

# ETI Briefing

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## **Final Report on ETI Child Labour Project**

2001-2004

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# Final Report on ETI Child Labour Project 2001-2004

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## Executive Summary

This report aims to communicate the experience, and lessons generated by the UK ETI Child Labour Project Group between 2001-2004.

The ETI Child Labour project started in 2001 and was closed in August 2004. It involved company, trade union and NGO members of ETI and their suppliers, affiliates and partners in Tamil Nadu. The aim of the project was to assist companies in identifying the likely risk of child labour in their supply chains, develop effective monitoring methodology and provide guidance on how to respond responsibly where it is found. The garment industry in Tamil Nadu India was selected as a the location for collaborative work to test and develop guidance.

Whilst the early stages of the project generated some useful background information and tools, the second phase of the project – practical work in Tamil Nadu - did not proceed as planned. Having failed to recruit a local co-ordinator and after a year of trying unsuccessfully to launch activities in Tamil Nadu, the project was closed. Despite not achieving all its aims there were some positive outcomes from the project and even negative experience generated a number of useful lessons.

Key achievements included:

- Development of a risk mapping methodology with the potential for wider application
- A review of existing work on child labour
- Provision of first hand exposure to child labour for ETI members
- A tool for supply chain mapping to assist corporate members.

Challenges that contributed to the decision to close the project included:

- Limitations posed by location and resources
- Levels of trust and commitment
- Communication and differing expectations.
- Project Design

Both the achievements and challenges generated lessons for the future. In summary:

- The imbalance in capacity/resources of trade union and NGO representatives' versus corporate members needs to be addressed.
- Tensions within the UK membership in relation to views on child labour need to be resolved before attempting to work with partners overseas on the basis of the agreed ETI code and membership principles.
- Equal time for relationship building among groups overseas as in the UK is required (this can be long.
- A sufficiently strong institutional relationship with suppliers/partners overseas should be in place prior to attempts to develop a longer-term project.

- Future work on child labour should be positioned in the context of a project with a remit to examine the problem within the context of wider fundamental labour rights issues.
- Good communication is key and face-to-face communication can significantly help to build trust, understanding and shared expectations.
- How the project design may need to be altered at in the light of lessons learnt.

ETI remains committed to developing guidance on child labour in line with ILO standards. We will be looking closely at the lessons learned from this process. Discussions will be held with the membership in summer 2005 about how, in the light of this experience, the ETI can most effectively generate learning on how to tackle child labour in global supply chains. A plan for doing so will then put in place.

# 1 Introduction

## 1.1 Purpose and intended audience for the report

This report aims to communicate the experience and lessons generated by the work of the ETI UK Child Labour Project Group between 2001-2004. The report is intended for:

- ETI members
- ETI members suppliers, trade union member affiliates, NGO member partners and other interested parties in Tamil Nadu
- Project managers in similar labour rights/code organisations

## 1.2 Status of information contained in this report

This report has been written by the Project Manager, however the information and views it contains are drawn from project documents (e.g. minutes etc) and the views submitted by UK group members as input to the report. The Tamil Nadu Core Committee members were also invited to submit input for, or comments on the report. Seven UK group members provided input. The Tamil Nadu Core Committee did not provide input for or comments on the draft report, however it is understood that they did not agree with the decision to close the project and felt it was premature.

## 1.3 Related documents

This report can be read in conjunction with the following two documents that provide more detail on aspects of the project during the early years:

- Review of the literature on child labour in Tamil Nadu (May 2002)
- Mapping Risk: The ETI Child Labour Project (2001-2002)

Both of these, as well as a number of other resources on child labour (not directly related to this project), are available from the ETI website. Additional information sources can be found in Appendix 1.

