition, the seasonal agricultural work is characterised by

little inspection, poor monitoring and access to basic services, such as education, health infrastructure and social assistance programmes. In the absence of proper housing, living conditions are generally poor. Turkey's cotton sector is further supported by migrant labour that entails entire families migrating, including the children of workers. Since effectively 'anyone' can harvest cotton, children take part in the sector's labour force.

Due to the difficulties of collecting data in the sector because of the informality and irregular work, there are no trends on child labour available. Latest Turkish statistics estimated that the total number of children employed in the agricultural sector was approximately 221.760 (30.8 per cent of total Turkish child laborers; however, this statistic does not include refugees.⁶⁹

The pandemic is expected to increase child labour trends at macro levels. In the Turkish cotton sector, the effects of COVID-19 lead to increased precarity of working conditions, reduced income and often overall job losses affecting poverty faced by already vulnerable families.

61 Institute of Labor Economics (IZA), 'Family Social Norms and Child Labor', 2021

62 DOI, 'Cotton Agriculture in Turkey and Worldwide Economic Impacts of Turkish Cotton', 2022

63 ICAC, '79th Plenary Meeting of the ICAC: Turkey Country Report', 2021

64 Küçük et al., 'General Analysis Of Cotton Production In Recent Periods In Turkey', 2020

65 Ibid

66 Fair Labor Association, 'Child Labor in Cotton Supply Chains: Action-based Collaborative Project to Address Human Rights Issues in Turkey', 2017

67 TURKSTAT, 'Child Labour Force Survey', 2019

Table 3: Snapshot of relevant business practices and examples in the cotton sector in Turkey:

Pathway	Prevailing practices	Responsible practices	Examples
Labour 	<ul style="list-style-type: none"> Cotton workers often work excessive hours and are paid below the national minimum wage. Labour contractors usually charge workers illegal fees and employ workers on an informal basis. Seasonal workers often include families and refugees. 	<ul style="list-style-type: none"> Issuing official labour contracts with agricultural workers that specify wages and decent work criteria. Ensure farms hire labour through formally registered, responsible recruitment agencies. Facilitate and assist farmers with the mechanisation of cotton production. 	<ul style="list-style-type: none"> Through an industry program to decrease child labour and improve labour conditions, labour contractors were required to formalize, stop charging recruitment fees and increase due diligence through formal registration of workers. They were also required to specify wages and expected working conditions and ensure equal pay between genders.
Supply chain 	<ul style="list-style-type: none"> International buyers often do not perform due diligence beyond Tier 1. Many do not have the visibility, provide funding or invest in creating leverage beyond tiers 1 and 2. International buyers often do not deliver internal training for staff on responsible sourcing and workplace standards. Upstream suppliers have limited capacity and resources, in part due to downward pressure on prices, to regularly inspect and monitor fields for the presence of child labour. International buyers rely on the assurance of certifications to “ensure” cotton is free of child labour. Cotton producers generally lack written contracts with mills and ginning plants. International buyers generally engage with suppliers based on price, quality and payment terms – they do not foster long-term relationships, and neither consider cotton farm working conditions. 	<ul style="list-style-type: none"> Increasing upstream traceability by investing in adequate systems. Communicating expectations and working on increasing purchasing prices so that farmers can earn living wages. Provide income-generation activities. 	<ul style="list-style-type: none"> A farmer who employs around 400 seasonal workers for up to 6 months requires labour contractors to ensure farm workers are not below the legal working age. They also deliver training, capacity building and skills development on a range of topics. Some upstream suppliers have management systems in place to source from pre-approved, designated cotton producers.
Society 	<ul style="list-style-type: none"> Seasonal workers employed by cotton farms include migrants travelling as a family unit. These families often lack childcare services and access to quality education. Harmful social norms that create an obligation for children to work to support their families. 	<ul style="list-style-type: none"> Conducting child rights impact assessments and needs assessments in upstream labour force to understand key worker needs. Working with stakeholders and local authorities to extend services, including childcare provision to migrant workers. Providing support for access to quality education and vocational training for youth. 	<ul style="list-style-type: none"> A confederation of SMEs in Turkey works with an international organization to engage enterprises in child rights and wellbeing trainings that include a focus on challenging social norms and false assumptions that normalize and perpetuate child labour to effectively drive social and behavioral change.



