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Combating Child Labour

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EXECUTIVE SUMMARY

A firm commitment to combating child labour

In its conclusions of May 2008 on the Rights of the Child in the European Union's External Action - the development and humanitarian dimensions, the Council underlined its commitment to the fight against all forms of child labour. Furthermore the Council in its conclusion of December 2009 agreed that the 2010 Work Program of the Policy Coherence for Development agenda should include emerging issues of importance for sustainable development such as the promotion of core labour standards and the decent work agenda. This report responds to those conclusions, and seeks to identify and assess current EU policy options and instruments to combat child labour. The report ends with a series of questions, which aim to contribute to further discussion with the Council, the European Parliament and stakeholders on possible further measures to support the EU fight against child labour.

Addressing the root causes: poverty and education

Child labour means that children spend their day at work rather than in education, to the detriment of their own life chances and with a huge opportunity cost to the development potential of communities, regions and countries.

Child labour is both a result and a cause of poverty. Various international studies, in particular those of the International Labour Organisation (ILO), indicate that child labour levels decline with increases in gross domestic product (GDP) per capita. In its last comprehensive global statistics (2004), the ILO reported that 218 million children aged 5-14 were engaged in child labour globally; 126 million among them in hazardous work. In the poorest countries where farming represents a sizeable share of the economy, child labour is concentrated in agriculture. Worldwide, 69% of child labour is estimated to take place in agriculture.

Efforts to reduce child labour have proven effective and the number of children at work dropped by eleven per cent from 2000 to 2004, particularly in the area of hazardous work and among young children. The ILO launched a Global Action Plan in 2006 based on empirical evidence that the worst forms of child labour could be eradicated within ten years if the 2000-2004 achievements were sustained and received the necessary technical cooperation support. With the appropriate domestic policy choices and international support, child labour can be eliminated globally. In the current global economic outlook, it is imperative to ensure that the successes of the past decade towards the elimination of child labour are not reversed.

Child labour is also closely linked to social structures and access to education, in particular primary levels. Global efforts to ensure education for all and the progressive elimination of child labour are mutually supportive objectives. The UN Millennium Development Goal 2 calls for all children to complete a full course of primary education by 2015. An estimated 113 million children are currently without primary schooling, of which 60 per cent are girls. The cost of ending child labour by creating schools and replacing the lost income that children provide to their families would be around \$760 billion over next 20 years. But the benefits might be as much as seven times as large, when the gains of increased human capital are considered.

With the appropriate domestic policy mix and international support, the worst forms of child labour can be eliminated globally. In the current global economic outlook, it is imperative to ensure that the successes of the past decade towards the elimination of child labour are not reversed.

Comprehensive policy frameworks are needed to effectively combat child labour

Addressing the complex issue of child labour is being addressed through a comprehensive policy approach involving all stakeholders: Governments, the International Labour Organisation (ILO), UNICEF, trade unions, industry, private sector and the NGO community.

The European Union has a role to play in this context and deploys a variety of policies and instruments to combat child labour:

The fight against child labour has been an important focus of EU development cooperation and of political dialogues with partner countries. Development policy efforts can be made more effective through strengthened coordination between dialogues with third countries and development cooperation. Other policy instruments can support this action. Enlargement policy can support this action through various forms of pre-accession strategy. In the field of trade policy, the special incentive for sustainable development and good governance (GSP+) has helped speed up the ratification of ILO core labour standard conventions in a number of partner countries. Under certain conditions GSP preferences can be withdrawn because of serious and systematic violations of principles laid down in eight ILO core labour conventions. Labour related commitments and instruments are also taken up in bilateral trade agreements under negotiation. An open trade policy combined with appropriate domestic policies can contribute to economic growth and social development. There is limited international experience on trade restrictive measures as an instrument for the fight against child labour. Estimates indicate that only about 5 % of child labour is addressing the situation of children working for export markets and there is no guarantee that their situation would be improved. A clear distinction needs to be drawn between incentivising the adoption of core governance standards and potentially harmful protectionist measures.

In public procurement within the EU, the Commission is refining guidance on how social considerations can be taken into account under current rules; goods or services sourced from child labour may be a possible ground to exclude certain bids from a procurement procedure.

The role of industry: Corporate Social Responsibility

In the past, effective strategies against child labour have involved exporters and importers as well as trade unions, employers' organisations and community-based institutions so as to mobilise broad-based support for change.

Corporate Social Responsibility (CSR) initiatives provide a highly relevant tool to secure private sector commitment against child labour. Frameworks of voluntary initiatives promoting social responsibility include the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Global Compact and the OECD through its Guidelines for Multinational Enterprises. The OECD Guidelines are scheduled for review in 2010 with the issue of child labour being further considered in that context.

Currently, the Commission's March 2006 Communication on CSR lays the basis for a European approach. Together with stakeholder the Commission services are exploring ways of better integrating business and human rights issues into CSR policy. One element is a study to clarify the legal framework for human rights, including the rights of the child, and environmental issues applicable to European companies operating outside the EU. An additional study will look at how companies address business practices within their supply chain.

Stepping up efforts to eliminate child labour globally

There is room for stepping up EU efforts to eliminate child labour, based on a comprehensive policy response. The instruments – political dialogue, development assistance, domestic policies, and trade measures – can be more effective if applied in a mutually supportive manner and as part of a broader

policy framework that focuses on development and poverty eradication. Consideration could be given to enhancing policy coordination and linking development assistance with other policy measures, and further raising the profile given to CSR. This paper raises, in this connection, a number of questions to foster a broader discussion on possible additional measures to reinforce the EU contribution to the fight against child labour. The Commission services look forward to a debate on this matter to inform further policy work.

PART I – INTRODUCTION "COMBATING CHILD LABOUR"

1. BACKGROUND AND OBJECTIVE OF THE REPORT

Despite the encouraging results of sustained global efforts to eliminate child labour, in particular its worst forms, it remains rampant in many parts of the world. Child labour is closely linked to poverty and is particularly prevalent in the world's poorest countries, hence the need for effective development strategies owned by the partner countries themselves. As a major global donor and economic player the EU has a particular responsibility to advocate and support the elimination of child labour.

The EU is committed to eradicating child labour at a global level. This is reflected in the Commission's Communication "A Special Place for Children in the EU External Action"¹ and in the EU Action Plan on Children's Rights in External Relations. Both were welcomed by the Council on 27 May 2008.² In its conclusions, the Council underlined its commitment to the fight against all forms of child labour and highlighted a variety of EU policies and instruments that could be deployed or further enhanced to this end. The Council also emphasised the need for EU negotiations and EU agreements with third countries to promote the ratification of and compliance with the ILO Conventions on Child Labour and contribute to the elimination of all forms of child labour. The Council further underlined the importance of dialogue with partners on child labour issues, and called on the Commission to analyse the impact of positive incentives on the sale of products that have been produced without using child labour and to examine and report on the possibility of additional measures, including trade related measures, on products that have been produced using the worst forms of child labour, in compliance with WTO obligations. The Council also asked the Commission to examine how Corporate Social Responsibility, codes of ethical conduct and other actions can help ensuring transparency, including by informing consumers how products are made.

A number of phenomena are linked to child labour, such as human trafficking, crisis situations as a result of war, unrest or natural disasters, children in armed conflict and child soldiers, drug-trafficking, prostitution and sex tourism or street children. This report focuses on child labour as such (children under the age of 17 in active employment with a detriment to their education and personal development), but should be seen in its broader context. The success of combating child labour is linked with efforts in related policy areas.

This report is a first reply to the Council Conclusions of May 2008. The *overall objective* of this report is to identify and assess current efforts to combat child labour in general and eliminate the worst forms of child labour in particular. The report consists of two parts. The *first part* describes the overall context and the impact of different forms of child labour. The *second part* describes and discusses the current measures that exist to combat child labour.

The report concludes by raising key questions that merit deeper consideration on possible further measures to combat child labour. On the basis of this report and further discussions with the European Parliament, Council and civil society, the Commission services look forward to a debate on this matter, to inform further policy work.

¹ COM (2008) 55 final, and the Communication Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility, 22 March 2006.

² SEC(2008)136

2. CHILD LABOUR: CONTEXT, FACTS AND FIGURES

2.1. Introduction: Facts and figures: Recent developments

The last available comprehensive ILO data on child labour indicate that 218 million children (2004) are engaged in child labour globally; 126 million among them in hazardous work.³ The number of child labourers has fallen by eleven per cent globally from 2000 to 2004.⁴ This decline is significant and it is most dramatic in the area of hazardous work: Namely, 26 per cent less than in 2000, and 33 percent less in the 5-14 age groups.⁵ Two trends stand out: (i) the qualitative decline in child labour (the younger and more vulnerable the child and the more hazardous the work, the greater the decline), and (ii) the impressive declines shown by the Latin America and Caribbean region, bringing them on a par with some developed and transition economies.

These developments indicate that, with a broad-based public and private international political support, resources and the appropriate domestic policy choices, child labour can be addressed and eventually put to an end in its most exploitative forms. The decline comes at a time of growing international mobilisation to eliminate child labour and the acceptance, by the governments of the countries concerned, of a broad set of policy measures that contribute to reducing the incidence of child labour.

There are a number of measures that can be taken immediately to both reduce the impact of poverty and help protect children and families from exploitation. Income-generating and credit schemes can alleviate some of the greatest pressures on poor people as can the provision of basic services such as safe water, health care and education. In fact education is key to keeping children out of labour. Investments in primary and lower secondary education including efforts to reduce indirect costs are strongly correlated with a decrease in children's work.⁶

In the right policy context, open trade and investment conditions can support economic growth and development, promoting decent jobs and employment opportunities. Growth and development are necessary to enhance investment in education and for the social and economic transformation changes that are necessary to reduce and eventually eliminate child labour.⁷ The current global economic circumstances have potentially far-reaching implications and threaten to push more children into the workforce. It is imperative to ensure that successes of the past decade towards the elimination of child labour are not reversed.

2.2. Child labour by economic sector

A common misperception about child labour is that children in developing countries work primarily to produce consumer goods such as clothing and toys for consumers in developed countries. However, only a very small minority of children (some 5% of the total documented world child labour population in 2004) work in the export sector. The vast majority works for their families in agriculture or out of the reach of labour surveillance authorities.

Statistics show that child labour activities tend to be concentrated in agriculture: as can be seen in figure 1 below, 69% of child labour is estimated to take place in agriculture. The structure of production in a country is therefore a reliable indicator of the extent of child labour, i.e. the higher the

³ International Labour Office. *The end of child labour: Within reach*. Global Report under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work 2006.

⁴ The end of child labour: within reach, International Labour Conference, 95th session, 2006, Report I(B). The IPEC (IPEC action against child labour, op. cit., pp. 51-55). The next ILO Global Estimates of child labour will be released in May 2010.

⁵ Ibid

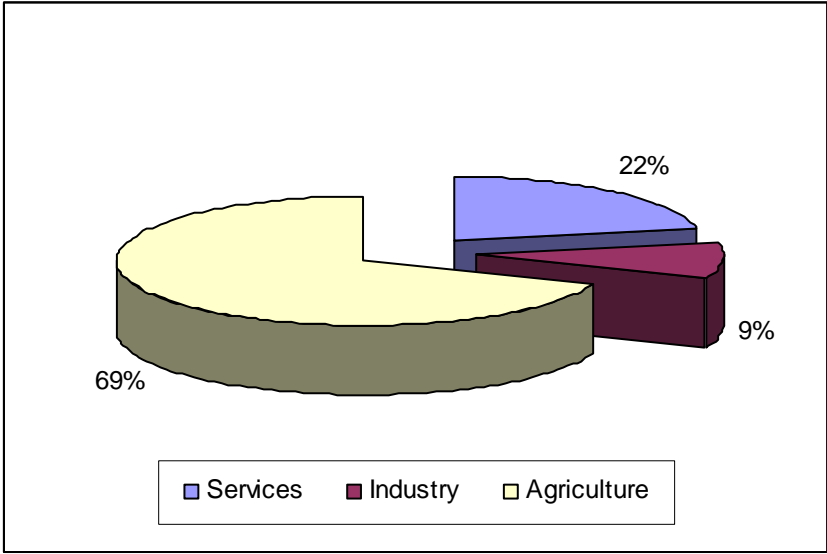
⁶ Hageman, et al., Global child labour trends 2000 to 2004. Geneva:ILO, (2006), page 12.

⁷ Loken et al., Pathways to Decent Work in a Global Economy, Fafo, 2008.

share of agriculture in GDP, the higher, potentially, is the incidence of child labour⁸. The industrial sector, employed around 9% of child labour globally in 2004.

The services sector also represents a relatively important (22%) share of child labour, but does not comprise domestic work, which is generally estimated to employ a significant number of children, in particular girls. Given its hidden nature, it is impossible to have reliable figures on how many children are globally employed as domestic workers. According to the ILO, though, more girl-children under 16 are in domestic service than in any other category of child labour. Recent assessments conducted in Asia, Africa and Latin America under the International Programme on the Elimination of Child Labour (IPEC) confirms the overwhelming extent and gravity of this problem.