# 2 Background to the Project

## 2.1 The Ethical Trading Initiative and our experimental projects

Established in 1998, the Ethical Trading Initiative (ETI) is an alliance of companies, trade union organisations (TUs) and non-governmental organisations (NGOs) that work together to identify and promote good practice in the implementation of codes of labour practice (derived from International Labour Organisation standards). All member companies are committed to ensuring that the ETI Base Code is implemented in their supply chains, and to measuring and reporting to ETI on progress in doing so. To identify good practice in monitoring and improvement of labour standards, ETI implements a range of experimental projects and commission research and run a number of task groups. We promote and share good practice

within the membership and externally through seminars, publications, the website, international conferences, a workbook and training programmes.

Between 1998 and 2000 ETI initiated a number of projects to identify and promote good practice in code application, each of which focused on a particular country and industry. With experience of five projects of this nature, in 2000 ETI shifted its approach to focus on particular aspects of the Base Code and/or its implementation that required further exploration.

## **2.2 Introduction to the Child Labour Project**

Child labour is one of the most emotive issues (from a consumer perspective) covered in the ETI Base Code and companies are particularly keen to ensure that their supply chains are free from it. However child labour is often difficult to detect and is a complex issue to address in a responsible manner. In the late 1990s there was a feeling among ETI corporate members that child labour might be present in their supply chains but out of sight, for example away from principal factory locations and pack-houses, in the workplaces of sub-contractors or on the farms feeding to the processing and packing facilities. Alternatively child labour might occur at times when buyers or auditors were not present in the workplace. The concerns felt by corporate members of ETI were underlined by the NGO and Trade Union members of ETI whose partners in supplier countries confirmed that the risk of child labour in export supply chains was real.

In addition to an unease that standard supplier checks were not picking up the presence of child labour in locations where there were known risks, evidence suggested a co-ordinated effort was most likely to yield results. With this in mind, the child labour working group was formed in 2001. The aim of the project was to find out more about child labour risks in the global supply chain, and through testing approaches in a specific location to learn how to address the issue in a constructive, systematic and meaningful fashion.

Any member of ETI was free to join the group and a number of corporate, NGO and Trade Union members did so. The Group also established contact with the International Programme on the Elimination of Child Labour (IPEC) of the International Labour Organisation (ILO) in both Geneva and Tamil Nadu. The Geneva office asked to be kept abreast of ETI activities, and received copies of all communications to the UK tripartite group, however, they informed us that they did not have the resources to participate actively in the project or group. The appropriate individual in the ILO Chennai office was identified in September 2003. Unfortunately they were not able to attend the meeting and on-going contact was not established given the challenges the project faced thereafter. The UK group also made contact with a former senior ILO official who had headed major child labour monitoring projects who presented some of his experience to the group.

## **2.3 Aims and Objectives of the project**

The aims of the project were:

- To assist companies in identifying the likely risk of child labour in their supply chains
- Through testing approaches in a specific location and industry, to learn about practical strategies for identifying child labour and dealing with it in a credible and coordinated manner, where it is found.

The specific learning objectives were as follows:

- How can companies map the likely risk of child labour in global supply chains?
- What are members doing on inspecting for and dealing with child labour?
- How can members improve their inspection techniques?
- What are effective remediation strategies for dealing with child labour?

## **2.4 Who was involved in the project**

The Child Labour Group comprised seven corporate members of ETI, three trade union organisations and two NGOs. Corporate members on the group were: CWS, Debenhams, Marks & Spencer, Mothercare, Peter Black, Sainsburys Supermarkets, and Tesco. Trade Union organisations included the UK Trade Union Congress (TUC), the International Textile Garment and Leatherworkers Federation and the GMB (the UK General Union). The NGOs were Anti-Slavery International and Save the Children UK.

Six suppliers together with affiliates and partners in Tamil Nadu of the above organisations were also involved. The social partners included The Peace Trust, SAVE, Indian National Textile Workers Federation (INTWF) all of which had a long and respected track record of working on the issue of child labour.