PART 3

Framework of responsible business action

Integrating child labour prevention in policy, human rights due diligence and remediation

Building on the areas outlined, businesses have a critical role in supporting the prevention and elimination of child labour by embedding strategies across their core practices and responsible business frameworks to address root causes.

While action to address child labour should always be context-specific, several strategic areas for action can guide business conduct. In addition to ensuring, promoting and investing in systems to comply with national laws and international standards, business can take action to (a) **integrate** child labour prevention strategies into core business strategies, procurement practices and overall corporate decision-making, (b) **invest** in internal and business partner capacity and community resilience in relation to key child rights deprivations, and (c) **inspire** others to take action internally and in collaboration with others (e.g., multi-stakeholder collaboration).

Business strategies and action, including on child labour, should always be guided by the four basic principles of children's rights – as articulated in the Convention on Rights of the Child (CRC):

- **Equal treatment regardless of children's status such as race, gender or disability**
- **Concern for children's best interests in all acts and decisions concerning them**
- **Survival and development to have their lives protected and social and economic rights realised to the maximum extent possible**
- **Participation and inclusion to have children's views and perspectives heard and respected**

Framework of responsible business action on child labour

Figure 10. Framework of responsible business action (adapted from WBCSD/UNICEF, 2021)



Integrate
robust children's rights considerations into core business strategy, activities, processes, decisions and relationships.



Invest
in capacity and systems to prevent and address child labour – both *internally* within the business and externally within communities.



Inspire
others to take meaningful action: internally within the business and externally with partners, suppliers, industry peers, governments and local authorities.

Integrate

Whole of supply chain approaches

Evidence shows that businesses rarely address child labour holistically through the different pathways in which they may causally cause or contribute to child rights deprivations.^{68,69} For example, business responses often remain limited to the first tier of the supply chain, where they hold contractual relationships with suppliers, such as export-oriented factories, large-scale agricultural plantations or industrial mines. As child labour risks are often greater in in upstream tiers of the supply chain, especially informal settings, adopting 'whole of supply chain' approaches that include activities in upstream tiers, such as sub-contracted factories, smaller agricultural producers, artisanal mining or homeworkers is critical.⁷⁰

Focus on impact on children, not business

It is also important that business action targets addressing underlying child rights deprivations, rather than 'risk-based' approaches that primarily seek to address the legal, operational or reputational risks to businesses emanating from child labour.

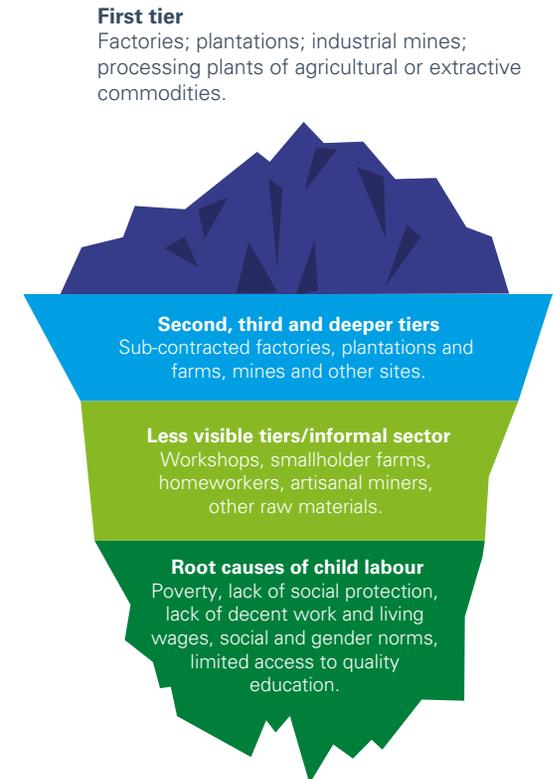
"When corporate actions are closely examined, it becomes clear that the focus of these actions is to minimise risk and exposure, rather than fulfilling child rights responsibilities towards communities that the companies operate in." (CCRB, 2022).