Figure 1:⁹ Working Children, distribution by sector, 2004



2.3. The link to poverty and the lack of education

As demonstrated by the ILO and other organisations, child labour is inextricably linked to poverty and income levels: with an inverse correlation between child labour levels and in gross domestic product (GDP) per capita.¹⁰ The labour force participation rate of children aged from 10 to 14 years is at 30-60 percent in countries with a per capita income of US\$500 or less. It declines to 10-30 per cent in countries with incomes between US\$500 and US\$1,000. This correlation becomes less marked at higher income levels, where cultural factors may come into play.¹¹

Child labour is both a cause and a consequence of poverty, and it perpetuates impoverishment by compromising children’s education. Working children delay entry into school, fail to complete a basic education or never attend school at all.¹²

Education creates opportunities and opens up choice.¹³ School attendance imposes limits on the hours of work and the nature and conditions of work. The establishment of free universal education for all

⁸ P. Fallon; Z. Tzannatos: Child Labour: issues and directions for the World Bank (Washington DC, World Bank, 1998), p 3.
⁹ International Standard Industrial Classification of All Economic Activities, Revisions 2 (1968) and 3 (1989).
¹⁰ See G. Betcherman et al.: Child labour, education , and children’s rights, Social Protection Discussion Paper Series, No 0412 (Washington, DC, World Bank, July 2004), pp. 12-13.
¹¹ ILO, The end of child labour: within reach, International Labour Conference, 95th session, 2006, Report I(B). The IPEC (IPEC action against child labour, op. cit., pp. 51-55) estimates put the number of child laborers reached so far at roughly 5 million, as compared to the total of nearly 280 million child laborers in the world.
¹² UNICEF, Progress for Children – A report Card on Child Protection, Number 8, September 2009

therefore make a major contribution towards the elimination of child labour.¹⁴ Countries that have abolished school fees, e.g. Burundi, Kenya, Malawi and Uganda, have seen school enrolments go up.¹⁵

Globally, the Millennium Development Goal (MDG) process has, since 2000, galvanised the efforts of donors and partners alike to reduce and eradicate the most extreme forms of poverty worldwide by 2015. MDG 2 calls for all children to complete a full course of primary education by 2015. MDG 3 has a target to eliminate gender disparity in primary and secondary education. An estimated 75 million children are currently without primary schooling, of which 55 per cent are girls.¹⁶

2.4. Child labour by gender

Empirical evidence shows that poverty reduction strategies that focus on educating girls yield good results. Education empowers young women later in life and guides their choices as an adult as a participant in the labour force, in a household and as a child-bearer and mother.¹⁷

According to a recent ILO report, boys continue to be more exposed than girls to child labour, particularly work of a hazardous nature. The difference becomes more pronounced with increasing age, i.e. among girls in the 5 to 11 years age group, the number of girls is actually higher: 54.5 million girls engage in child labour, compared to 53 million boys. Over 100 million girls between 5 and 17 years of age are involved in child labour globally, compared to 117 million boys. Of these, close to half (53 million) are estimated to be engaged in hazardous work.¹⁸

Research has also shown that educating girls is one of the most effective ways of tackling poverty.¹⁹ Educated girls are more likely to have better income as adults, marry later, have fewer and healthier children, and have decision making power within the household. They are also more likely to ensure that their own children are educated helping to avoid future child labour.

However, figures relating to girls and child labour are difficult to ascertain, given the lack of available statistics for domestic work as mentioned above. Many girls work in isolated environments such as the homes of others: girls represent almost 90 per cent of child domestic labourers. Such undeclared economic activities may sometimes be abetting trafficking, bonded labour and discrimination on grounds of ethnic or national origin. Children are constrained in the premises of the employer and exposed to a range of physical, social and psychological hazards.

3. DEFINITIONS AND NORMS RELATED TO CHILD LABOUR

Child labour is often categorised according to its severity and nature. The following categories are used:

- The worst forms of child labour.²⁰ This can be further divided into two sub-categories;

¹³ See A. Sen: Development as freedom (New York, Knopf, 1999).

¹⁴ M. Winer: The child and the State in India: Child Labour and education policy in comparative perspective (Princeton, NJ, Princeton University Press, 1991, p. 156.

¹⁵ The abolition of user fees requires careful planning and alternative public or private funding to compensate for the loss of income, especially for schools, otherwise it can result in hidden fees being imposed by head teachers or teachers, and/or exorbitant class sizes and lack of teachers, impacting on quality and negating the positive enrolment gain.

¹⁶ UNESCO, Overcoming inequality; why governance matters – EFA Global Monitoring Report, 2009

¹⁷ ILO, International Programme on the Elimination of Child Labour, Action against child labour, IPEC highlights, 2008.

¹⁸ Give girls a chance – Tackling child labour, a key to the future (ILO 2009).

¹⁹ International Programme on the Elimination of Child Labour, Action against child labour, IPEC highlights 2008.

²⁰ Article 3 of the ILO Convention No. 182.

- work that is likely to jeopardise the health, safety or morals of a child because of its nature or because of the conditions in which it is carried out, known as “hazardous work”,²¹
 - slavery, trafficking, debt bondage and other forms of forced labour, forced recruitment of children for use in armed conflict, prostitution pornography, and illicit activities.
- Work performed by a child who is under the minimum age specified for that kind of work and that is thus likely to impede the child's education and full development.²²

The definition of child labour for statistical purposes is under continuous review so as to allow for accurate and representative figures. In the last 10 years, more and better statistical information is available on child labour, helping to map the issue and understand the root causes. The categories above were accepted in 2008 in the 18th International Conference of Labour Statisticians which adopted a Resolution concerning statistics of child labour.²³

Members of the International Labour Organisation (ILO) have agreed on an elaborate standards framework on child labour, built around two core conventions: Minimum Age Convention No. 138 and Worst Forms of Child Labour Convention No. 182.²⁴ These conventions are universally recognised as core labour standards by the 1998 ILO Declaration on Fundamental Rights at Work and its Follow-up. Convention No 182 has become the point of reference for action against the worst forms of child labour. The ILO promotes ratification of Convention 138 and 182 through its general campaign for the ratification of the eight fundamental Conventions. Application is monitored through a supervisory mechanism.

Reports to the ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) provide a measure of the actions taken by States in relation to the implementation of the Conventions. Since 1999, the ILO has received more than 200 reports from member countries on the application of the two child labour Conventions. According to ILO reports, there is solid evidence that ratification of these instruments has had a direct and positive effect on governments' actions to eliminate child labour, including its worst forms.²⁵ The support in the international community for both Conventions illustrates the consensus that while special attention to the worst forms of child labour is justified, it should be pursued in tandem with the larger overarching goal of eliminating child labour.²⁶

Lastly, the ILO has launched a Global Action Plan in 2006 based on empirical evidence that the worst forms of child labour can be eradicated within ten years if the 2000-2004 achievements are sustained and receive the necessary technical cooperation support. In 2010, the ILO will issue a report tracking progress in meeting the 2016 target and providing more recent statistics.

²¹ “Hazardous work” falls within the scope of the ILO convention on the elimination of the worst forms of child labour; it is up to the Government of each Member State, in consultation with the social partners to develop a list of the hazardous types of activities to be prohibited for persons under 18.

²² Defined by national legislation, in accordance with accepted international standards, and that is thus likely to impede the child's education and full development. Established in ILO Convention No. 138.

²³ UNICEF, Progress for Children – A report Card on Child Protection, nr 9, Sept 2009

²⁴ Appended in Annex I is an overview of list of progress toward universal ratification of the ILO Child Labour Conventions. The Minimum Age Convention has 152 ratifications (80% of the ILO membership), the Worst Forms of Child Labour Convention has 169 (90% of the ILO membership).

²⁵ The end of child labour: Within reach, Global Report under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work 2006, ILO.

²⁶ The 1989 United Nations Convention on the Rights of the Child sets a broader human-rights based framework for children's rights. The Convention is almost universally ratified and offers a set of non-negotiable standards and obligations. The Convention protects children's rights by setting standards in health care; education; and legal, civil and social services.

4. ROLE OF STAKEHOLDERS AND INTERNATIONAL EFFORTS

In addition to governments - in their domestic policies and in their external relations, including through development assistance - a number of actors have played a key role in efforts to eliminate child labour.

4.1. International organisations

The International Labour Organisation (ILO) is central in global efforts to eliminate child labour. Standard setting and research as well as activities through the International Programme on the Elimination of Child Labour (IPEC) are significant. ILO has mainstreamed child labour into its activities to raise the profile of the issue and ensure greater impact.²⁷ The three concepts that the ILO has developed to orient its priorities are all highly relevant in relation to child labour: (i) the Decent Work Agenda as a tool for development and social inclusion; (ii) productive employment for women and men as the main route out of poverty; and (iii) achieving a fair globalisation as a source of global stability and raising living standards.²⁸ The IPEC was launched in 1992, and is the single largest global programme exclusively focused on child labour. In 2008, it had 32 funders (8 of them non-governmental), with the European Commission one of the largest, and 88 programme countries.

UNICEF is another key organisation, addressing the issue from the perspective of protecting the child through awareness raising and assistance activities. UNICEF's comparative advantage lies in particular in its work in support of basic education as both a preventive and protective strategy but also in its strong country presence and its focus on the rights and protection of the child. Other important actors within the United Nations system are UNESCO²⁹, WHO, UNDP as well as the World Bank.³⁰

4.2. Civil Society

Trade unions have played an important role in the fight against child labour, building momentum for the inclusion of Convention No. 138 as one of the core labour standards in the 1998 ILO Declaration on Fundamental Principles and Rights at Work, and in the adoption and promotion of a new instrument to tackle the worst forms of child labour. Employers' organisations and industry have engaged in the development of sectoral alliances.

A number of civil society organisations are actively engaged in awareness raising and providing information to policy makers together with projects in developing countries. NGOs have been able to engage locally in developing countries and have been at the forefront of developing new approaches to eliminating child labour. Advocacy has often been a strong contribution of NGOs, as the 1990s campaign in the United States against imports of garments from Bangladesh showed.³¹

²⁷ Toolkit for mainstreaming Employment and Decent Work, ILO, 2007, Geneva, First Edition, <http://www.ilo.org/public/english/bureau/dgo/selecdoc/2007/toolkit.pdf>

²⁸ ILO: Strategic Policy Framework (2006-09): Making decent work a global goal, Governing Body document GB.291/PFA/9, Geneva, Nov. 2004, para. 10).

²⁹ The 14th International Conference on Public Education, held at Geneva in July 1951 under the auspices of UNESCO, adopted a recommendation affirming the inter-relationship of compulsory education and the elimination of child labour. UNESCO declared in 2002 that if we want to achieve Education for All, the issue of child labour must be taken more squarely into account.

³⁰ The World Bank formulated a child labour policy in 1998 building on analysis, policy dialogue with governments and lending activities. The Bank emphasises the need for multi-sectoral approaches to child labour, where educational reforms are the most important policy instrument.

³¹ News from inside Bangladesh revealed that the threat of a US boycott of goods produced by had led to the mass lay-off of adolescent girls employed in garment factories, generating considerable hardship. Further information see ILO/UNICEF, 2004, op.cit

PART II – EXISTING MEASURES TO ADDRESS CHILD LABOUR

5. DEVELOPMENT POLICY – DEVELOPMENT COOPERATION

EU development policy addresses child labour primarily through its focus on poverty eradication, but also through programmes that specifically target education and child labour directly. This effort should be seen in the context of the Convention on the Rights of the Child, which has been ratified by all EC partner countries (except Somalia).

5.1. Millennium Development Goals

The achievement of several of the Millennium Development Goals (MDGs) would have a significant impact on reducing the numbers of children working. For example MDG 1 on the *eradication of poverty* is a central element and has a target on decent and productive work for everybody. Furthermore, poverty eradication and achieving MDG 2 on *universal primary education* are important elements of any strategy to eliminate child labour and especially its worst forms. The 2010 MDG Review Conference will be a key moment to revisit the MDG framework and to achieve further progress in particular on off-track MDGs.

5.2. Development focus: Poverty Eradication

The 2010 spring Development package of communications will provide an opportunity to shape a common EU position for the forthcoming UN MDG Review High Level Event in September 2010. The Commission spring package will focus on continuity: recalling the commitments undertaken by all and what needs to be done between now and 2015, as well as the need to promote a new global contract at the horizon of 2020. MDG progress will be looked at from an aid/development effectiveness and policy quality/ and policy coherence point of view. One of the objectives will be to adopt a comprehensive approach and to look at the optimal framework which might be most conducive to reaching the MDGs. Improving the quality of policies and mobilising resources for development - beyond aid - will be the focus. The key to progress on sustainable development lies in governance reforms in developing countries and also improvements in our own policies in support of developing country strategies. The European Commission is revisiting global health, food security, gender, and education policies, which will all be relevant in view of the MDG Review, as well as to combating child labour. Policy Coherence for Development is also critical to harness the potential of all other policies in a development friendly manner, for example on security and development or on climate policies.

Because of the strong link between poverty and child labour and between education and child labour, development policy is a central pillar of EU efforts to combat child labour. The EU is the largest bilateral donor in the world providing around 60% of global ODA with a focus on Africa and poverty eradication and is built around country level programmes. The link between poverty and child labour requires to provide an alternative for the family who loses the income generated by the child's work, and measures should therefore also include improved social protection systems and better inclusion of workers in the labour market.

Development policy measures to combat child labour are integrated into a broader context of development assistance, addressing the underlying reasons for child labour, such as poverty levels and lack of access to affordable education.

5.3. Education

The EU has traditionally supported education through its development cooperation, most recently within the global Education for All (EFA) Fast Track Initiatives (FTI) that supports country driven comprehensive sector plans for education. More recently, the Commission's approach has been to support education through budget support, with a view to enhancing the predictability of its aid and driving policy dialogue on the target sectors of focus. The Commission services are currently drafting a Staff Working Paper "More and better education" which will focus on the need to improve the quality of and access to education.

Also important are government initiatives to reduce indirect costs of education. For example, the availability of social protection measures is recognised as positively impacting parents' ability to send children to school. School attendance can be improved, inter alia through removing cost barriers to attending schools (fees, school uniforms, books, school maintenance etc.), improving access to schools, improving teacher training, increasing the number of teachers (and therefore reducing the number of pupils per class) etc.

The forthcoming European Report on Development will have as a thematic focus the issue of inequality and social protection in developing countries. The need to build and/or reinforce social protection systems has mobilized a lot of political attention recently at country and international level because of the socio-economic impact of the financial and economic crisis. Amongst the planned topics to be covered in the Report is social protection systems, both formal and informal, the challenges of targeting, extension and financial affordability; the opportunity costs of investing in social protection and its potential "leverage effect" from an economic, social, political and financial perspective as well as; the political economy and governance challenges around social protection. The ERD 2010 shall also look at the potential role and added value of the EU in helping developing countries to build adapted social protection mechanisms and provide policy recommendations in that regard. An intense research and consultative process, involving several preparatory conferences in Europe and Africa as well as the commissioning of intermediary research papers, will be carried out in the context of this ambitious policy-research initiative³².

5.4. The importance of good governance

Good governance is a condition for sustainable progress to reduce child labour. Implementation and enforcement of the relevant international conventions benefit children and create a more stable and predictable framework for domestic action and international support. Broader child protection issues are also relevant as part of governance measures. Sector policy dialogue with partner governments are useful to identify gaps in addressing the needs of vulnerable population groups and can help determine assistance strategies and choice of service providers.

The weak point in combating child labour by supporting national strategies is that they often do not provide for specific actions. Helping vulnerable children is rarely given much attention in national sector plans. One way to reach those groups is through direct support to NGOs.³³ The Commission services are looking into the possibilities to address this aspect under the existing Investing in People programme.