## **2.5 Project process and activities**

The project was launched in 2001 and closed in August 2004. It was managed by a project manager from the ETI Secretariat and decisions were taken by the tripartite group, chaired by a corporate member. The group met on average every three-four months for the duration of the project. Key activities of the group included:

- Mapping survey of global child labour risks and members' sourcing patterns: used to identify project location, 2002
- Review of existing work on child labour internationally, 2002
- Research on the garment industry in Tamil Nadu and child labour, 2002
- Research into other initiatives/activities in Tamil Nadu, 2002-3
- Negotiations/agreement with local project partners in Tamil Nadu, 2002-3
  - Confirmation that local partners were willing to work with ETI: during project manager's visit to Tamil Nadu, November 2002.
  - Commitment to work in a local tripartite forum made up of suppliers, trade union organisations and NGOs: during a tripartite delegation visit, January 2003
  - Launch of a local tripartite Core Committee (three people) and a larger tripartite group in Tamil Nadu, September 2003.
- First hand exposure/learning on child labour for ETI members during the large tripartite delegation visit. This included visits to schools and factories, meetings with child labourers, government and potential partners and a seminar to share learning on existing approaches to tackling child labour, September 2003
- Closure of the project. Achieving the level of communication and pace that the project needed to progress had proved impossible. Unresolved issues within the UK group

remained. After six months of thought, discussion and numerous attempts to get activities started, none of which ultimately yielded results, the UK group decided to close the project. The decision was communicated to project partners in India by both the ETI Secretariat and their contacts on the UK group, September 2004.

## 3 Achievements

### 3.1 Background

As explained above the project was closed before completion. However the first two learning objectives outlined Section 2.3 (mapping risk and collecting members' experience on child labour) were met. The second two learning objectives (on developing guidance for members on inspection and remediation techniques) have not been met. However initial preparatory steps, that would have contributed to achieving this second set of objectives, were made. All achievements are noted in the sections below.

### 3.2 Development of risk mapping methodology

#### 3.2.1 *The mapping exercise*

The risk mapping methodology was the tool developed by the ETI Child Labour working group in the opening stage of the project. The working group faced two related uncertainties: uncertainty as to the degree of risk of child labour globally in export supply chains, and uncertainty as to the existence or amount of child labour within the particular supply chains of individual ETI member companies. They used the risk mapping tool to make an initial assessment of global child labour risks, and select a location for the work.

Initial assessment of global child labour risks was carried out by analysing information available from existing sources on industries within countries with a risk of child labour. The results of this were compared with a ranked list of the country/industry product sources of ETI corporate members, and a list of potential trade union and NGO partners in supplier countries, as well as the existence of other programmes (including IPEC), in order to identify an appropriate location for a project. On the basis of the data gathered, Tamil Nadu, India was selected as the place to initiate this project.

Full details of the methodology and the results in this instance available on the ETI website.

#### 3.2.2 *Wider application of the risk mapping methodology*

While in this case the risk mapping methodology was for a very specific purpose - to identify a suitable location for the testing phase of the project – with modification aspects of it could be useful for the following:

- Companies seeking to assess the likely incidence of child labour in particular countries and industries could use the results of the first part of the process as an initial guide.
- Other initiatives/organisations wishing to start a project on child labour in supply-chains could use this methodology to identify an appropriate location and industry to focus on.

- Organisations seeking to initiate a project on any issue in global supply-chains could modify the issue focus and thereby the information sources, but could use the same methodology to identify an appropriate location. A thorough and iterative planning process such as this is believed to be particularly appropriate when project groups are stepping into the unknown.
- Anyone interested in the sourcing patterns of ETI member companies can look at the results of the first and second sourcing surveys to get a sense of where ETI members source.

The methodology itself will remain relevant for the foreseeable future however the accuracy of the results it generated in this case will clearly diminish over time as the situation changes. Information on the incidence of child labour and the availability of local trade unions and NGOs is still considered applicable at this point in time. However, the information on ETI members sourcing will have changed over the past three years and is likely to continue to do so. An awareness of this is important for anyone seeking to use the sourcing information as anything more than an indication of the situation in 2001.