Across the human rights due diligence cycle (see below), key questions for companies to consider include whether they:

- ✓ Have a clear commitment to child rights-based approaches to tackling child labour, embedded within, and mainstreamed across, the company's wider human rights and sustainability strategies and frameworks
- ✓ Systematically integrate child rights into social risk and impact assessments throughout the supply chain
- ✓ Review the impact of purchasing practices and supplier engagement practices and ensure these do not cause or contribute to decent work deficits
- ✓ Integrate children's rights considerations into grievance and remediation processes
- ✓ Have robust systems in place to monitor, track and report on outcomes that improve worker and community well-being to prevent child labour

Figure 11. Child labour risks along supply chains

(adapted from Centre for Child Rights and Business, 2022)

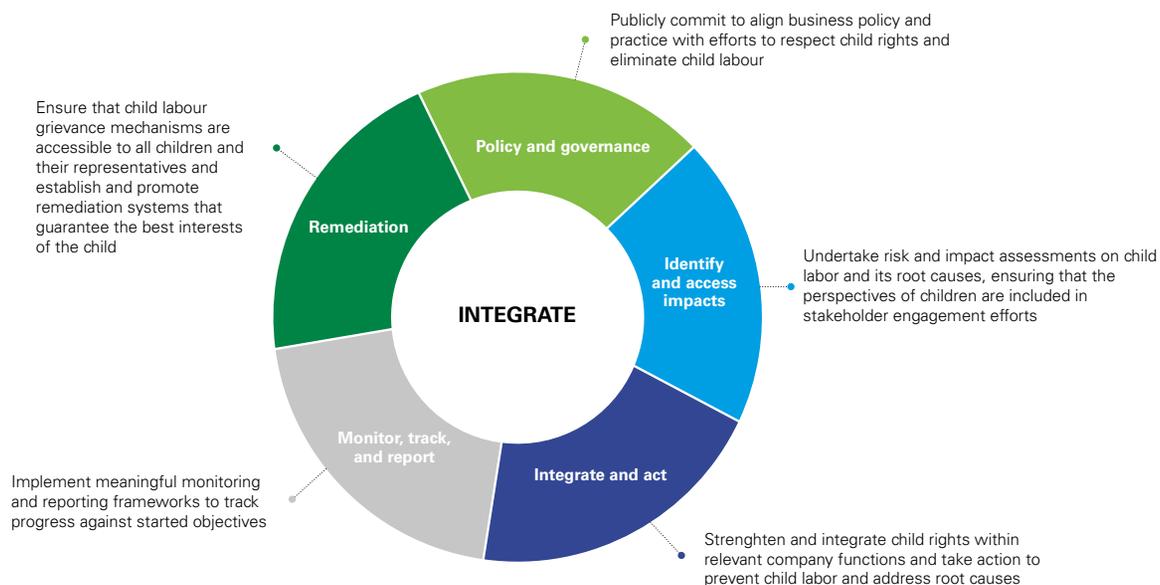


68 Development International, 2022

69 The Centre for Child Rights and Business, 'The Private Sector's Response To Child Labour During The COVID-19 Pandemic', 2022

70 ILO, OECD, IOM, & UNICEF, 'Ending child labour, forced labour and human trafficking in global supply chains', 2019

Figure 12. Integrating child rights in policy commitments, due diligence, and remedy
(adapted from WBCSD/UNICEF, 2021)



In relation to business-external processes, key questions for businesses to consider include whether they:

- ✓ Support community or area-based programmes that address root causes of child labour (e.g., improving access to quality education, adolescent skills building, school to work transition and investment in efforts to strengthen food security)
- ✓ Support programmes that address harmful social norms, discrimination and inequality, support economic and gender empowerment and alternative livelihood developments
- ✓ Support local and national government efforts to strengthen child protection and social protection systems (at the minimum, by ensuring businesses own systems do not undermine existing structures)

Throughout the above areas, important criteria for companies to meet include (a) full compliance with national laws and international standards, (b) action that is based on meaningful consultation and engagement with workers' organizations and trade unions, (c) focus on groups of children most at risk of child labour and other forms of exploitation (e.g., migrant children), and (d) action that is premised on children's own perspectives – either by engaging them directly, where appropriate and with adequate safeguards, or their advocates, guaranteeing that any business action and decision pursues the best interests of the child (Article 3, Convention on the Rights of the Child) to avoid unintended, harmful consequences (e.g., in relation to child labour remediation).⁷¹

Invest

Integrating child labour prevention strategies throughout business operations requires investing in internal company systems and processes, as well as external efforts and programmes. In relation to business-internal processes, key questions for businesses to consider include whether they:

- ✓ Invest in company's internal capacity to ensure effective implementation of strategies to address root causes of child labour (e.g., training of procurement staff)
- ✓ Invest in the capacity of business partners and suppliers to address root causes of child labour (e.g., awareness raising, training, technical and financial support)
- ✓ Seek to increase leverage with business partners and suppliers to address root causes (e.g., through multi-stakeholder initiatives and collaboration with local civil society)
- ✓ Invest in meaningful stakeholder engagement, child safeguarding, child participation and child-sensitive grievance processes
- ✓ Invest in effective monitoring systems to collect data and transparently report on child labour risks and outcomes

⁷¹ ILO, 'Supplier guidance on preventing, identifying and addressing child labour', 2021

Systems strengthening

Systems strengthening is a development approach that considers the multidimensional nature of development challenges and takes holistic action to achieve sustained progress at scale. Systems strengthening often involves capacity building and investing in existing systems rather than re-inventing parallel systems, or services, that duplicate efforts and act in conflict with existing ones.

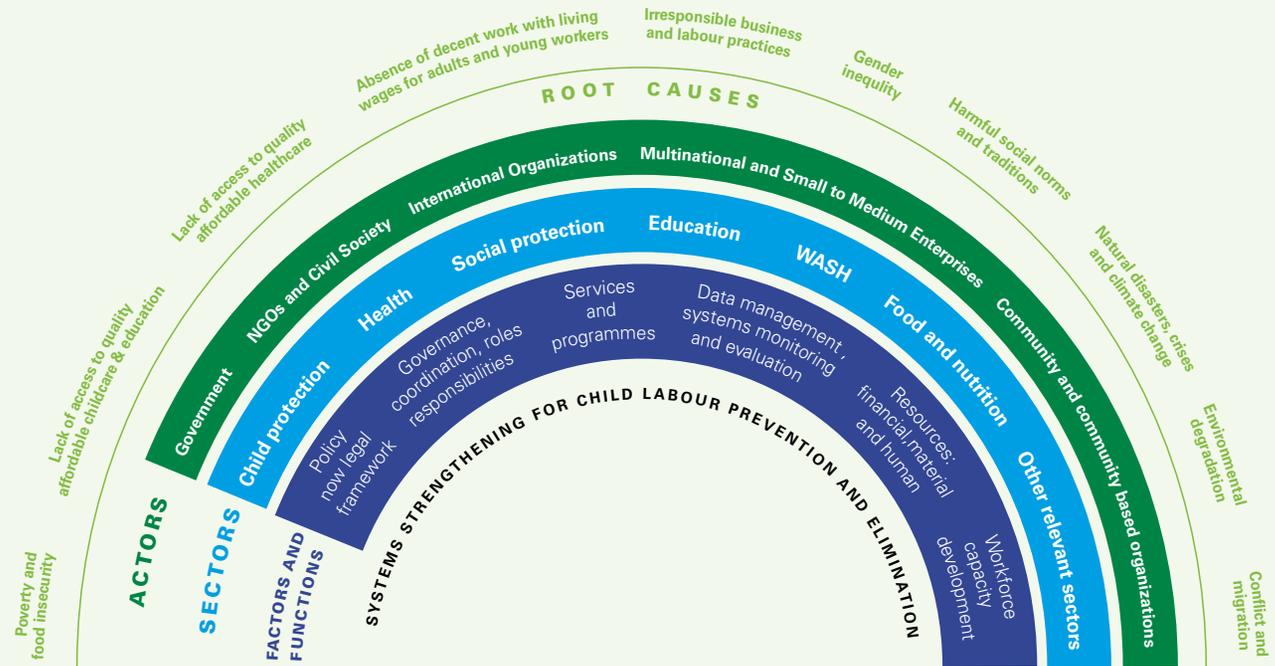
A system is comprised of various components including actors, sectors, factors and functions responsible for a particular outcome. Systems-based approaches require understanding the interlinkages and interaction between different parts of a system and addressing challenges holistically, rather than addressing individual components in isolation.

In the context of child labour elimination, numerous interconnected root causes need to be addressed to keep protect children. These include, for example, poverty, access to education and harmful social norms. This leads to a number of technical sectors required, including child protection, education, health, WASH and social protection to address key factors and functions including law and policies, governance, resources, programmes, services and data management. Activities must take place through a coordinated approach with relevant actors – such as government, businesses and civil society – through a coordinated approach as outlined in Figure 13.