Additional examples of relevant EU development programmes can be found in annex VII.

5.5. Effective prevention and prosecution of child trafficking and forced labour

In some cases child labour occurs in the context of trafficking in human beings. In conformity with the 2000 UN Protocol on Trafficking in Persons, especially Women and Children, trafficking in children

³² More information on: <http://erd.eui.eu/>

³³ One example of such a program is the Children part of the Thematic Budget Line Investing in People or the Non-State Actors programme.

is the recruitment, transfer or reception of a child for the purpose of exploitation including forced labour and labour exploitation, even when none of the illicit means mentioned by the definition such as the use of force have been used. According to ILO estimates, children represent between 40 and 50 percent of all the victims of forced labour and amount to 5.7 million worldwide.³⁴ Out of them, more than a million might have been trafficked.³⁵

While child trafficking is a grave crime and a gross violation of human rights, which often implies serious damages for the safety, health and physical integrity of the children concerned, effective investigation and prosecution of such crime is crucial to prevent and fight against it. The best interest of the child must be paramount in every action aimed at prosecuting and punishing perpetrators. In particular, a human rights and victim centred approach is required to ensure assistance, support and protection to child victims. Moreover, the commitment of employers' organisations and trade unions is needed to reduce vulnerability of children of working age to trafficking.

6. HUMAN RIGHTS DIALOGUES

6.1. Overview of EU human rights dialogues

The EU endeavours to raise human rights issues in all appropriate political dialogue meetings with third countries. Moreover, the EU has established human rights dialogues and consultations with some forty countries worldwide.³⁶ Human rights dialogues allow the EU and partner countries to discuss questions of mutual interest and to enhance cooperation including in international fora. The dialogues enable the EU to share its concerns on human rights violations with partner countries, to gather information and to seek to improve the human rights situation in the partner country concerned.

6.2. Child Labour in human rights dialogue

Human rights dialogues create an opportunity to consider the application of international standards on child labour and to promote best practices, as well as allowing the EU and the partner country to identify together possibilities for technical assistance. Child labour is discussed in most human rights dialogues. The extent to which human rights dialogues can contribute to eliminating child labour naturally depends upon the degree of commitment shown by the partner country.

The EU uses human rights dialogues to call on partner countries to ratify international conventions which prohibit child labour, notably the Convention on the Rights of the Child and ILO Convention No. 182 on the worst forms of child labour - or, as appropriate, to lift reservations to such conventions. The EU also calls on partner countries to adopt or revise labour laws so as to prohibit child labour. For instance, following discussions with Egypt, the Egyptian authorities adopted amendments to the Unified Labour Law which criminalise the organisation of child labour and amended several Ministerial Decrees so as to improve implementation of the law.

Where ratification of international conventions has taken place and laws against child labour have been enacted, the focus is on implementation. The EU has, for example, repeatedly raised reports of forced child labour in the cotton harvest with Uzbekistan and called on Uzbekistan to improve implementation of its domestic laws against child labour. The EU has also called for independent monitoring of the cotton harvest involving partners such as the ILO/UNICEF.

³⁴ ILO Minimum Estimate of Forced Labour in the World, Geneva, 2005.

³⁵ According to ILO estimates, concerning the aggregated figures including children and adults, out of 12.3 million people in forced labour, 2.4 million have been trafficked, while the others are not moved and perform forced labour as a result of traditional slavery-like practice.

³⁶ See Council Guidelines on Human Rights Dialogues with Third Countries.

Human rights dialogues provide an opportunity to exchange examples of best practice and for the EU to offer technical assistance. Partner countries have responded with examples of the development of country programmes on the elimination of child labour. This is the case, for example of Jordan (Strategy for children, 2004-2013, with the involvement of the National Council of Family and the Ministry of Labour) and Lebanon (dedicated training programmes for labour inspectors, vocational education programmes for 15-year-olds). In other cases, partner countries (e.g. Tajikistan) have used human rights dialogues to underline their interest in and readiness for further co-operation with the EU on child labour.

Human rights dialogues are often accompanied by civil society seminars organised by the Commission which bring together civil society actors from the EU and the partner country. The first civil society seminar held with Kyrgyzstan in March 2009 discussed children's rights and child labour. The participants recommended, in particular, that there should be educational and media campaigns to promote the importance of children's rights, and to explain the dangers to health caused by the worst forms of child labour. Tajikistan also had a very positive reaction toward the idea of organizing a civil society seminar devoted to children rights.

In addition, the Commission has provided assistance to civil society to fight child labour under the European Instrument for Democracy and Human Rights. Examples of projects include a project on the elimination of child labour through the expansion of education in India, an awareness-raising project on child labour in Morocco and Pakistan, a project on the promotion of the rights of marginalised children in the Gaza Strip, and support for a campaign against child labour in the agrarian sector in Egypt.

7. ENLARGEMENT POLICY

In the context of enlargement policy, the Commission helps legal alignment with the *acquis* in the area of child labour in the candidates and potential candidates³⁷, and supports and monitors the implementation and effective enforcement of national legislation through various instruments of pre-accession strategy. Candidate countries must have put the legislation in place by the time of EU accession. However, adoption and transposition of the *acquis* in itself is not enough. It is vital to develop institutional and administrative structures that will facilitate the implementation and enforcement of child labour provisions, including through training of judges and cooperation with relevant civil society actors. Implementation of legislation is regularly monitored by the Commission in the context of various meetings with national authorities of the countries and within the framework of annual progress reports on the countries. Child labour is also addressed in the accession negotiations on social policy and employment.

In the framework of pre-accession financial assistance, the Commission gives high importance to projects that aim at improving the situation and rights of children, particularly by improving the legal framework and by strengthening the administrative capacity in the area of childcare, education or specific assistance to disadvantaged groups, such as Roma children. Financial assistance has been provided among others to tackle child labour in Turkey where child labour has significantly decreased over the years, although the problem still persists. (Annex VIII: Enlargement policy: the case of Turkey)

³⁷ Candidates (Croatia, Turkey, the former Yugoslav Republic of Macedonia), potential candidates (Albania, Bosnia and Herzegovina, Kosovo (under UNSCR 1244/99), Montenegro, Serbia). Also Iceland has applied for EU membership.

8. TRADE POLICY

8.1. EU Generalised System of Preferences (GSP)

The main trade policy instruments for promoting core labour standards are the EU's Generalised System of Preferences (GSP) and in particular the special incentive arrangement for sustainable development and good governance (GSP+). Through the GSP, the EU provides preferential access to the EU market to 176 developing countries and territories in the form of reduced tariffs for their goods when entering the EU market. It is implemented by a Council Regulation applicable for a period of three years at a time. GSP covers three separate preference regimes:

- The standard GSP, which provides preferences to 176 Developing Countries and Territories on over 6300 tariff lines;
- GSP+ offers additional tariff reductions to support vulnerable developing countries in their ratification and effective implementation of international conventions in these areas, including the two ILO child labour conventions and the UN Convention on the Rights of the Child;
- The Everything But Arms (EBA) arrangement, which provides Duty-Free, Quota-Free access for all products from the 49 Least Developed Countries (LDCs).

The primary objective of the GSP is to contribute to the reduction of poverty and the promotion of sustainable development and good governance. Preferential tariff rates when exporting to the EU market enable Developing Countries to participate more fully in international trade and generate additional export revenue to support them in developing industry and jobs and reducing poverty.

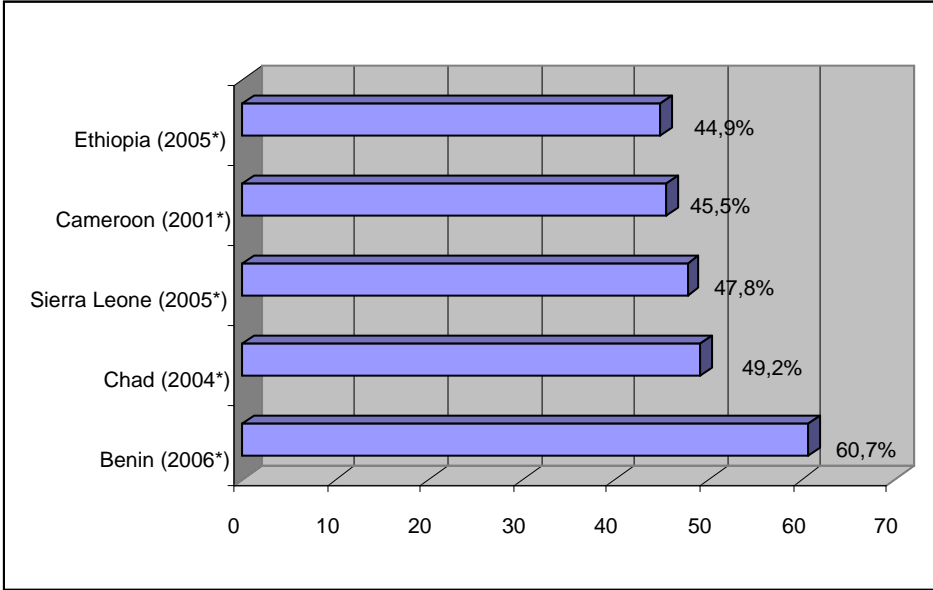
8.1.1. *Temporary withdrawal of GSP*

While the standard GSP is a generally available preferential scheme, GSP preferences may be temporarily withdrawn in certain specified circumstances. These notably include the serious and systematic violation of principles laid down in 16 core human and labour rights conventions of the UN and ILO, on the basis of conclusions of the relevant international monitoring bodies. This group of core human and labour rights conventions includes the eight ILO conventions on core labour standards, including those on the minimum age for admission to employment (No. 138) and the prohibition and immediate action for the elimination of child labour (No. 182), as well as the UN Convention on the Rights of the Child.³⁸

The GSP has been temporarily withdrawn from only two countries, Burma/Myanmar and Belarus. In 1997, GSP was withdrawn from Burma/Myanmar because of forced labour practices. (ILO Conventions 29; forced labour and 105 abolition of forced labour) In 2007 and following a Commission investigation and an ILO assessment into alleged systematic and serious violations of freedom of association and the right to collective bargaining in Belarus (ILO Conventions 87 and 98), a decision was made to withdraw GSP preferences from this country. Although little progress has been recorded to date in the case of Burma/Myanmar, recent developments in Belarus suggest that the Government has now started to engage with domestic stakeholders and the ILO monitoring bodies in a more meaningful dialogue on substantive actions to address the concerns raised by ILO and thereby also those which led to the temporary withdrawal of GSP.

³⁸ According to Article 15(1)(a) of the GSP Regulation 732/2008; the list of core human and labour rights conventions is contained in Part A of Annex III to the Regulation.

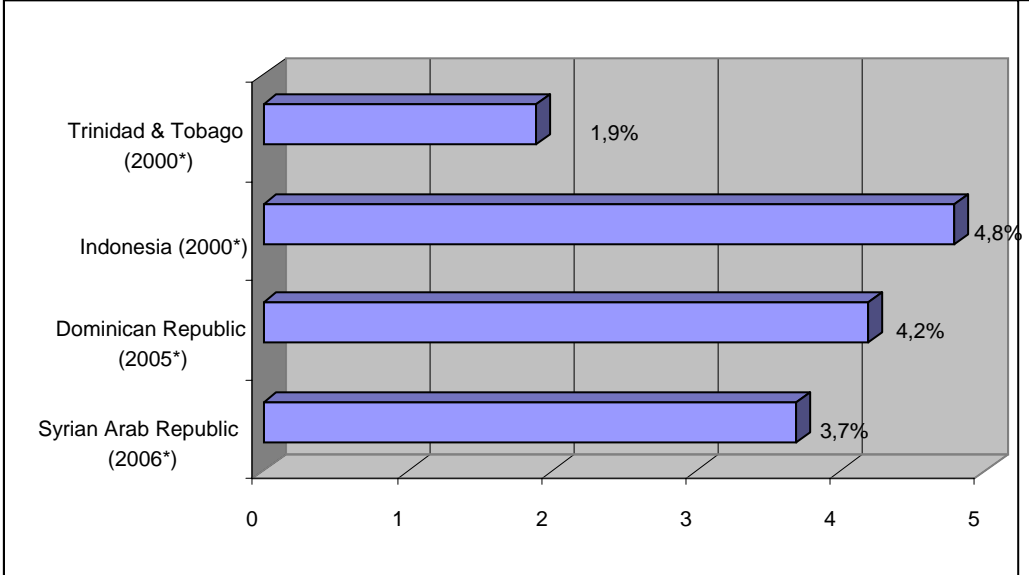
Figure 2: Examples of extremes among *GSP* beneficiaries, children aged 5-14 years in economic activity excluding those in light economic activity



(* Surveys of child labour indicators used by the UCW (Understanding Children’s Work) project – an inter-agency research project was initiated by the ILO, UNICEF and the World Bank, Dec 2000.)

As the figures show in table 2 and 3 there can be a significant variation between child labour rates in developing countries – the scheme covers 176 beneficiary countries and territories. In particular, as recognised earlier in this report, child labour is particularly prevalent in the poorest countries (the 49 Least Developed Countries recognised as such by the UN) that are also beneficiaries of duty-free, quota-free access under the EU’s Everything But Arms scheme. A large number of Developing and Least Developed Countries also benefit from preferential access to the EU market under other trade regimes than the *GSP* or *EBA*.

Figure 3: Examples of indicators below 5 % among *GSP* beneficiaries, children aged 5-14 years in economic activity excluding those in light economic activity³⁹



(* Surveys of child labour indicators used by the UCW (Understanding Children’s Work) project – an inter-agency research project was initiated by the ILO, UNICEF and the World Bank, Dec 2000.)

³⁹ Child Labour indicators are consistent with the operational definition used by International Labour Organisation “Every Child Counts”, 2002.

8.1.2. *GSP+: trade incentives for sustainable development*

The GSP+ scheme provides a specific trade incentive to encourage countries to combat child labour. As part of the qualifying criteria for GSP+, beneficiaries must have ratified and effectively implemented⁴⁰ 27 specified international conventions in the fields of core human and labour rights, sustainable development and good governance. These international conventions include the UN Convention on the Rights of the Child (1990), ILO Convention No. 182 on the Prohibition and Elimination of the Worst Forms of Child Labour (1999), and ILO Convention No. 138 on the Minimum Age for Admission to Employment (1973). Furthermore, the GSP+ beneficiary countries concerned must also give an undertaking to maintain the ratification of the conventions and their implementing legislation, and must accept regular monitoring and review of their implementation record in accordance with the implementation provisions of the conventions they have ratified. In combination with other factors, GSP+ helps to promote the performance of beneficiary countries also in respect of child labour.