### **3.3 Review of existing work on child labour**

As well as the risk mapping exercise the Child Labour group researched the work of a number of member companies and other organisations to assess whether there was existing learning and good practice on how companies should tackle child labour. The first stage involved canvassing ETI corporate members (see ETI website for list of member companies). While there had been some very limited and ad hoc responses from companies, there was little available in the way of best practice. The other organisations approached were as followed:

- Anti-Slavery International (ASI)
- Department for International Development (DFID)
- Global March
- International Business Leaders Forum (IBLF)
- International Confederation of Free Trade Unions (ICFTU)
- India Committee of the Netherlands (ICN)
- International Labor Organisation (ILO), International Programme on the Elimination of Child Labour (IPEC)
- International Textile Garment and Leatherworkers Federation (ITGLWF)
- Rugmark
- Save the Children UK

Information on these organisations' work on child labour can be found on their websites.

Between them these organisations were found to have produced a wealth of documentation on the issue of child labour. However, where practical guidance on what an individual company could do on the issue was provided, the tripartite membership could not agree on what represented good practice. Divisions within the UK group about what an appropriate response might look like led to tension in the UK group (and at times wider membership) which it was not possible to fully resolve.

### **3.4 Provision of first hand exposure to child labour**

The large tripartite visit to India provided UK group members with an opportunity to see the issue at first-hand. Local NGOs and unions had done a great job of arranging for the UK group members to visit schools, factories, union and NGO offices and meet with a range of local stakeholders, including ex-child labourers. Additional meetings were held with local and State level government officials from related departments. The visit clearly raised the level of understanding, commitment and motivation of those involved

In addition to the energy and optimism evident during the visit, it also served to forge relationships between some UK group members and their counterparts in Tamil Nadu that will endure long after the end of the project. Bringing companies, trade unions and NGOs in Tamil Nadu together in a joint platform was also positive in helping to establish better relationships between the three parties there. Again some of these relationships will continue into the future despite the end of the project. Overall the project contributed to an increased appreciation in both the UK and Tamil Nadu groups of the value of a tripartite approach, particularly in tackling such a complex issue as this.

### **3.5 Tool for supply chain mapping**

As preparation for the start of work in Tamil Nadu, corporate members of the UK group started working on an excel-based tool to assist with supply-chain mapping, specifically designed to capture information from first tier to the bottom of the supply-chain.

While the project was closed before this tool was subject to scrutiny by the trade union and NGO members of the tripartite group, corporate members believe the tool could be useful for other companies seeking to capture supply-chain information. It has therefore also been made available on the ETI members' website.

## **4 Why the project was closed**

Despite its achievements (particularly in the early stages), the project was closed in September 2004.

Between September 2003 and August 2004 the local tripartite Core Committee met several times in Tamil Nadu and visited London in May 2004. The UK group also continued to meet regularly; the wider Tamil Nadu group met once.. During this period efforts were made to develop and implement an Action Plan but little headway was made. It was felt that hiring a local co-ordinator in Tamil Nadu may help to alleviate the problems but an exhaustive recruitment process in mid 2004 failed to identify a candidate suitable to both the ETI and local partners. There were also some unsolved tensions in the UK group that persisted.

After months of thought, discussion and a number of attempts to get the process moving, things were still not progressing. This situation gave the UK group cause to reevaluate, and in late August 2004 the UK group met to discuss the future of the project. Achieving the level of communication and pace that the project needed to progress had proved impossible. The UK group therefore agreed to close the project. In early September, this decision was

communicated to project partners in India, by the ETI Secretariat and their contacts on the UK group. The closure of the project is neither a suggestion that child labour does not exist in corporate supply-chains nor an opportunity to relieve member companies of their commitments on labour standards. Furthermore ETI recognises the urgent need to develop guidance on how companies can best address child labour in global supply-chains and remains committed to finding an appropriate way to continue working on this issue.