As a part of the systems-based approach as highlighted in the diagram, the role of business in systems strengthening varies from addressing their own practices, such as ensuring decent work to providing financing for programmes and services directly or indirectly through paying taxes, advocating for improved services, providing technical assistance and

coordination through industry initiatives. Crucially, when tackling child labour, businesses must take care to invest in systems-based approaches and avoid the creation of parallel systems that may act in conflict with public services to achieve sustained impact at scale.

Figure 13. A systems-based approach to tackling child labour



Inspire

In addition to integrating and investing in strategies within their own business, companies can play an important role as champions and advocates of child rights. Key actions can include making public commitments to children's rights, pledging targeted action, but also calling on – and inspiring others – to become advocates and collectively tackle root causes.

Key questions for businesses to consider include whether they:

- ✓ Publicly communicate their commitment to child rights-based approaches to child labour (standalone or as part of wider children's rights or human rights commitments)
- ✓ Communicate internally and externally about their commitment to align business practices and sustainability policies with the goal of supporting the elimination of child labour
- ✓ Have defined objectives, targets and key performance indicators to meaningfully monitor, track and report on progress
- ✓ Engage collaboratively and act collectively with industry peers to increase leverage
- ✓ Support and advocate for stronger public policies, investment and accountability mechanisms that promote children's rights and protect them in the context of business activity
- ✓ Promote and scale evidence-based good practices that have proven to effectively address root causes of child labour.



Investor action, benchmarks and reporting standards

Influencers of business practices, such as investors, Environmental, Social and Governance (ESG) frameworks, benchmarking and reporting initiatives and industry-specific standards (e.g., certification) play a critical role in shaping child labour responses. Currently, there remains a critical gap in child rights-based approaches being adopted and promoted by influential standards and initiatives. Standards largely remain focussed on monitoring and compliance approaches, focusing, for example, on the percentage of suppliers audited or the number of child labour cases identified and remediated. They also tend to focus on corporate commitments, only insufficiently considering the effectiveness of implementation efforts and outcomes for workers and children.⁷⁴ In general, they frequently fail to link child labour criteria to wider decent work efforts and root causes of child labour that need to be addressed holistically for its effective prevention.



PART 4

Mandatory human rights due diligence: policy analysis and recommendations

Embedding child rights in human rights due diligence measures

Overview of emerging legislations

Momentum to translate human rights due diligence expectations for businesses into mandatory legal requirements has accelerated significantly in recent years. Low implementation of voluntary frameworks and an increased focus on responsible business conduct are key factors driving regulation.⁷³ Most recently, in February 2022 the European Union Commission published its draft Corporate Sustainability Due Diligence Directive (CSDD) – intended to become a leading regional (and potentially global) standard for responsible business conduct. Several European countries, including Germany, France, Switzerland and Norway, have already introduced their own laws – with different degrees of human rights due diligence obligations for businesses. Outside the European continent, similar legislative approaches are being considered too, such as in Canada, Japan and Mexico.

Expected company processes

Generally, these laws require businesses to identify and assess human rights risks, prevent and mitigate them, cease or take remedial action where adverse human rights impacts occurs, monitor implementation, document and assess effectiveness of measures and publicly report on them.⁷⁴ In terms of specific businesses activities, establishing and carrying out due diligence obligations under these laws may typically include:

Figure 14. Due diligence obligations



⁷³ Article One, 'Emerging Human Rights Due Diligence in Europe', 2022

⁷⁴ Ibid

From child labour to children's rights

Despite the general importance of human rights due diligence, several of the current laws and proposals fall short in terms of protecting children's rights. This includes requirements for effective business approaches to prevent child labour. While child labour provisions are commonly included (some, such as in Switzerland, France and a proposed law in the Netherlands focus specifically on child labour), children's rights beyond child labour are typically not referenced in the catalogue of protected rights. For example, the German Act includes a number of thematic prohibitions, including child labour, yet it does not include other children's rights nor reference the Convention on Rights of the Child. Similarly, the Swiss due diligence law has a narrow focus on child labour (and conflict minerals) and does not include any reference to children's rights. A notable exception is the CSDD which, in its current form, references the Convention of the Rights of the Child and the 'best interests of the child' principle.⁷⁵