For the period 2009-2011, 15 beneficiary countries have qualified to receive the additional preferences offered under the GSP+ incentive arrangement (Armenia, Azerbaijan, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Georgia, Guatemala, Honduras, Mongolia, Nicaragua, Peru, Paraguay and Sri Lanka).

The Commission has launched two investigations in respect to current GSP+ beneficiaries: El Salvador (in May 2008) and Sri Lanka (in October 2008). In the case of El Salvador the investigation was to establish whether International Labour Organisation (ILO) Convention 87 on trade union rights was incorporated in its national legislation and if it was being effectively implemented. For Sri Lanka the question was whether three core United Nations human rights Conventions (the International Covenant on Civil and Political Rights, the Convention against Torture and the Convention on the Rights of the Child) are being effectively implemented. Both investigations were completed in October 2009. In the case of El Salvador, the investigation confirmed that the country's ratification of ILO Convention 87 remained valid and a reform of the Constitution had been completed to remove major obstacles to its effective implementation: as a result, the Commission found that the situation did not justify a temporary withdrawal of GSP+ benefits. As regards Sri Lanka, the Commission found that the three UN Human Rights conventions are not currently effectively implemented: consequently, the Commission has proposed to the Council that the country's GSP+ benefits should be temporarily withdrawn. Under the GSP Regulation, the Council is required to take action on this proposal within two months (i.e. by mid-February). Any decision to temporarily withdraw benefits will take effect six months after it is taken.

8.1.3. *Assessment of the Impact of Existing Incentives*

GSP+ is a very young instrument (it was only introduced in 2005). Given the time lag in the availability of relevant statistics it is hard to judge what impact GSP+ has had on child labour in the countries in question. A direct causality of GSP+ in encouraging positive developments may be hard to distinguish from a number of other different factors that might also be in play (e.g. domestic policies and international assistance in relation to education, social safety nets, etc.) Moreover, any trade instrument such as GSP+ is likely to be more effective if it is applied in tandem with other available instruments (e.g. development assistance, cooperation with the ILO, involvement of national stakeholders, supportive domestic policies etc) in a mutually supportive manner.

Nonetheless, an area where the success of the GSP+ scheme is clearly established and recognised is that it has played a role as an incentive for the applicant countries to ratify and implement key ILO conventions in order to comply with the qualifying criteria of the GSP+. Furthermore it has had a

⁴⁰ Normally for each convention there is a UN, ILO or similar report monitoring the implementation by each country with the individual Conventions. These are the main reference points which the Regulation specifies should be used to assess effective implementation of the GSP+-relevant Conventions.

significant impact in speeding up countries' ratification of ILO core labour standards conventions. The most recent example is El Salvador, which deposited the ratification instruments of certain missing ILO conventions on 6 September 2006 and in parallel has taken action to amend its constitution in order to confirm the rights of association of public sector workers. These actions were taken with GSP+ very much in mind. In relation to GSP+ in particular, the ILO also plays a decisive role in the follow-up through its reports and ground work. The ILO supervisory committees have reported that most of the GSP+ applicant countries have made substantial changes to their legal systems in order to comply fully with the rights enshrined in the ILO conventions, which was the precondition for being granted the GSP + trade preferences. Regarding child labour, it is notable that Colombia and Venezuela both ratified the convention on the Prohibition and Elimination of the Worst Forms of Child Labour Convention in 2005, the year in which the GSP+ scheme first entered into force. It can reasonably be assumed that at least part of the incentive for this was connected with their wish to benefit from the additional trading preferences on offer under GSP+.

8.2. EU Trade Agreements

Trade liberalisation should help to achieve goals such as high growth, full employment, poverty reduction and the promotion of decent work. The European Union's Global Europe strategy⁴¹ stresses the fact that trade policy must work for the benefit of people and employment in a sustainable development framework. The EU therefore put its commercial weight behind efforts to promote social standards and decent work in trade negotiations.

In its trade agreements, the EU seeks to create a framework for cooperation, transparency and dialogue with partners as an effective means of promoting both social and environmental standards. The chapters of sustainable development commitments in EU Free Trade Agreements are an important element. The EU seeks commitments by partners, and is ready to commit itself, to the ratification and effective implementation of ILO core labour standards, including the two ILO conventions on child labour. Additionally, the EU also seeks to promote the wider ILO Decent Work Agenda and the 2008 ILO Declaration on Social Justice. The EU applies a similar approach in Partnership and Cooperation Agreements (PCAs) under negotiation.⁴²

The objective is to engage EU's trading partners on sustainable development issues, including core labour standards, decent work and, in that context, child labour. In this context, adequate monitoring mechanisms and a role for civil society, not least trade unions are important. The recently initialled free trade agreement with Korea is an example of how EU approaches sustainable development in trade agreements. The agreement commits both parties to implementing in their law and practice ILO core labour standards, including the two child labour conventions. The parties also commit to furthering the ILO Decent Work agenda, which is highly relevant in the context of child labour. Importantly, the agreement builds a framework for cooperation and dialogue on labour related issues, and thus allows for strengthened engagement with Korea. An important aspect of this framework is the involvement of civil society and in particular trade unions to review the implantation of the labour related commitments of the agreement.

8.3. Trade measures taken by other governments, example of the US legislation

There is limited experience globally with trade related measures as a successful way to address child labour. Restrictive trade measures (e.g. import bans) intended to eliminate or reduce producer incentives to use certain forms of child labour have been subject to debate in different parts of the world, but appears that only the United States have put in place legislation to address trade in products produced by forced child labour .

⁴¹ Global Europe: Competing in the World: A Contribution to the EU's Jobs and Growth Strategy, COM(2006)567

⁴² Most recently the negotiations for the Partnership and Cooperation Agreements with Southeast Asian countries.

"Section 307 of the US Tariff Act of 1930", also known as the U.S. "Forced Labour Statute" prohibits the importation of all goods produced wholly or in part in any foreign country by forced labour. Since 1997 this includes *forced child labour*.⁴³ In practice however, the application of this law has been very limited.

Another relevant example of U.S. legislation is Executive Order 13126 of June 12 that prohibits the acquisition by executive agencies of products produced by forced child labour. This order also established a list of products, identified by their country of origin, believed to be produced by forced child labour. The current list was published in 2001, and will be updated periodically based on new information. On October 15, 2009, the Department of Labour released a notice requesting information from the public on the use of forced child labour in the production of bricks, coal, foundry products, chemicals, cotton, grape products, toys and fireworks in China. Earlier requests for information from the public were made in 2004 (cocoa industry in Cote d'Ivoire) and 2001 (firecracker industry in China).⁴⁴ Recently the Department of Labour made an initial determination inviting public comments on a list of products and countries where there is evidence that the product might have been manufactured by forced or indentured child labour.⁴⁵ The Department of Labour also publishes yearly a report with a list of goods produced by child labour and forced labour. The purpose of the report is to raise awareness of the issue, but it does not serve as a basis for trade restrictive action.⁴⁶

The US experience illustrates the difficulties that are likely to arise as regards the introduction of a ban on products produced by certain forms of child labour. Any further reflection on possible EU action in this field would have to look at the effectiveness of such an instrument in eliminating child labour globally, as well as its impact on the economic development of targeted countries, its impact on EU relations with the countries in question, and compatibility with international obligations. In this regard, several parameters need to be balanced carefully:

- *Addressing the root causes of child labour*: Trade restrictions would not have a direct impact on the main factor which is considered to cause children to work in the first place: poverty. . They can have profound impacts on the economy of countries and may restrict the trade and growth opportunities in key sectors, despite the fact that children are less likely to work in countries with more international trade.⁴⁷
- *Sectors affected by child labour*: Trade measures would only address employment of children working directly in the manufacture of products for export. However, estimates show that only 5% of child labourer worldwide fall into this category; the vast majority being engaged in agriculture or family business working alongside their parents, or working as domestic labour.

⁴³ The U.S. Immigration and Custom Enforcement (ICE) *Attaché personnel* serve as the fact finders for ICE and Customs and Border Protection (CBP) in the international environment (further described in Annex). Should U.S. customs determine that merchandise is subject to the import ban, the burden is on the importer to prove that the merchandise was not produced in any part through the use of child labour.

⁴⁴ www.dol.gov/ILAB/regs/eo13126/main.htm

⁴⁵ The current List of Products and Countries (Executive Order 13126 "Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labour) was published in the January 18, 2001 and includes the following: Bamboo (Burma), Beans (yellow, soya, and green beans) (Burma) Bricks (hand-made) (Burma, Pakistan), Chillies (Burma), Corn (Burma), Pineapples (Burma), Rice (Burma), Rubber (Burma), Shrimp (aquaculture)(Burma), Sugarcane (Burma), Teak (Burma). See info at; <http://www.dol.gov/federalregister/PdfDisplay.aspx?DocId=18023>

⁴⁶ The U.S. Department of Labour released 10 September 2009 three reports on child labour and/or forced labour in foreign countries, including the initial List of Goods Produced by Child or Forced Labour required by the Trafficking Victims Protection Reauthorization Act of 2005 (TVPRA List). The report informs the public about 122 goods from 58 countries that Bureau of International Labour Affairs (ILAB) has reason to believe are produced by forced labour, child labour or both, in violation of international standards. See also <http://www.dol.gov/ilab/media/reports/iclp/main.htm>

⁴⁷ Edmonds, Eric and Nina Pavcnik. 2006. "International trade and child labour: Cross-country evidence." *Journal of International Economics* 68: 115-140

- *Implementation of measures:* Identifying precisely goods produced by child labour would need an appropriate regulatory system. Any regime put in place would have i.e. to enable Customs Authorities to effectively and efficiently enforce the controls at the border without interfering unnecessarily with the flow of legitimate trade. Part of this relies heavily on the existence of a legal definition of what is to be considered a product obtained through child labour and the ability to identify such goods.

9. PUBLIC PROCUREMENT

The area of public procurement offers scope for action in support of the elimination of child labour. Public authorities spend the equivalent of 17% of the EU GDP or €2088 billion annually (2007) and procurement is therefore an important market.

Public procurement is subject to EU and international rules. Under these rules public sector procurement must follow transparent open procedures ensuring fair conditions of competition for suppliers. The rules on public procurement allow taking into account child labour issues:

- Child labour may provide grounds for possible exclusion of tenders during the selection stage of a procurement process, on the basis of the EU rules on public procurement⁴⁸:
- Child labour may also be addressed during the performance of the contract⁴⁹:

A guide on social considerations in public procurement, currently in the final stage of preparation by Commission services, will also address the issue of combating child labour in public procurement. The purpose of this Guide is:

(a) to raise contracting authorities' awareness about the potential benefits of socially responsible public procurement and

(b) to explain in a practical way the possibilities offered by the existing legal framework for public authorities to take into account social considerations in their public procurement at the different stages of a public procurement procedure, thus paying attention not only to price but also quality/best value.

10. CORPORATE SOCIAL RESPONSIBILITY

10.1. The Role of International Organisations

Within its Communication of March 2006, the Commission defines Corporate Social Responsibility, as companies integrating social and environmental concerns in their business operations and in their relations with stakeholders, on a voluntary basis. CSR is promoted through international instruments, such as the OECD Guidelines for Multinational Enterprises (MNEs)⁵⁰, the UN Global Compact and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

The OECD Guidelines are voluntary and were originally adopted in 1976. In 2000, provisions relating to child labour were included, indicating that enterprises should contribute to the effective abolition of

⁴⁸ Directive 2004/18, Article 45.2.(c)

⁴⁹ Directive 2004/18 Article 26

⁵⁰ The OECD Guidelines for MNEs consist of recommendations concerning voluntary principles and standards for responsible business conduct aimed at encouraging sustainable development, and comprising social, economic, and environmental aspects. These recommendations provide a multilaterally endorsed comprehensive code promoted by governments to multinational enterprises operating within or from adhering countries, as the primary source of international investment.

child labour through their labour management practices, the creation of high quality, well paid jobs, and their contribution to economic growth, thus addressing the root causes of poverty in general and child labour in particular. The OECD Guidelines are scheduled for review in early 2010, which may allow scope for a further strengthening regarding the issue of child labour. Further attention could be drawn to the responsibility in case of violations. Lessons learned could be drawn from how OECD combats corruption by developing various instruments targeting both the supply side as well as the demand side. The OECD Anti-Bribery Convention is the most far-reaching international legal instrument in this area (see Annex VI for a more in-depth description).

The UN Global Compact⁵¹ is a voluntary initiative that seeks to advance a set of 10 universally recognised principles on human rights, labour, environment and anti-corruption through the active engagement of business, in co-operation with civil society and representatives of organised labour (see III for a description). Participants in the Global Compact are expected to publish a corporate report of the ways in which they are supporting the Global Compact and its ten principles. This is known as the "Communication on Progress" (COP), a measure of openness and transparency intended to encourage good practices by participants. Specifically on child labour, companies are expected to adhere to minimum age provisions of national labour laws, and where insufficient, take account of international standards. In this context, companies should, use an effective mechanism for verification of age, take measures to remove any children below the legal age from the workplace, and to the extent possible, help the child and their family to access adequate services and viable alternatives, and exercise influence on business affiliates to combat labour. The Global Compact has also come up with suggestions on how companies can contribute to community efforts to eliminate child labour.

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy was adopted in 1977 and revised in 2006. The principles laid down in this Declaration, which was agreed to by governments and representatives of workers' and employers organizations, offer guidelines to MNEs, governments and employers' and workers' organizations in the areas of employment, training, conditions of work and life and industrial relations. Its provisions are reinforced by international labour Conventions – including the key ILO Conventions on the eradication of child labour - and Recommendations, which social partners are urged to bear in mind and apply, to the greatest extent possible. Periodic surveys are conducted to monitor the effect given to the Declaration by MNEs, governments, and employers' and workers' organizations.

