Slavery in the chocolate industry

It is estimated that America spends $13 billion a year on chocolate. However, in the past few years, it has become increasingly clear that this favorite American product is tainted with the labor of innocent young children.

The fact that child slaves are used in the harvesting of cocoa beans in Cote D'Ivoire, the world's major supplier of cocoa, is undisputed. The US State Department estimates that there are approximately 15, 000 children working on cocoa, coffee, and cotton farms in the Cote D'Ivoire. In June 2001, the ILO also reported that trafficked child labor was used in cocoa production in West Africa. Media reports have unveiled stories about boys tricked or sold into slavery, some as young as nine years old, to work on cocoa plantations in Cote d'Ivoire. ILRF has verified these reports through our own independent investigations conducted in 2002 and 2003, and has interviewed children who have escaped from the cocoa plantations.

Cote d'Ivoire is the largest exporter of the world's cocoa beans, providing 43% of the world's supply. The US imports the majority of these cocoa beans, for use in chocolate candy, marketed by such top brands as M&M/Mars and Hershey.

The chocolate industry has acknowledged that child slaves are harvesting cocoa in Cote d'Ivoire. In response, in late 2001 the chocolate industry, as represented by the Chocolate Manufacturers' Association, proposed what is now commonly referred to as the Harkin-Engle Protocol. The Protocol calls for the development of industry-wide labor standards, and ultimately a voluntary-based system of corporate reporting, monitoring, and certification. It also provides for the creation of an industry-funded foundation that will oversee specific programs directed at alleviating child labor in the cocoa industry.

July 1, 2004 marks the two-year anniversary of the establishment of a Joint Foundation, and three years since the signing of the Harkin-Engle Protocol to eliminate the worst forms of child labor on cocoa farms in West Africa. Basically the Protocol has bought the industry three years of time before they must make good on their commitment to implement acceptable, voluntary, industry wide standards of public certification by July 1, 2005. With one year remaining, the industry has not made substantial progress toward this goal and the hope for a credible monitoring and certification system is diminishing.

On June 17, 2004, the chocolate and cocoa industry, at the request of Senator Tom Harkin, conducted a public briefing to provide a review progress made toward implementation of the Harkin-Engel Protocol and elimination of child labor in cocoa production in West Africa. Representatives from the Chocolate Manufacturers Association and the World Cocoa Foundation provided the formal briefing, and additional representatives from Hershey Foods and the International Cocoa Initiative were on hand to take questions from the audience. Child labor and fair trade advocates raised a number of questions about progress toward monitoring, certification and the elimination of child labor. Unfortunately, none of the representatives on hand were able to answer these fundamental questions.

Questions the cocoa industry didn’t answer in its public briefing

Following are questions raised by public and consumer advocates during the June 17 public briefing. Industry representatives chose not to address these questions.

· What is the current situation of child labor in Cote d'Ivoire? Are there any indications to show that the number of child laborers have declined since the industry commenced its projects in Côte d'Ivoire?

· The cocoa industry representatives stated they were working with many other stakeholders, including the International Labor Organization (ILO), the World Bank, the US Department of Labor, the United States Agency for International Development (USAID), the Canadian International Development Agency (CIDA) and several NGOs on " multi-million dollar" projects. How much of these " multi-million dollars" is the cocoa industry actually contributing?

· The industry, in conjunction with the various stakeholders mentioned above, is carrying out farmer educational projects, " Farmer Field Schools", that teach farmers how to increase yield and quality of cocoa. Given that you claim there is currently overproduction of cocoa worldwide, how will increasing the yield help farmers get a better price for their product to improve their lives and that of their children?

· Are companies willing to pay a " fair trade" price, which encourages farmers to produce cocoa in socially and environmentally sustainable manner?

· What is the industry doing to address insufficient bargaining power of farmers and their laborers?

· Given that half the world's supply of cocoa depends on 10 major cocoa exporters operating in Cote d'Ivoire, amongst which the largest ones are Cargill, Archer Daniels Midland, and Nestle, what are these companies doing, independently of the industry's joint projects, to train and monitor their suppliers?

· The final task in the Protocol is establishing " Certification" to ensure that cocoa beans and their derivative products have been grown and/or processed without any of the worst forms of child labor. According to the industry representatives, they intend for the main tasks of reporting, verification and taking corrective actions to be left to national governments. What, then, will industry do to implement its commitments? What is the financial cost of the monitoring and certification process and who will bear the costs? Given Cote d'Ivoire political instability, how is the national government expected to bear responsibility for this task? Does the industry have an alternative plan on monitoring and certification in a situation where the government would be unable to provide such services due to lack of finance or a strong central functioning government?

Analysis

ILRF believes that multinational corporations cannot be left to privately regulate their conduct through voluntary initiatives.

In addition to the inherent problems plagued by any industry-led initiative, the Protocol suffers from some flaws in design. While the industry specifically addresses the worst forms of child labor under ILO Convention 182 and forced labor under ILO Convention 29, it has not specified ILO Convention 138 on minimum age. Nor has it specifically identified other core labor rights that are essential to ending the use of child labor. The industry initiative also does not call for concrete steps to ensure that farmers get a fair price for their product, which significantly impacts the use of child labor, as farmers are forced to reduce production costs and rely on the “ cheap” labor of children.

There must be a multi-pronged approach to solve the problem of child labor globally. In the context of the cocoa industry, ILRF calls for strict and immediate enforcement of the existing US legislation on child labor. Currently, there is a US law which prohibits the importation of products made with “ forced or indentured child labor” under Section 307 of the Tariff Act of 1930, 19 U. S. C. § 1307 (1997). The US government should apply this law. In addition, a system of mandatory reporting, monitoring and certification through a national and international framework of laws is necessary to end the exploitation of children. Cote d’Ivoire is bound by its commitments to ILO core conventions and should take steps to implement those commitments. Additionally, policies imposed by international financial institutions have weakened the price structure in this industry and contributed to the problem; therefore the World Bank/IMF are obligated to contribute to a solution.

This is not to let industry off the hook. In 2001, the chocolate and cocoa industry chose to make a public commitment to end child labor, and to provide credible and transparent monitoring of their supplier farms. To date, even though ten multinational corporations control virtually all of the cocoa exported from Cote D'Ivoire, not a single one of these corporations has taken the first step toward instituting changes in its own supply chain. Such changes would be fairly simple to institute. In the first instance, credible monitoring and certification of cocoa does currently exist, in the form of Fair Trade certified cocoa. Yet none of the major industry players have chosen to source even a small percent of their product from fair trade certified farms. In addition, each of the major exporters in Cote D'Ivoire control a small army of middlemen who have direct relationships with the farmers who produce the cocoa. Yet, no training or other information has been provided to these middlemen to enable them to play a positive role in communicating with farmers and verifying labor practices at the farm level.