A narrow focus on child labour in due diligence legislation is problematic in several ways. Above all, it may perpetuate a narrow business focus on prohibiting child labour, thus failing to promote a wider shift to addressing root causes and child rights approaches. Moreover, such provisions may

provoke a range of unintended consequence that emanate from reliance on audit, monitoring and compliance approaches. For example, compliance approaches may displace child labour to other economic sectors that fall outside the businesses' due diligence obligation and take important resources away from efforts that focus on effective prevention. A 'policing' dynamic between companies and suppliers might also inadvertently incentivize deceptive behaviours that do not address why child labour occurs in the first place. Lastly, contractual clauses and verification mechanisms businesses may rely on as part of their due diligence approaches might lead to a risk of proliferation of business-led 'private' compliance approaches that undermine state-based enforcement systems (see page 30).

Embedding children's rights in effective legislation to prevent child labour

As far as back in 2013, the Committee on the Rights of the Child highlighted the importance of due diligence for children's rights when it called on states to require businesses to undertake child rights due diligence to fulfil their obligations under the Convention on the Rights of the Child.⁷⁶

For legislation to promote meaningful due diligence approaches that protect children in the context of business

activities and address child labour at its root, several elements are critical. Key criteria can include:⁷⁷

- ✓ An explicit reference to children's rights (beyond child labour) in the catalogue of rights businesses are required to respect
- ✓ An explicit identification of children as rightsholders and stakeholders
- ✓ An explicit recognition that businesses need to pay special attention to children and other groups in vulnerable and marginalized situations
- ✓ An expanded scope of due diligence obligations that cover the whole supply chain and requires companies to prioritize risks to children based on saliency (scope and severity of adverse impacts)
- ✓ A stronger emphasis on the importance of child rights-based approaches in businesses' due diligence efforts to prevent, mitigate and bring negative impacts to an end
- ✓ A comprehensive package of supporting measures, including implementation guidelines, coherence with other laws and regulations (e.g., trade and investment laws) and supporting foreign policy and international cooperation efforts
- ✓ Strengthen children's access to justice and effective remedy.

⁷⁵ UNICEF, 'An EU Corporate Sustainability Due Diligence Directive that Works for Children: UNICEF comments on the European Commission proposal', 2022

⁷⁶ OHCHR, 'Convention on the Rights of the Child', 2013

⁷⁷ UNICEF, 'An EU Corporate Sustainability Due Diligence Directive that Works for Children: UNICEF comments on the European Commission proposal', 2022



PART 5

Conclusion & outlook

The Durban Call to Action, adopted in May 2022 following the Fifth Global Conference on the Elimination of Child Labour, calls on stakeholders to accelerate action for the elimination of child labour. It specifically focuses on advancing multi-stakeholder efforts, data-driven and evidence-based solutions, realizing children's right to education, achieving universal access to social protection and increasing financing and international cooperation, among others.

It also recognizes the responsibility of business in this context, highlighting the importance of responsible business approaches for the elimination of child labour, based on the UNGPs and other international standards on responsible business conduct. Importantly, it calls for a focus on root causes and prevention, including by addressing decent work deficits, focusing on multi-stakeholder, whole-of-supply chain and integrated area-based approaches. It also calls for greater coherence between public and private initiatives.⁷⁸

The analysis summarized in this report demonstrates why business action in these areas is critical. As highlighted, through their own conduct and practices, business can

causally contribute to many of the root causes that lead to child labour. Accordingly, they have a responsibility to address these where such causal links exist. Addressing root causes also means that businesses must be part of the solution to cascade and scale promising practices. This can include integrating child prevention strategies into their core practices, investing in adequate systems and structures and inspiring others. To effectively address the reasons why children engage in child labour, child labour approaches must be grounded in a broader understanding of the interconnectedness of children's rights, based on children's meaningful engagement and protection of their best interests.

As the world emerges from the COVID-19 pandemic, there is a crucial opportunity to address longstanding structural issues and realize a world free of child labour. This will only be possible through holistic business approaches that go to the heart of why child labour occurs. Leveraging existing knowledge, insights and tools, businesses, policy makers and other relevant stakeholders, such as investors and standard-setters have an important role to play to support this change.



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⁷⁸ ILO, 'Global Child Labour Conference agrees Durban Call to Action to end child labour', 2022