10.2. Enhancing effectiveness through multipartite forums

A relatively recent CSR related instrument to combat child labour is that of Multipartite Social Forums⁵², which aim to enhance dialogue and cooperation among actors in specific sectors. It allows for action on the ground, bringing together business, labour representatives and civil society, and links in with ongoing national efforts against child labour.⁵³ The case study below exemplifies the multipartite approach and indicates some of the lessons learned.

⁵¹ The Global Compact website offers a searchable database of all Global Compact participants. Participants are expected to submit a link to or description of their communication on progress to the Global Compact website and/or, Global Compact local network website.

⁵² Tripartite Social Forum is a term used by ILO, the multipartite social forum is a term that indicate plural in parities involved in those forums, e.g. not limited to three stakeholder.

⁵³ Examples and on lessons learned and best practice from tripartite social forums can be found in annex VI as regards banana and flower production in Ecuador and the Foundation on the Elimination of Child Labour in Tobacco growing.

The Sialkot Project (Pakistan) on Soccer Ball Stitching: Lessons learned

The project on "Prevention and Elimination in Soccer Ball Stitching"⁵⁴ aimed to identify and remove children from the manufacture or assembly of footballs and provide them with education and other opportunities. The project received support from a number of donors, including governments, UNICEF and the International Federation of Football Associations (FIFA), as well as local companies concerned and the Sialkot district government.

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

The project is considered to have surpassed expectations and targets in some of its objectives.

Among the conditions for success that can be drawn from this story are:

- Partnership between industry and other actors as well as clear leadership in industry*
- Time-bound targets for the elimination of child labour from the supply chain of participating manufacturers*
- Broad support among stakeholders and involvement of the local community*
- Responsibility for informal sector activities linked to soccer ball stitching*
- Local presence to ensure coordination and the provision of technical support*
- Credible and experienced civil society organizations can take the key roles of delivering relevant services, including education and social protection*
- A detailed monitoring system, which could be seamlessly transferred to a locally based organization*
- A strong platform for communication, awareness-raising; the support of partners and donors contributed to the high profile of the project and its ability to capture the interest of the media and the general public*

The development of a voluntary, credible and reliable monitoring system across the industry is also important. The ILO was used to monitor labour standards both in Pakistan (soccer balls) and Bangladesh (apparel). ILO monitoring marked an important step toward a more public and state-centred regulation of labour standards. Compared to the private monitoring of corporate codes of labour conduct⁵⁵, the ILO monitoring contributed to a greater legitimacy because the ILO has no direct links to the firms whose contract plants are monitored.

Multipartite forums have shown to be effective in promoting awareness-raising activities on child labour for trade unions, entrepreneurs, families and children; setting up a child labour inspection and monitoring system; promoting dialogue with companies to set up labour inspections on farms and plantations. Multipartite forums are often able to respond when media reports of child labour problem. International concern is an important factor in spurring action on child labour. For instance the setting up a forum in 2005 for flower production in Ecuador and Colombia was partly a response to increased international concern (Annex V:B).

Multipartite initiatives require support from international organisations or bilateral donors and an active involvement of the local community. Additionally strong governmental support, especially during the process of creation, is critical. Social forums could enhance and promote cooperation between governments and stakeholders.

⁵⁴ Under the terms of the Atlanta Agreement, a project to eliminate child labour in Sialkot was developed and implemented from 1997 to 2004

⁵⁵ Either by transnational firms or by multi-stakeholder non-governmental organizations tied to such transnational.

10.3. The EU Approach

Within the EU, a Commission Communication concerning Corporate Social Responsibility from March 2006 promotes CSR as a voluntary concept. The communication positions CSR as a contribution to the EU Growth and Jobs Strategy and stresses the importance of multistakeholder dialogue. Moreover, the Communication calls on business to take leadership in the field of CSR.⁵⁶ In response, a number of business organisations launched the European Alliance on CSR. The Alliance has worked in a series of “laboratories” to develop practical tools for enterprises on a range of CSR issues. Alliance outputs relevant to the issue of child labour include the Portal for Responsible Supply-Chain Management.⁵⁷

The Commission remains committed to promoting multistakeholder dialogue on CSR through the European Multistakeholder Forum on CSR. The Forum brings together enterprises, trade unions, civil society and other stakeholders at EU level to discuss and review developments in CSR. The latest plenary meeting of the Forum was held in February 2009.⁵⁸ In addition to this Forum, the Commission is engaging in a number of new initiatives as part of its policy to promote CSR in the coming years. The Commission continues to promote CSR take-up and is looking at how to strengthen this. Child labour is a relevant issue in this respect.

10.3.1. *Involvement to enhance companies CSR reporting*

For large multinational companies, disclosure of environmental, social and governance (ESG) information has become a mainstream phenomenon but the quality of this disclosure varies. Some EU Member States make legal requirements on certain kinds of companies to disclose information on their ESG performance beyond the basic requirements of European law.⁵⁹ An important question is the type and quality of information relating to child labour.

Between September 2009 and February 2010 the European Commission is hosting a series of 5 multistakeholder workshops on company disclosure of ESG information. The aims of the workshops are to:

- Identify the most effective and efficient way(s) to promote a better and more widespread disclosure of ESG information.
- Facilitate better coordination and communication between existing initiatives in the field of ESG disclosure.
- Deepen the understanding of all stakeholders, including the European Commission, of the issues at stake, recent developments and current good practice, including on the practices (e.g. related to child labour) covered by information that companies disclose.

Further to these workshops, an analysis will be carried out to look at the reasons for the increase in CSR reporting; for whom; whether needs in these areas are met and what the needs are; and what the impact of reporting has been. The study will compare and contrast different reporting regimes from a public policy viewpoint and placing this in the context of relevant international initiatives/guidelines (e.g. the Global Reporting Initiative and the proposed ISO26000 guidance standard). In this context, consideration can be given to include child labour in reporting practices.

⁵⁶ Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on "Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility", 22 March 2006.

⁵⁷ www.csr-supplychain.org

⁵⁸ See http://ec.europa.eu/enterprise/csr/forum_2009_index.htm

⁵⁹ Accounts Modernisation Directive 2003/51/EC

10.3.2. A legal framework for human rights

The current situation regarding business and human rights is often characterised by a lack of protection and access to justice for victims, risk and legal uncertainty for enterprises, and incomplete and/or poorly enforced public policies and regulations. The framework put forward in 2008 by Professor John Ruggie, UN Special Representative on Business and Human Rights, addresses these issues and has given new momentum and direction to the business and human rights agenda. It is based on the three pillars of the state duty to protect human rights from abuses, the corporate duty to respect human rights and the need for access to effective remedy mechanisms when abuses occur. This is highly relevant in the context of child labour. (See also Annex IV:C). The Ruggie Framework has been welcomed by the UN Human Rights Council. There is a significant degree of consensus amongst different stakeholder groups that the framework provides a good basis for further progress in this field. Professor Ruggie's mandate has been extended until 2011, to elaborate on the framework and make recommendations for its further operationalisation.

The Commission services have launched a study (expected delivery date May 2010) to clarify the existing legal framework for human rights, including the rights of the child, and environmental issues applicable to European companies operating outside the EU, with a view to providing a basis for possible measures to further implement the Ruggie Framework.

10.3.3. Analysis on the current CSR-related supply-chain practices

Companies are faced with increasing challenges in being able to "track" labour and employment conditions as well as the environmental footprint at different tiers of their supply chains. The situation is difficult because of the many different public sector and company-based standards that exist, put together against a background of uneven legislation internationally which is often inconsistently enforced.

Further analysis is needed of where the problems (denial of human rights, use of underage or child labour, environmental degradation, for example) lie, concentrating on where CSR has not (yet) provided a remedy and where regulation or its enforcement is insufficient. A forthcoming study by the Commission services will describe typical practices and challenges of European companies in this area, exposing good practice and also lessons learnt. The study will make recommendations that the Commission and/or Member States could use to further work on this issue.

11. WHERE DO WE GO FROM HERE – QUESTIONS TO BE DISCUSSED

As evidenced above, child labour is a complex issue and a significant problem globally. Child labour is both a contributing factor to poverty, keeping children out of education and out of the choices and opportunities that education brings, and a result of poverty. Despite significant progress in efforts to reduce child labour, an estimated 218 million children are still engaged in child labour globally. However the overall numbers have fallen and the decline is particularly significant in the area of hazardous labour and among young children. The growing international commitment to the elimination of child labour is encouraging. In the midst of the global economic crisis, efforts at promoting and enforcing public policies, such as ILO labour standards and inclusive education, are critical to avoid reversing the positive trend.

This report follows from the Council Conclusion of May 2008 on the promotion and protection of the rights of the child in the European Union's external action. The Commission services would welcome a further discussion with Member States and the European Parliament on how to move forward with this important issue. A series of questions are therefore raised below, that could form the basis for further exchange of ideas.

- The EU's contribution towards the elimination of child labour requires a holistic approach, which brings together development cooperation, political dialogue and trade instruments in support of actions undertaken by our partners.
 - ✓ What additional steps should be undertaken to enhance coordination between different EU policies that are relevant for the fight against child labour?
 - ✓ Which further actions could be envisaged in terms of improved cooperation within the EU in terms of development cooperation or information gathering?
 - ✓ How could closer cooperation be developed with other governments or international organisations – such as the US and ILO – that are active in the fight against child labour?
- Because of its focus on poverty and education, development cooperation lies at the heart of efforts to eliminate child labour. However, the effectiveness of cooperation programmes may be hindered in the absence of strong political commitment by national authorities and involvement by all relevant stakeholders.
 - ✓ Is there scope for developing initiatives in support of national comprehensive child protection systems including child labour?
- Issues related to the fight against child labour are frequently raised in human rights dialogues with third countries.
 - ✓ How to ensure a more systematic approach to discussing child labour with third countries to strengthen commitments and follow developments, in particular in countries with high rates of child labour?
 - ✓ How to ensure an appropriate follow-up, including as regards technical assistance activities?
 - ✓ How to better involve local civil society and international organisations in preparations and follow-up to human rights dialogue? How to involve other relevant stakeholders (corporations, social partners, research institutions) in the process?
 - ✓ What action/s should be envisaged in cases of particularly serious and widespread instances of child labour and lack of cooperation from the authorities of the country concerned?
- EU trade policy has played a supportive role in the fight against child labour, notably through the use of GSP+ incentives.
 - ✓ While the initial focus has been on encouraging the ratification of the core ILO Conventions, the focus of attention is now shifting towards monitoring their effective implementation, notably through the competent international monitoring bodies: how should the EU contribute to this monitoring process or complement it through its own action?
 - ✓ How should the issue of child labour be considered in relation to countries that are not GSP+ beneficiaries?
- EU trade policy in relation to child labour has focussed on trade incentives rather than trade restrictive measures, even though under certain circumstances GSP may be temporarily withdrawn. In principle, three types of trade restrictive actions could be considered;

- partial or total withdrawal of standard GSP or EBA preferences in case of particular serious and systematic breaches of core international obligations or principles relating to child labour,
- exclusion from public procurement of products manufactured through certain types of child labour,
- a ban on imports of products made by forced child labour.

Each of these options raises a number of questions in terms of effectiveness, relation to broader development objectives, enforceability, consistency with current EU legal framework etc.

- ✓ What are the views of Member States, the EP, and stakeholders on the possible use of trade restrictions in connection to child labour?
- European business can play an important role in promoting the elimination of child labour.
 - ✓ How to promote best practice as regards monitoring and reporting on child labour in CSR initiatives?
 - ✓ Should further initiatives be envisaged at OECD level, taking into account the review in 2010 of the OECD Guidelines on Multinational Enterprises?
 - ✓ How to enhance monitoring of initiatives to eliminate child labour in certain economic sectors?
 - ✓ Are additional policy initiatives required in support of CSR?

On the basis of the comments received from Member States, the European Parliament and stakeholders, the Commission services will consider possible additional initiatives in support of the EU fight against child labour.

ANNEXES

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Annex I: Countries that have not yet ratified ILO Conventions

TABLE I Countries that have not yet ratified conventions No. 138 and/or No. 182

Country	Convention No 138	Convention No. 182
AFRICA		
Cape Verde	x	Ratified 23 Oct, 2001
Eritrea	Ratified 22 Feb, 2002 (minimum age 14 years)	x
Gabon	X	Ratified on 28 Mars 2001
Ghana	X	Ratified on 13 June, 2000
Guinea-Bissau	X	Ratified on 26 Aug, 2008
Liberia	X	Ratified on 2 June, 2003
Sierra Leone	X	X
Somalia	X	X
AMERICAS		
Canada	X	Ratified on 6 June, 2000
Cuba	Ratified on 7 March, 1975 (mini.age 15 years)	X
Haiti	X	Ratified on 19 July, 2007
Mexico	X	Ratified on 30 June, 2000
Saint Lucia	X	Ratified 6 Dec, 2000
Suriname	X	Ratified 12 April, 2006
United States	X	Ratified 2 Dec, 1999
ARAB STATES		
Bahrain	X	Ratified on 23 03, 2001
Saudi Arabia	X	Ratified on 8 Oct, 2001
ASIA		
Afghanistan	X	X
Australia	X	Ratified on 19 Dec, 2006
Bangladesh	X	Ratified on 12 March, 2001
Brunei Darussalam	X	Ratified on 9 June, 2008
India	X	X
Iran, Islamic Republic of	X	Ratified 8 May, 2002
Kiribati	X	X
Marshall Islands	X	X
Myanmar	X	X
New Zealand	X	Ratified on 14 June, 2001
Solomon Islands	X	X
Timor-Leste, Democratic Rep. of	X	X
Tuvalu	X	X

Vanuatu	X	Ratified on 28 Aug, 2006
Turkmenistan	X	X
Uzbekistan	Ratified on 6 March, 2009	Ratified 24 June, 2008

Source: IPEC, January, 2010

Annex II: Financial Tables

Table II:A: IPEC expenditure by recipient country or region (US dollars)

Recipient Country or region	Donor	Approved allocations for 2008/2009	Expenditure 2008 ⁶⁰	Recorded commitments for 2009
Africa	Brazil	137 000	24 000	0
	Canada	19 000	19 000	0
	Denmark	4 232 000	1 970 000	520 000
	Finland	15 000	0	0
	France	5 792 000	1 757 000	1 207 000
	ICA	52 000	(3 000)*	0
	Italy	918 000	7 000	84 000
	Norway	1 178 000	1 056 000	70 000
	United States	5 542 000	2 709 000	144 000
		Total	17 885 000	7 539 000
Albania	Italy	12 000	9 000	0
	Total	12 000	9 000	0
Americas	IADB	736 000	195 000	221 000
	Spain	5 765 000	2 326 000	1 228 000
	United States	214 000	59 000	0
	Total	6 715 000	2 580 000	1 449 000
Angola	European Commission	15 000	5 000	0
	Total	15 000	5 000	0
Arab States	United States	1 325 000	840 000	1 000
	Total	1 325 000	840 000	1 000
Asia and the Pacific	Italy	384 000	153 000	100 000
	JTUC – RENGO	4 000	(1000)*	0

⁶⁰ These figures are provisional and may be subject to revision

* Reimbursement of unspent funds from implementing agencies following the completion of action programmes.