As a learning organisation ETI recognises the value in identifying blockages and what did not work, as well as what did. The main obstacles to progress in this case were:

### **Location**

- The location selected was extremely challenging. There was no obvious focal point as the local stakeholders were dispersed throughout the state. This also meant it was logistically difficult (as well as expensive) to convene a wider group meeting (for some it could involve a full day or night of travel either side of the meeting).
- UK corporate members found the business and social cultures different in ways that were sometimes obvious but at other times less so – and therefore more difficult to anticipate and address.

### **Time and Resources**

- Inconsistent attendance of corporate representatives on UK meetings meant a frequent need to revisit old ground.
- There was an imbalance in the resources of NGO and Union members' versus the capacity of corporate members. Despite this in many cases the NGOs and unions invested more time and energy to this initiative. However, sometimes dependence on a single union or NGO contact (at either end) led to delays in scheduling meetings or progress.
- The presence in the same area of a number of other code initiatives (e.g. CCC, FWF etc) meant there were many calls on the time of the same individuals in Tamil Nadu.

### **Commitment and Trust**

- Perceived lack of buy in and commitment from UK companies hampered progress early on.
- Gaining high level and active support from within Tamil Nadu manufacturers was a challenge. While top management of the TN manufacturers stated their commitment, attempts to find a corporate Co-Chair for the Core Committee did not yield the required results.
- Relationships within the UK group were strained for much of the time, which led at times to negative input that did not help move the project forward.
- There was a feeling among Trade union and some NGO representatives that corporate representatives in both the UK and Tamil Nadu did not share the view that trade union organisation and collective bargaining are key elements in the elimination of child labour. There was concern that companies had not accepted that looking at child labour could not be separated from looking at trade union rights and the rest of the ETI base code.
- UK corporate group members sensed a mistrust towards them by other partners and a suspicion over a perceived 'corporate agenda' (some felt had we got to the stage of carrying out actions that would have been an opportunity to dispel this mistrust)

- There was a sense among the Tamil Nadu NGOs that the UK corporate members had not done enough to ensure their suppliers were fully committed to the aims of the project and the tripartite way of working.

### **Communication**

- Communication between the UK and India was a major challenge and in some cases was very poor. This was further compounded by people's travel schedules (both in the UK and India), time difference, unreliable phone/email technology (between the two places), language barrier etc.
- Communication between the Tamil Nadu Core Committee and wider Tamil Nadu group was very infrequent and not always timely (for example failure to seek input for strategic decisions and very late notification of meetings etc). As a result the project lacked buy-in from the wider group which further compounded the lack of pace.
- Communicating ETI's tripartite approach of learning by doing proved challenging in Tamil Nadu as it is not an approach people there were familiar with.

### **Expectations of the Project**

- Expectations of what a focus on or dealing with child labour means varied among UK group members. The trade unions and some of the NGOs were willing to concentrate on child labour in relation to a decent work agenda for adults and in the context of the other fundamental rights at work. but felt others in the group wanted to look at child labour in isolation, which to them was unacceptable. This tension remained unresolved.
- The trade union side felt the UK corporate members could have done more to ensure that both they and their suppliers demonstrated strong commitment to all elements of the ETI Base Code.
- Some in Tamil Nadu, as well as the ETI secretariat and staff from other code initiatives felt the presence in the same area of a number of code initiatives (e.g. CCC, ETI, FWF etc) meant it was difficult at times to differentiate the ETI from other initiatives. It also meant that at a number of initiatives were seeking to draw on the expertise of the same individuals at the same time.
- Developing a common shared understanding between the UK and Tamil Nadu Core Committee proved difficult (for example expectations of what kind of action plan was needed were very different in the UK and Tamil Nadu). While ETI generally starts from small intensive experimental projects and built from there the Tamil Nadu group had ambitious plans of what they would like to do from the start.
- There were widely differing opinions within the UK group on how far the project should have been determined and driven from the UK and how far the local group should define their own process. Ultimately both approaches were tried at different times but neither proved successful.
- There were again differing views within the UK group about whether we should build relationships or start something practical first (in the hope relationships develop as a result).
- Focusing on a single issue (child labour) and with the goal of learning meant it was difficult for some local partners to align this project neatly into their existing work and agendas, which they also needed to pursue. It did not meet the needs of local group members in all cases.