	United Kingdom	3 002 000	2 790 000	103 000
	Total	3 390 000	2 942 000	203 000
Bangladesh	ACILS	107 000	0	0
	ISPI	2 000	1 000	0
	Netherlands	4 841 000	713 000	1 346 000
	Norway	49 000	0	0
	Total	4 999 000	714 000	1 346 000
Benin	France	131 000	21 000	0
	Total	131 000	21 000	0
Brazil	United States	3 290 000	1 544 000	500 000
	Total	3 290 000	1 544 000	500 000
Burkina Faso	France	32 000	26 000	0
	Total	32 000	26 000	0
Cambodia	United States	2 541 000	1 048 000	363 000
	Total	2 541 000	1 048 000	363 000
Cameroon	United States	51 000	0	0
	Total	51 000	0	0
Central America	Canada	246 000	229 000	8 000
	United States	2 947 000	1 596 000	378 000
	Total	3 193 000	1 825 000	386 000
China	United Kingdom	1 855 000	1 709 000	71 000
	Total	1 855 000	1 709 000	71 000
Colombia	Canada	98 000	60 000	19 000
	United Kingdom	83 000	68 000	0
	Total	181 000	128 000	19 000
Cote d'Ivoire	United States	155 000	143 000	0
	Total	155 000	143 000	0
Dominican Republic	Dominican Republic	45 000	21 000	5 000

	United States	2 478 000	836 000	696 000
	Total	2 523 000	857 000	701 000
Eastern Europe and Central Asia	Germany	102 000	48 000	10 000
	United States	3 003	1 719 000	567 000
	Total	3 105 000	1 767 000	577 000
Ecuador	United States	702 000	595 000	38 000
	Total	702 000	592 000	38 000
Egypt	Italy	81 000	39 000	24 000
	Total	81 000	39 000	24 000
El Salvador	United States	2 776 000	1 516 000	839 000
	Total	2 776 000	1 516 000	839 000
Ethiopia	Italy	7 000	0	0
	Total	7 000	0	0
Europe	Germany	1 844 000	676 000	233 000
	Poland	20 000	0	0
	United States	76 000	0	0
	Total	1 940 000	676 000	233 000
Fiji	European Commission	327 000	88 000	80 000
	Total	327 000	88 000	80 000
Finland	Finland	21 000	11 000	10 000
	Total	21 000	11 000	10 000
Ghana	United States	1 672 000	906 000	277 000
	Total	1 672 000	906 000	277 000
Global	Japan	94 000	83 000	0
	United States	13 959 000	2 902 000	2 034 000
	Total	14 053 000	2 985 000	2 034 000
Guyana	European Commission	70 000	3 000	33 000

	Total	70 000	3 000	33 000
Haiti	Brazil	290 000	37 000	8 000
	Total	290 000	37 000	8 000
India	Italy	1 700 000	626 000	505 000
	United Kingdom	2 094 000	1 424 000	533 000
	United States	3 780 000	1 985 000	1 287 000
	Total	7 574 000	4 035 000	2 325 000
Indonesia	JTUC-RENGO	73 000	4 000	9 000
	Netherlands	3 845 000	1 201 000	1 690 000
	United States	3 445 000	734 000	413 000
	Total	7 363 000	1 939 000	2 112 000
Interregional	Belgium	33 000	13 000	0
	Canada	168 000	10 000	124 000
	ELCT	41 000	0	0
	European Commission	1 041 000	544 000	243 000
	Finland	102 000	0	66 000
	Germany	465 000	95 000	128 000
	Hey U MultiMedia AG	24 000	0	0
	Ireland	860 000	0	0
	Italy	1 625 000	963 000	158 000
	Norway	2 566 000	2 138 000	156 000
	Spain	15 000	15 000	0
	Sweden	502 000	448 000	24 000
	UNDCP	100 000	20 000	0
	UNICEF	200 000	0	0
	United Kingdom	153 000	103 000	0
	United States	6 202 000	2 216 000	325 000

	Total	14 097 000	6 565 000	1 224 000
Jamaica	European Commission	50 000	0	0
	Total	50 000	0	0
Jordan	United States	208 000	(8000)*	0
	Total	208 000	(8000)	0
Kenya	European Commission	513 000	88 000	171 000
	Germany	188 000	0	33 000
	United States	1 628 000	1 030 000	271 000
	Total	2 329 000	1 118 000	475 000
Madagascar	European Commission	98 000	5 000	13 000
	United States	2 964 000	1 633 000	650 000
	Total	3 062 000	1 638 000	663 000
Malawi	United States	917 000	716 000	106 000
	Total	917 000	716 000	106 000
Mali	European Commission	343 000	114 000	51 000
	France	10 000	0	7 000
	United States	2 377 000	1 374 000	388 000
	Total	2 730 000	1 488 000	446 000
Mexico	United States	97 000	0	0
	Total	97 000	0	0
Mongolia	United States	1 885 000	626 000	453 000
	Total	1 885 000	626 000	453 000
Morocco	Belgium	391 000	165 000	22 000
	France	26 000	15 000	0
	MDTF	530 000	23 000	104 000
	United States	961 000	851 000	(6000)*
	Total	1 908 000	1 054 000	120 000
Nepal	ISPI	13 000	12 000	0

	United States	1 470 000	536 000	564 000
	Total	1 483 000	548 000	564 000
Niger	France	28 000	11 000	0
	Total	28 000	11 000	0
Pakistan	Denmark	1 550 000	492 000	460 000
	European Commission	1 330 000	178 000	164 000
	FIFA	437 000	230 000	55 000
	Germany	37 000	0	10 000
	Norway	886 000	225 000	181 000
	PCMEA	447 000	239 000	81 000
	SIMAP	41 000	0	0
	Switzerland	1 203 000	593 000	228 000
	United States	2 812 000	1 166 000	256 000
	Total	8 743 000	3 123 000	1 435 000
Panama	United States	1 264 000	705 000	286 000
	Total	1 264 000	705 000	286 000
Papua New Guinea	European Commission	186 000	67 000	40 000
	Total	186 000	67 000	40 000
Russian Federation	Finland	564 000	200 000	81 000
	Remes Mr. Seppo Juha	23 000	23 000	0
	Total	587 000	223 000	81 000
Senegal	United States	280 000	31 000	0
	Total	280 000	31 000	0
Sierra Leone	European Commission	46 000	13 000	17 000
	Total	46 000	13 000	17 000
South Africa	Norway	189 000	105 000	42 000
	Total	189 000	105 000	42 000
Spain	FTL	79 000	69 000	9 000

	<i>Total</i>	<i>79 000</i>	<i>69 000</i>	<i>9 000</i>
Sri Lanka	UNICEF	301 000	293 000	0
	United States	56 000	40 000	1 000
	<i>Total</i>	<i>357 000</i>	<i>333 000</i>	<i>1 000</i>
Sudan	European Commission	85 000	37 000	6 000
	<i>Total</i>	<i>85 000</i>	<i>37 000</i>	<i>6 000</i>
Tanzania Republic	United ECLT	1 035 000	448 000	353 000
	United States	3 570 000	1 531 000	587 000
	<i>Total</i>	<i>4 605 000</i>	<i>1 979 000</i>	<i>940 000</i>
Thailand	AEON	2 000	0	0
	United States	3 039 000	742 000	1 083 000
	<i>Total</i>	<i>3 041 000</i>	<i>742 000</i>	<i>1 083 000</i>
Togo	France	38 000	29 000	(1000)*
	Italy-Provincia	21 000	20 000	0
	Di Milano	21 000	20 000	0
	United States	3 531 000	424 000	327 000
	<i>Total</i>	<i>3 590 000</i>	<i>473 000</i>	<i>326 000</i>
Turkey	European Commission	51 000	50 000	0
	Germany	97 000	75 000	17 000
	United States	43 000	43 000	0
	<i>Total</i>	<i>191 000</i>	<i>168 000</i>	<i>17 000</i>
Uganda	United States	1 663 000	0	73 000
	<i>Total</i>	<i>1 663 000</i>	<i>0</i>	<i>73 000</i>
West Africa	United States	1 943 000	1 020 000	112 000
	<i>Total</i>	<i>1 943 000</i>	<i>1 020 000</i>	<i>112 000</i>
Zambia	European Commission	385 000	90 000	95 000
	United States	2 991 000	1 607 000	848 000

	<i>Total</i>	<i>3 376 000</i>	<i>1 697 000</i>	<i>943 000</i>
GRAND TOTAL		<i>147 293 000</i>	<i>61 068 000</i>	<i>25 116 000</i>

Source: International Programme on the Elimination of Child Labour (IPEC), 2009 *Action Against Child Labour*, IPEC highlights 2008, International Labour Office, ILO, Geneva

Table II:B: IPEC Expenditure by EC donor (US dollar)

Donor	Recipient Country or region	Approved allocation for 2008/2009	Expenditure 2008 ⁶¹	Recorded commitments for 2009
Belgium	Interregional	33 000	13 000	0
	Morocco	391 000	165 000	22 000
	Total	424 000	178 000	22 000
Denmark	Africa	4 232 000	1 970 000	520 000
	Pakistan	1 550 000	492 000	460 000
	Total	5 782 000	2 462 000	980 000
European Commission	Angola	15 000	5 000	0
	Fiji	327 000	88 000	80 000
	Guyana	70 000	3 000	33 000
	Interregional	1 041 000	544 000	243 000
	Jamaica	50 000	0	0
	Kenya	513 000	88 000	171 000
	Madagascar	98 000	5 000	13 000
	Mali	343 000	114 000	51 000
	Pakistan	1 330 000	178 000	164 000
	Papua New Guinea	186 000	67 000	40 000
	Sierra Leone	46 000	13 000	17 000
	Sudan	85 000	37 000	6 000
	Turkey	51 000	50 000	0
	Zambia	385 000	90 000	95 000
	Total	4 540 000	1 282 000	913 000
Finland	Africa	15 000	0	0

⁶¹ These figures are provisional and may be subject to revision.

* Reimbursement of unspent funds from implementing agencies following the completion of action programmes.

	Finland	21 000	11 000	10 000
	Interregional	102 000	0	66 000
	Russian Federation	564 000	200 000	81 000
	Total	702 000	211 000	157 000
France	Africa	5 792 000	1 757 000	1 207 000
	Benin	131 000	21 000	0
	Burkina Faso	32 000	26 000	0
	Mali	10 000	0	7 000
	Morocco	26 000	15 000	0
	Niger	28 000	11 000	0
	Togo	38 000	29 000	(1000)
	Total	6 057 000	1 859 000	1 213 000
Germany	Eastern Europe and Central Asia	102 000	48 000	10 000
	Europe	1 844 000	676 000	233 000
	Interregional	465 000	95 000	128 000
	Kenya	188 000	0	33 000
	Pakistan	37 000	0	10 000
	Turkey	97 000	75 000	17 000
	Total	2 733 000	894 000	431 000
Ireland	Interregional	860 000	0	0
	Total	860 000	0	0
Italy	Africa	918 000	7 000	84 000
	Albania	12 000	9 000	0
	Asia and Pacific	384 000	153 000	100 000
	Egypt	81 000	39 000	24 000
	Ethiopia	7 000	0	0
	India	1 700 000	626 000	505 000

	Interregional	1 625 000	963 000	158 000
	Total	4 727 000	1 797 000	871 000
Netherlands	Bangladesh	4 841 000	713 000	1 346 000
	Indonesia	3 845 000	1 201 000	1 690 000
	Total	8 686 000	1 914 000	3 036 000
Poland	Europe	20 000	0	0
	Total	20 000	0	0
Spain	Americas	5 765 000	2 326 000	1 228 000
	Interregional	15 000	15 000	0
	Total	5 780 000	2 341 000	1 228 000
Sweden	Interregional	502 000	448 000	24 000
	Total	502 000	448 000	24 000
United Kingdom	Asia and the Pacific	3 002 000	2 790 000	103 000
	China	1 855 000	1 709 000	71 000
	Colombia	83 000	68 000	0
	India	2 094 000	1 424 000	533 000
	Interregional	153 000	103 000	0
	Total	7 187 000	6 094 000	707 000

Source: International Programme on the Elimination of Child Labour (IPEC), 2009 *Action Against Child Labour*, IPEC highlights 2008, International Labour Office, ILO, Geneva

Table II:C: IPEC Contributions received from donor governments and organizations 1992-2007
(US dollar)

Donor	1991-2005⁶²	2006	2007	2008	Total⁶³
ACILS		154 300	(67 209)		87 091
APFTU	2 029				2 029
Australia	352 281				352 281
Austria	237 941				237 941
Belgium	1 166 234	119 237	51 660	241 118	1 578 249
BGMEA	63 677		3 199		66 876
Brazil	200 000		289 823		489 823
Canada	12 000 225	605 396	365 303		12 970 924
Denmark	6 842 499	1 890 047	1 692 866	2 212 944	12 638 356
Dominican Republic	102 308				102 308
ECLT	734 059	4 636	871 161	286 941	1 896 797
European Commission	676 771	2 906 927	3 587 888	2 938 920	10 110 506
FAO	4 125				4 125
FIFA	790 000		270 000	(100 000)	960 000
Finland	4 992 917		429 812	254 713	5 677 442
France	12 678 787	1 233 997	1 061 702	(25 835)	14 948 651
Germany	64 747 553	1 272 129	130 460	880 618	67 030 760
Hey U	23 697				23 697
Hungary	16 000				16 000
Inter-American Development Bank/IDB				375 000	375 000

⁶² Figure for 1991-2004 includes funds received in 2002 from Japan \$144,984 and Australia \$216,982 were recorded in the Multi-bi sources of fund in ILO accounts.

⁶³ These figures are provisional and may be subject to revision.

ICA	999 880				999 880
Ireland				493 332	493 332
Italian Social Partners' Initiative	910 185				910 185
Italy	11 867 605	555 002	1 339 832	1 909 008	15 671 447
Italy-Provence di Milano	60 890				60 890
Japan ⁶⁴	399 131	159 653	(9 752)	80 027	629 059
JTUC-RENGO	212 260	41 986		47 578	301 824
Japan – AEON Co.LTd			8 265		8 265
Korea (Ministry of Labour)	31 509				31 509
Luxembourg	10 994				10 994
Mr. Seppo Juha Remes-Finland (Private Individual)	120 000				120 000
Netherlands	13 922 154	1 132 539	2 342 405	1 015 202	18 412 300
Norway	6 272 450	3 208 240	1 389 385	403 014	11 273 089
Norway-NORAD	198 790	276 660	(6715)	(49 205)	2 208 530
PCMEA	1 517 102	301 508	4 866		1 823 476
Poland	39 275				39 275
Portugal	36 536				36 536
SCCI	378 467				378 467
Serono International S.A.	7 353				7 353
SIMAP	160 696	10 050	33 201		203 947
Spain	23 155 795	2 615 938	2 369 857	4 006 978	32 148 568
Spain-Ayuntamiento de Alcala de Henares	62 936				62 936
Spain-Comunidad Autonoma de Madrid	339 690				339 690

⁶⁴ Resources have been allocated directly to the ILO Regional Office in Bangkok and are not reflected in IPEC's figures.

Spain-Fundacion Telefonica, Madrid				78 616	78 616
Sweden	2 357 172	(11 035)	615 571	69 755	3 031 463
Switzerland	2 557 761	205 776	840 660	733 743	4 337 940
UNDCP				100 000	100 000
UNDP				54 490	54 490
UNDP/MDTF-Multi Donor Trust Fund Office Partnership Bureau				293 501	293 501
UNESCO	19 970				19 970
UNHCR	12 200				12 200
UNHSF	1 179 092	4 267	5410	(103 767)	1 085 002
UNICEF	547 598	358 000	623 632	326 368	1 855 598
United Kingdom	22 488 090	5 476 099	6 501 536	2 937 437	37 403 162
United States (USAID)	335 000				335 000
United States (US-DOL)	160 470 883	53 775 828	43 739 589	31 095 550	289 081 850
United States (US-DOS)	1 116 341				1 116 341
TOTAL RECEIPTS	359 249 268	76 297 180	68 484 407	50 556 047	554 586 902

Source: International Programme on the Elimination of Child Labour (IPEC), 2009 *Action Against Child Labour*, IPEC highlights 2008, International Labour Office, ILO, Geneva

Acronyms and Initials

ACILS	American Center for International Labour Solidarity
APFTU	All Pakistan Federation of Trade Unions
BGMEA	Bangladesh Garment Manufacturers and Exports Association
ECLT	The Foundation to Eliminate Child Labour in Tobacco
FAO	Food and Agriculture Organization
FIFA	Federation Internationale de Football Association
ICA	International Confectionary Association
ISPI	Italian Social Partners' Initiative

JTUC-RENGO	Confederation of Japanese Trade Unions
NORAD	Norwegian Agency for Development Cooperation
PCMEA	Pakistan Carpet Manufacturers and Exporters Association
SCCI	Sialkot Chamber of Commerce and Industry
SIMAP	Surgical Instruments Manufacturers Association of Pakistan
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHSF	United Nations Trust for Human Security
USAID	United Nations Agency for International Development
US-DOL	United States Department for Labour
US-DOS	United States Department of State

Source: International Programme on the Elimination of Child Labour (IPEC), 2009 *Action Against Child Labour*, IPEC highlights 2008, International Labour Office, ILO, Geneva

Annex III: UN Global Compact; Human Rights and Child Labour

UN Global Compact encourages companies to improve reporting on their human rights performance. The purpose of Human Rights statement⁶⁵ is to communicate to business everywhere, especially business not yet participating in the UN Global Compact, that Global Compact participants regardless of headquarter location, where they operate, sector or size recognize that human rights are an important business concern.

The UN Global Compact, Realizing Rights: The Ethical Globalization Initiative and the Global Reporting Initiative recently launched a new initiative to foster greater integration of human rights principles into corporate sustainability reporting. The project - *Human Rights: A Call to Action* - calls on companies to make a commitment to improving one aspect of their reporting on their human rights performance in 2009. The following activities are currently underway:

The Labour Principles of the United Nations Global Compact: A Guide for Business. The Guide aims to help companies understand and put the four labour principles into practice⁶⁶.

Responsible Investment in Conflict-Affected Countries A policy paper that aims to provide guidance to clarify what constitutes "Responsible Investment in Conflict-Affected Countries". The publication will help companies to better understand the expectations, risks and rewards of responsible business practices in conflict-affected countries. The policy paper will be finalized by the Global Compact Leaders Summit in June 2010.

Human Trafficking in the Supply Chain A survey on the issue of human trafficking and business. The aim is to learn more about company policies, capacity-building and other needs on the topic of human trafficking in global supply chains. The results will help UN agencies prioritize ways to support corporate and other efforts⁶⁷.

Embedding Human Rights in Business Practices III Following companies are subject of a case study (IKEA (Sweden), ANS Bank (The Netherlands), Endesa (Brazil), Safaricom (Kenya), OMV (Austria), Engro (Pakistan), Xstrata's Falcondo Foundation (Dominican Republic), BP Australia (Australia), and Lexmark (United States).

Human Rights Solutions Forum Since formal launch at the 60th Anniversary of the Universal Declaration of Human Rights in December 2008, the "Human Rights Dilemmas for Multi-National Corporations (MNCs) in Emerging Markets" project has focused on three strands of activity: (a) the development of background human rights briefings for each of the focus emerging countries (b) the identification and articulation of human rights dilemmas and initial engagement with business on case studies (c) the development of our online "solutions forum". Dilemmas and business case studies has been posted online throughout 2009.

New Human Rights Project with the Danish Institute A business and human rights information gathering exercise with the Danish Institute for Human Rights, designed to help generate information for both the Danish Institute and the UN Global Compact around which human rights issues are perceived by business as most challenging within their sector as well as to raise awareness of the breadth of human rights issues as Global Compact participants are perceiving them.

Human Rights Reporting "Human Rights: A Call to Action" a joint initiative of Realizing Rights: The Ethical Globalization Initiative, The Global Reporting Initiative (GRI), and the UN Global Compact is working to foster greater integration of human rights principles into corporate sustainability reporting. The working group's efforts is to develop practical resources to help businesses improve their human rights performance measurement and reporting.

⁶⁵ CEO Statement 60th Anniversary of the Universal Declaration of Human Rights, "On the occasion of the 60th anniversary of the Universal Declaration of Human Rights, we, business leaders from all corners of the world, call on governments to implement fully their human rights obligations. We also reiterate our own commitment to respect and support human rights within our sphere of influence. Human rights are universal and are an important business concern all over the globe".

⁶⁶ The guide is available for download at http://www.unglobalcompact.org/docs/issues_doc/labour/the_labour_principles_a_guide_for_business.pdf.

⁶⁷ For more information on the issue of Human Trafficking & Business, please visit http://www.unglobalcompact.org/docs/news_events/Bulletin/HumanTraffic_Information.pdf

Annex IV: Corporate Social Responsibility

CASE A: IKEA Social Initiative March, 2009

IKEA Social Initiative works together with UNICEF and Save the Children to promote the rights of every child to a healthy, secure childhood and access to quality education. The Initiative was formed in 2005 to manage the company's commitment to investments in social programmes on a global level. The mission of the IKEA Social Initiative is to improve the rights and life opportunities of the many children- creating substantial and lasting change.

In the mid 1990s, IKEA and many other companies became acutely aware of wide-spread child labour in South Asia. This was the starting point for IKEA's fight against child labour in the supply chain. As a first step, IKEA asked Save Children to help formulate a child labour code of conduct, "The IKEA Way on Preventing Child Labour," which clearly states that all actions taken shall be in the best interests of the child. With that in mind, it was not enough simply to monitor compliance at IKEA suppliers.

In 2000, IKEA joined forces with UNICEF in a bid to prevent and eliminate child labour in 'the carpet belt' in the Indian state of Uttar Pradesh by attacking the root causes. Over seven years, 80,500 children received an education they would otherwise be denied and 1,740 self help groups (SHGs) were set up with more than 22,000 women. In addition, 140,000 children and 150,000 pregnant women in nearly 3,000 villages in the same area were provided with basic immunisation against life threatening disease.

The IKEA Social Initiative is focused on children's right to a healthy and secure childhood with access to quality education. The main partners are the two leading global organisations for children's rights, UNICEF and Save the Children.

CASE B: Netherlands Parliament Resolutions –Companies must not use child labour in their supply chain

Resolution by Member of Parliament Voordewind (Christen Unie) requesting the Government to require private companies receiving government support to declare that they don't use child labour in their supply chains and that government support is stopped if companies refuse to issue the declaration or, in case child labour is detected, they don't have a time-bound plan to move the child from work into school. Resolution by Member of Parliament Vendrik (Groen Links) requesting the Government to realise an import ban on products made by child labour. Updates could be found at www.parlando.nl (Reference nr "Motie TK 25074 V 151, 2008)

CASE C: The mandate of the Special Representative of the UN Secretary-General for Business and Human Rights

In June 2008, the United Nations Human Rights Council extended **Prof. Ruggie** mandate until 2011 and welcomed the proposed policy framework for business and human rights and, with the task of providing a concrete guidance to states, businesses and other social actors on its implementation. Prof. Ruggie framework rests on three pillars:

1. The state duty to protect against human rights abuses by third parties. Most states have adopted measures and established institutions in certain core areas of business and human rights, but the business and human rights domain exhibits considerable legal and policy incoherence:

- Vertical incoherence (governments sign on to human rights obligations but then fail to adopt policies, laws, and processes to implement them)

- Horizontal incoherence (economic or business-focused departments and agencies that directly shape business practices conduct their work in isolation from their government's human rights agencies and obligations. Domestic policy incoherence inevitably is reproduced at the international level)

2. The corporate responsibility to respect human rights. Companies know they must comply with all applicable laws but have found that legal compliance alone may not ensure their social license to operate, particularly where the law is weak. It is required an ongoing human rights due diligence process, whereby companies become **aware of, prevent, and mitigate** adverse human rights impacts.

3. Greater access for victims to effective remedy, judicial and non-judicial.

Judicial side: the mandate is focused specifically on identifying barriers that are particularly salient for victims of corporate-related human rights abuses, and on strategies to reduce those barriers.

Non-judicial side: the mandate is focused on how to strengthen existing mechanisms, and identifying where new ones might be required (Example of the launch of a global wiki, called Business and Society Exploring Solutions, an interactive, on-line forum for sharing information about non-judicial mechanisms).

Annex V: Corporate Social Responsibility – Multipartite Social Forum

CASE A: Eliminating Child Labour in Tobacco growing (ECLT)

In response to growing pressure globally to combat child labour in tobacco production, an international coalition of tobacco growers, manufacturers and a global trade union federation established the Foundation on the Elimination of Child Labour in Tobacco Growing in 2002⁶⁸.

The industry-funded Foundation that was established includes most of the major tobacco manufacturers.⁶⁹ The ILO participated in the Foundation's creation and is a member of its Advisory Council.

The Foundation develops independent research on the conditions and level of child labour in tobacco growing, supports and funds local and community-based projects and establishes and shares best practice and lessons learned. The project has been carried out in Malawi, Philippines, Tanzania and Uganda. Further information about those projects could be found at www.eclt.org

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

CASE B: Social forums for banana and flower production in Ecuador

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

Banana production

The Social Forum for the Banana Production Sector, (Forum), set up in 2003, was the banana industry's response to a 2002 report by the human rights advocacy group Human Rights Watch, about child labour and obstacles to trade union membership in Ecuador's banana plantations. The report resulted in international pressure for banana certification, particularly for the American and European markets, to guarantee that bananas are produced without child labour and labour rights are respected.⁷⁰

The ILO's participation in the Forum, along with that of UNICEF, have helped to reduce tensions among banana producers, exporters and workers and to build consensus among these groups of the need to join forces to combat child labour. In May 2004, a Banana Sector Plan for the elimination of child labour was launched.

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

Cut flower production

In 2002, following Ecuador's ratification of ILO Convention No. 182, EXPOFLORES, the country's association of flower producers and exporters, became a signatory of a statement on eradicating child labour. International

⁶⁸ www.eclt.org

⁶⁹ In addition to the International Tobacco Growers Association (ITGA), British American Tobacco (BAT) and International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF), the Foundation's Board is made up of: Altadis S.A., Dimon Incorporated, Gallaher Group PLC, Imperial Tobacco Group PLC, Japan Tobacco Inc., Philip Morris International, Philip Morris USA, Scandinavian Tobacco Company, Standard Commercial Corporation, Tribac Leaf Limited and Universal Leaf Tobacco Co., Inc.

⁷⁰ Comité Nacional para la Erradicación Progresiva del Trabajo Infantil.

and consumer concern about the use of child labour in flower production in Ecuador and Colombia provided additional impetus for setting up the Social Forum for Flower Production (Forum)⁷¹ in 2005.

As in the banana sector, one of the Forum's main successes is the promotion of social dialogue by getting government, companies and trade unions together around the same discussion table. Though it is too early to evaluate the Forum's effectiveness in tackling child labour, an increasing number of flower growers are now enforcing regulations in their enterprises regarding child labour.

The two forum are useful in developing social dialogue and consensus building between business and labour interests. Child labour provides a relatively easy area to achieve dialogue-based consensus, which could in turn stimulate consensus building on other labour topics.

There is growing understanding that solving social problems is not solely a government function and that tripartite activities may be the most suitable way for dealing with the problem of child labour.

International pressure is an important factor in spurring action on child labour. It would be difficult to establish similar forums in sectors that are not subject to such pressure.

A period of capacity building and strengthening of the actors involved was an essential prerequisite for creation of the Forums. The role of the ILO and other international organizations in providing support for capacity building was crucial. Strong Ministerial support, especially during the process of creation, is also critical

CASE C: The International Cocoa Initiative (ICI)

The International Cocoa Initiative (ICI) is an additional example of a private sector initiative. Following an international outcry about the child trafficking and slavery like conditions in cocoa plantation in West Africa, the Cocoa Protocol (the Protocol for the Growing and Processing of Cocoa Beans and their Derivative Products) was developed in consultation with the global chocolate industry and other international stakeholders, including the ILO and signed in 2001.