## Project Design

- Although not raised at the point of closing the project, on reflection the Secretariat believes that the design of the project may also have contributed to the difficulty in succeeding. The way the project was designed required the early identification of child labour in order to test approaches to tackling it. All agreed that remediation was an essential element, but there were differing views as to whether it had to be established before monitoring took place or whether it could only be developed in tandem with an assessment of the problem. This is a complex issue that is also the subject of significantly divergent opinion which would be challenging for any group, particularly one that is new to working in a tripartite forum. Even had we succeeded in completing that task we would then have faced another complicated and potentially high-risk decision over whether it is responsible to test something that might not work in relation to an issue such as this.

## 5 Lessons Learnt

The ETI Secretariat and membership will need time to reflect on this experience in order to draw out the wider lessons and plan effectively for this area of work in the future. However the achievements and challenges outlined above indicate the need to consider the following:

- The imbalance in capacity/resources of trade union and NGO representatives' versus corporate members, both in the UK and overseas, needs to be addressed/factored in to all ETI work.
- Tensions in relation to views on tackling child labour within the UK membership need to be resolved before attempting to work with partners overseas.
- Equal (if not more) time for relationship building among groups overseas is required.
- A sufficiently strong institutional relationship with suppliers/partners overseas should be in place prior to attempts to develop a longer-term project. This can require a long term and time intensive investment.
- Future work on child labour will need to be positioned in the context of wider labour rights issues. It should be clear that any monitoring will look at the whole base code not just child labour.
- Good communication is key and face-to-face communication can significantly help to build trust, understanding and shared expectations.
- How the project is designed will need to be altered at in the light of lessons learnt.

## 6 What next

Despite the outcome of this project, members remain committed to addressing this issue and ETI recognises the urgent need to develop guidance on how member companies can best address child labour in global supply-chains. ETI will be looking closely at the experience and lessons documented above and discussions will be held with the membership about how we can most effectively take this work forward. A plan will be developed and agreed during 2005.

## Appendix 1

### **Sources of information consulted on the incidence of child labour**

The first task of the ETI Child Labour Working Group was to assess whether there was an existing source of information about the incidence of child labour that would enable ETI's corporate members to make a quick and accurate assessment of the existence of child labour in the particular industries and locations within the countries they were sourcing from. To find this out, ETI commissioned a survey of available sources of information on child labour which examined the following sources:

- The International Labour Organisation (London and Geneva): Yearbook of Labour Statistics, IPEC and SIMPOC (Statistical Information and Monitoring Programme on Child Labour).
- UNICEF (London office)
- The Global March Against Child Labour (web site)
- Anti-Slavery International (library)
- The International Confederation of Free Trade Unions (ICFTU)
- The Department for International Development (DFID)
- Save the Children (resource centre)

The conclusion of this review was that there was a large literature on child labour but that nowhere was there a database containing the processed information ETI members needed (number of child labourers by industry minor group by country). In most countries child labour had not been surveyed at the level of disaggregation or with the accuracy needed for ETI members to take a statistical approach to risk analysis.

The best single source found for global information was the web site of the Global March Against Child Labour which contains country reports on the incidence of child labour, giving estimates of numbers and occupational categories where the information was available. The Global March country reports are themselves compendia of reports on child labour from many sources, official and unofficial.