The industry-funded International Cocoa Initiative is a coalition of the global chocolate industry, international trade unions, and NGOs whose mission is “to oversee and sustain efforts to eliminate the worst forms of child labour and forced labour in the growing and processing of cocoa beans and their derivative products.” Working with communities, ICI has developed a process to sensitise farmers and community leaders to abusive labour practices and help them identify how they might work to bring these to an end. At the outset, each community creates an action plan to ensure children are not involved in hazardous practices, a mechanism for the identification and rescue of trafficked children, investment in education and youth programmes and a framework to ensure these changes become permanent.

The Cocoa Industry Protocol also provides the basis for another initiative on child labour by the global chocolate industry, namely, the development of a certification and verification scheme for the cocoa sector to reduce the use of child and forced labour in cocoa production. A Cocoa Verification System Working Group has been set up. The ILO has participated in the overall scheme. The work to establish a cocoa certification and verification scheme continues.

⁷¹ Membership: government representatives from the Ministries of Labor, Agriculture, Education, and Social Security; producers/employers – EXPOFLORES, the country’s association of flower producers and exporters, acts as the representative for the flower industry; trade unions – the official representative organization is still to be nominated; NGOs: one voting representative but other NGOs also attend meetings; ILO and UNICEF are official advisers to the Social Forum and attend meetings.

Annex VI: Lessons learned from how OECD fight corruption

Case study: "OECD fights corruption"

The OECD takes a multidisciplinary approach to fighting corruption. This approach embraces work in field such as fighting bribery of foreign public officials, fiscal policy, public sector governance and private sector integrity, and development aid and export credit. The OECD has targeting "active bribery", or the "supply side" of corruption – that is, the offering of bribes. It has adopted four important instruments.

1. The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the OECD Anti-Bribery Convention)⁷²,
2. The 1997 Revised Recommendation of the Council on Combating Bribery in International Business Transactions,⁷³,
3. The Agreed Common Elements of Criminal Legislation and Related Action
4. The 1996 Recommendation of the Council on the Tax Deductibility of Bribes to Foreign Public Officials⁷⁴.

Under these instruments, Parties to the Convention – all 30 OECD member countries and six non-OECD economies – are required to implement a comprehensive set of legal, regulatory and policy measures to prevent, detect, prosecute and sanction bribery of foreign officials⁷⁵. Under the Convention and its related instrument, governments are obliged to take action to deter and sanction bribery of foreign public officials in international business transactions, including those supported by official export credits. The OECD Anti-Bribery Convention has proven to be the most far-reaching, influential international legal instrument in this area.

The OECD also emphasises promoting good governance in the public service in order to prevent corruption – thereby addressing critical "demand side" aspects of corruption. OECD countries are committed to review regularly and modernise their integrity policies and practices by adopting the following integrity instruments:

- the 1998 Recommendation on Improving Ethical Conduct in the Public Service
- the 2003 Recommendation on Guidelines for Managing conflict of Interest in the Public Service.

The OECD Guidelines for Multinational Enterprises complement and reinforce the requirements set out in the OECD anti-bribery instrument. Furthermore the OECD is forging alliances and building networks that encompass transition economies, developing countries, and emerging markets from all regions of the world. Further information could be found at www.oecd.org/bribery

⁷² OECD Convention on Combating Bribery of Foreign Public Official in International Business Transactions (1997)

⁷³ Revised Recommendation of the Council on Combating Bribery in International Business Transactions and Agreed Common Elements of Criminal Legislation and Related Action (1997)

⁷⁴ Recommendation of the Council on the Tax Deductibility of Bribes to Foreign Public Officials (1996)

⁷⁵ Since the entry into force of the OECD Anti-Bribery Convention, there has been a marked increase in the number of investigation and prosecutions. There have been over 50 investigations and more than 30 convictions of foreign bribery in various Parties to the Convention. Prison sentences have been handed down in several countries; and individuals and companies found guilty of foreign bribery have been penalised with fines, in some cases of up to EU 2 million (could those fines be used for a well-served purpose, e.g. technical assistance).

Annex VII: EU Programmes

The Commission is engaged in several programmes targeting child labour. The project "*Tackling Child Labour through Education*" supported by the European Commission and implemented by IPEC will provide technical cooperation in 11 ACP countries with a total allocation of €14 million. The objectives are to help reduce poverty by providing access to basic education and skills training for disadvantaged children and youth, and strengthen the capacity of national and local authorities in the formulation, implementation and enforcement of policies to tackle child labour in coordination with social partners and civil society.

In Pakistan the Commission has a project with ILO – *Combating abusive forms of child labour* (€5 millions). The purpose is capacity building for both government and non-state actors to combat child labour especially the worst forms.

The Commission has over recent years evolved into one of the major donors to IPEC with a contribution of around \$6.4 million for the period 2006-2008 compared to \$676 771 for the period 1991-2005 which reflect the interest the Commission has had in addressing child labour.

In addition to the EU programmes, there are a number of programmes under international development agencies and UN bodies. Reference has already been made to the key target programme IPEC. Annex II (table A-C) lists expenditure by recipient country or region as well as contributions received from donor governments and organisations.

IPEC encourages countries to ratify the ILO conventions and helps them in the formulation of policy and the setting up of programmes concerning child labour. IPEC has set out a Global Action Plan to eliminate all worst forms of child labour by 2016. In addition, IPEC runs a statistical information and monitoring programme on child labour devoted to five primary categories; i) support to countries for implementing child labour surveys, (ii) methodological developments in child labour statistics and data collection, (iii) capacity building through training of national partners, (iv) child labour research outputs, (v) improved dissemination of its child labour data repository and easier access to information on its activities.

An important interagency initiative is *The Global Task Force on Child Labour and Education* (GTF), which brings together the ILO, UNESCO, UNICEF, World Bank, UNDP, Education International and the Global March against Child Labour. The main role is to support the mainstreaming of child labour concerns into education policies and planning. Other programmes include;

- The International Partnership for Cooperation on Child Labour in Agriculture, which brings together ILO, FAO, IFAD, IFPRI/CGIAR, IFAP and IUF⁷⁶.
- The Understanding Children's Work (UCW), which is a joint project with UNICEF and the World Bank, providing research. The project provides IPEC with a platform for research cooperation, policy dialogue, partnership building and knowledge exchange on child labour and related policy area.
- The ILO Time-Bound Programme, which is a set of integrated and coordinated policies and programmes to prevent and eliminate a country's worst forms of child labour within a defined period of time. TBPs emphasize the need to protect the rights of children and address the root causes of child labour, linking action against child labour to the national development effort, with

⁷⁶ International Labour Organization; Food and Agriculture Organization of the United Nation (FAO); International Fund for Agricultural Development (IFAD); International Food Policy Research Institute (IFPRI) of the Consultative Group on International Agricultural Research (CGIAR); International Federation of Agricultural Producers (IFAP); International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF).

particular emphasis on economic and social policies to combat poverty and to promote universal basis education and social mobilization.

Additionally, the EU funded "**Ethicmatch**" under the AsiaInvest instrument supports business cooperation in Europe and Asia between socially responsible SMEs operating in the whole child garment supply chain. So far it has reached around 400 SMEs from Italy, Spain, India and Pakistan.

The EU financed thematic development programme 'Investing in People' also targets child labor by identifying good practices and innovative methods via a **call for proposals titled 'Fighting Child Labour'** to be launched in early 2010 with 11 million Euro EU support. The 'Fighting Child Labour' programme aims at promoting effective policy dialogue to the end of eradicating child labour; bringing victims of child labour, trafficking or violence into full-time education and re-integrating them into society; operating partnerships and networking between key stakeholders, in particular non-State actors and the private sector; promoting corporate social responsibility in the area of child labour; enhancing socio-economic safety nets for families and communities (social protection).

The EU also funded under "Investing in People" a project undertaken by ILO whose main objective is to draft Guidelines for stakeholders involved in dealing with **the worst forms of child labour in conflict situations**. These will not address the sole problem of child soldiers but as well all children whose lives have been affected by conflict and obliged them to work

Annex VIII: Enlargement policy: the case of Turkey

It is generally acknowledged that child labour is a problem that remains to be fully addressed by Turkey. Children are working in difficult conditions in various sectors, preventing them to attend school and to get education. These children generally work in order to raise income for their families, to support family economic activity and because their families wanted them to work. All the researches and studies conducted indicate that poverty is the main reason of working children in Turkey. Factors such as insufficient budget, economic difficulties and unemployment cause families to direct their children to work.

What does Turkey do to tackle the problem of child labour? In order to eliminate child labour, Turkey has joined the International Programme on the Elimination of Child Labour (IPEC) in line with the protocol signed with ILO in 1992. The Government has developed a policy and programme aiming at the elimination of child labour within a specific period. The strategic goal of the “Time - Bound Policy and Programme Framework” is the elimination of the worst forms of child labour completely in ten years time, giving particular attention to girls. In order to support this framework, projects including 20 provinces where the child labour is seen widespread have been put into practice by public institutions and social partners in cooperation with international organisations.

The eradication of the worst forms of child labour in Turkey The objective of an EU-funded child labour project was to contribute to the Turkish government’s goal of eliminating the worst forms of child labour. Within this framework, the project aimed to enhance national and regional capacity for the removal of children from the worst forms of child labour and prevention of at risk children from entering such work. The budget was €5.300.000 and the project lasted for 24 months (November 2005- November 2007).

Activities conducted under the Project were as follows:

Identification of the children who work under worst conditions in the selected provinces⁷⁷;

Offices were established and made operational in the seven provinces;

Provincial Action Committees (PAC), headed by the province governors, have been established to prevent and eradicate child labour in the selected provinces, and meetings are held;

4,879 children working or at risk of working have been reached of whom **4,460** received various services from the locally established offices. Around 200 families have been targeted to receive vocational training for an easier access to labour market and activities carried out in this respect;

The “**Child Labour Monitoring System**” has been made operational in the selected provinces for the identification , monitoring and referral of working children;

Support was provided to families for their easier access to employment and for their entry into the social security system;

Continuous support was provided for awareness-raising and creating ownership at national and local level and for the development of social dialogue between the parties concerned; various advocacy and awareness-raising material such as newsletters, pamphlets, posters, audio and video cassettes and films have been produced and distributed extensively.

Turkey has been presented as a best practice example for fighting child labour in the International Labour Conference of 2007.

⁷⁷ A field survey covering a total of **99,356** households in the seven provinces with their 94 districts, 103 towns and 330 villages was conducted.

Annex IX: The Case of Bangladesh Garment Industry

Promoting legislation – the case of the Bangladesh Garment Industry The Bangladesh garment industry in the early 1990s accounted for 70 per cent of the country's exports and most of its modern sector jobs. The industry was worth \$1.4 billion in 1993, more than Bangladesh's foreign aid assistance. In 1992 approximately 1,500 factories employed 750,000 mainly female workers. Around 10 per cent of these workers were under the legal minimum age of 14 years. The US market accounted for more than 50 per cent of the industry's earnings.⁷⁸ The vulnerability of the industry to a single market was exposed when trade unions, human rights groups, consumer and religious organizations, under the umbrella of the Child Labour Coalition, promoted legislation to prohibit imports into the U.S. of products made with child labour.⁷⁹ Though this legislation was never passed, the garment industry in Bangladesh responded to the threat by dismissing child workers. It was reported that 40,000 to 50,000 children were laid off. According to reports at the time, many of these children took up more hazardous work in the informal economy, including prostitution.

When the garment industry announced its self-imposed deadline of a child-labour-free industry by 31 October 1994, the ILO and UNICEF sought to design an appropriate response. It was widely agreed that the removal of children from the industry would be in line with international standards and was desirable in the long term, but that abrupt dismissals without a better alternative were not in the best interest of the children. The Bangladesh Garment Manufacturers Exporters Association (BGMEA), the ILO and UNICEF signed a Memorandum of Understanding (MOU) in July 1995 to respond to this situation. The MOU aimed both to remove child workers from the garment industry and to place them in appropriate education programmes. This was addressed through fact finding; a halt to recruitment of child workers; a halt to terminating under-aged workers until an education programme was in place; education programmes; a monitoring and verification system; income maintenance and publicity and advocacy. This experience has served as a model and similar elements applied elsewhere. A case in point is the soccer ball stitching industry in Pakistan that followed a similar approach in 1997.

Among the lessons taught from the Bangladesh Garment Workers case is that the shift from work to school is in the children's long-term best interest⁸⁰. However, in short term, removing children from industry and placing them in schools can result in a significant income loss for children and their families and safety nets should be in place to mitigate the negative welfare effects.⁸¹

Additionally, the South Asia Enterprise Development Facility (SEDF Programme), focusing on the ready made garment industry in Bangladesh. This project is a multi-donor project established in Dhaka in 2002. The SEDF is implemented by IFC and aims at increasing the competitiveness, performance and growth of Small and Medium Sized businesses (SMEs) in Bangladesh and in the region. The EU contributes for 10 M € Some of the activities are to increase compliance with Environmental Sustainability Standards, and Social Responsibility (Labour) Standards and to increase participation of women in SMEs as workers, owners and managers, and to improve employment conditions in SMEs and thus contributing both directly and indirectly to combating child labour.

⁷⁸ ILO, UNICEF, 2004: Addressing Child Labour in the Bangladesh Garment Industry 1995-2001.

⁷⁹ The instrument for this proposed sanction was a bill placed before the U.S. Congress by Senator Harkin in 1992.

⁸⁰ The findings indicate that: By the end of 2001, 336 MOU schools had been set up and 8,509 children had enrolled. Based on the ILO monitoring data an estimated 30 per cent of children working in the garment industry between August 1995 and December 2001 enrolled in a MOU school. Not all children, however, would have been expected to enroll in a MOU school. Children that were over 13 years (around 17 per cent in a 1995 survey) and those that may already have attended primary school may not have been candidates for the MOU school. An estimate of the number of children expected to enroll in a MOU school and proportions that did so is, therefore, difficult to ascertain due to lack of data

⁸¹ Social safety nets and "earning and learning" may have been more appropriate, as a transitional measure. 85% of those enrolled in a MOU school indicated that they would have preferred earning and learning.