

A WORLD VISION CANADA POLICY BRIEFING



PREVENTING CHILD LABOUR:

The Case for Canadian Supply Chain Transparency Legislation

For more information, see World Vision Canada's policy discussion paper,
Check the Chain: Preventing Child Labour

Many of the products Canadians use and consume every day – from clothes and shoes to cellphones to coffee and tea – are at risk of being produced by child labour.

Canadian consumers and investors don't want to be part of the problem. The Canadian government has committed to take action. For Canadian companies, it makes good business sense to demonstrate their efforts to address this challenge.

Other countries, including the U.S. and the U.K., are leading the way. It's time to consider Canadian legislation requiring companies to publicly report on their efforts to monitor, address and reduce child labour in their supply chains.

UNDERSTANDING THE PROBLEM

While there can be benefits to children engaging in light and age-appropriate forms of work – for example, helping on the family farm or taking on an after-school job – child labour refers to any “work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.”

Despite progress in recent years, there are still an estimated 168 million child labourers around the world – among them, 85 million in the worst forms of child labour – including within the supply chains of products that Canadians use every day. These children often work long hours, are exposed to physical, psychological or sexual abuse, work in dangerous or unhealthy environments, and/or work with dangerous machinery and equipment. In addition to being dangerous, child labour also interferes with their education and opportunity for a better future.

The continued existence of child labour is a detriment to the health, education and dignity of children, and it presents major obstacles to sustainable economic development in many countries of the world.

87% of Canadians think the Canadian government should require Canadian companies to publicly report on who makes their products and what they are doing to reduce child labour in their supply chains ¹



¹. According to an Ipsos Reid survey conducted on behalf of World Vision Canada between March 4 and 9, 2015. The results are based on a sample of n=1,007 Canadian adults in the general population and are accurate to within +/-3.5 percentage points, 19 times out of 20.

Many children around the world work in factories making clothing.



CASE STUDY: BANGLADESH

Thousands of Bangladeshi children work in garment factories to sew designer clothes that will be sold in shops in Canada, the United States and other high-income countries. Many of these children work in small shops that subcontract jobs from other larger garment factories, and where government policies about child labour go unheeded.

One such child is Bithi. Abject poverty and a sick father forced Bithi's family to send her and her sister to work in one of these factories when she was just 12 years old. Bithi, now 15, works long days to sew the pockets on designer jeans. Every day, she helps create a minimum of 480 pair of pants for 83.3 taka (C\$1.28). In an interview with World Vision, Bithi admits to feeling painful and heart-broken when she sees other girls her age going to school.

**73 MILLION
(44 PERCENT)
CHILD LABOURERS
ARE BETWEEN
FIVE AND 11
YEARS OF AGE²**

2. The figures and quotes from this section are from the International Labour Organization's 2013 report, *Marking Progress Against Child Labour – Global estimates and trends 2000–2012*.

Children work in manufacturing with machines or do hand stitching work.



THE CANADIAN CONNECTION

Child labour is often used for goods that Canadians consume and use daily, including food commodities (such as cereals, cocoa, coffee, fruit, sugar, palm oil, rice and tea), apparel, footwear and electronics.

Canada is steadily increasing our imports from countries where child labour is a reality, including Bangladesh, Cambodia, China, Guatemala, India, Indonesia, Mexico, Pakistan, Thailand and Vietnam³. While there is nothing wrong with importing from these countries in and of themselves, the prevalence of child labour in them requires concerted efforts by companies to address this problem.

Between 2009 and 2013, Canadian apparel imports increased by 23 per cent, from \$8.16 billion to \$10 billion, despite the fact that the population only increased by five per cent during the same period. The majority of growth during that time came from these countries with known child labour problems:

MEXICO
+26%

BANGLA-
DESH **+51%**

INDONESIA
+54%

VIETNAM
+85%

CAMBODIA
+117%

3. According to World Vision Canada analysis of Canadian import data and the U.S. Department of Labor's 2013 Findings on the Worst Forms of Child Labor report.



The majority of children doing hazardous jobs work in agriculture.

CASE STUDY: GUATEMALA

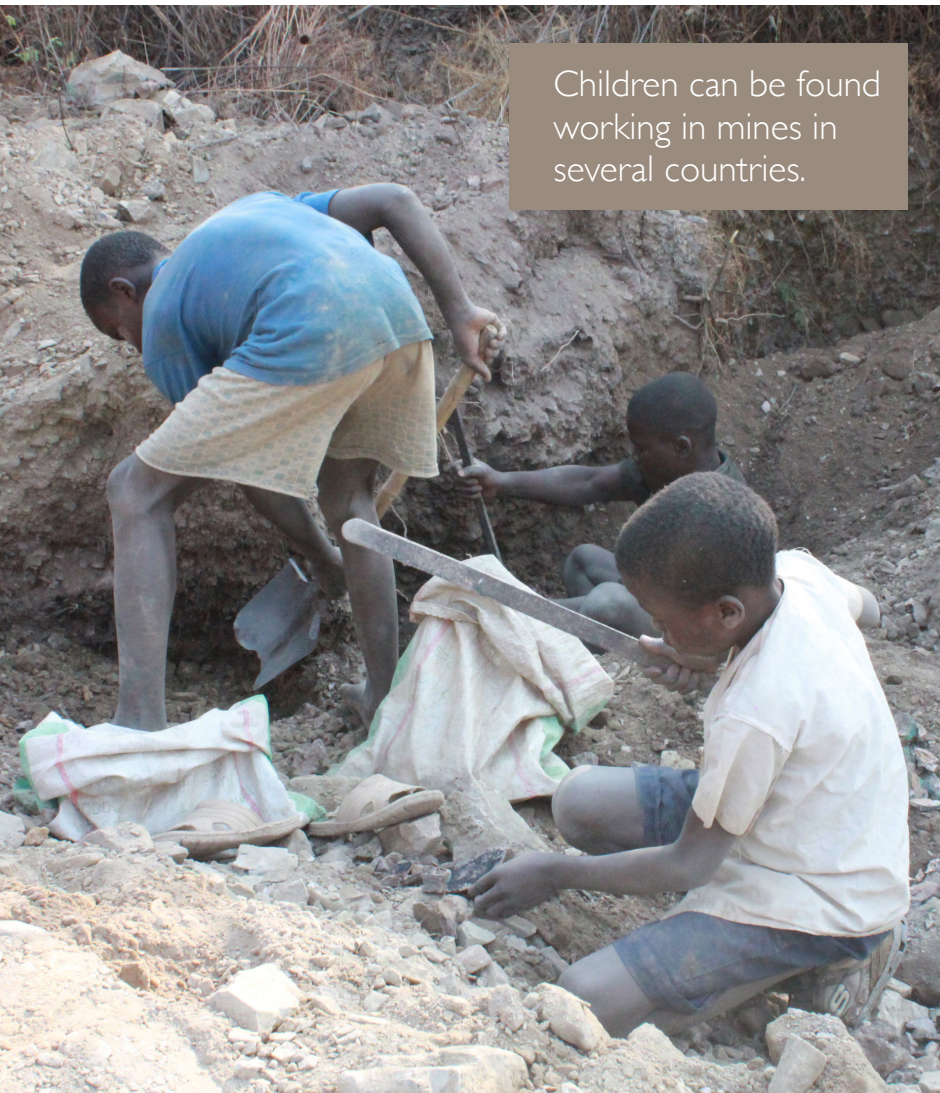
Guatemala is abundant in agricultural resources, including palm oil, coffee and sugarcane. Yet, behind closed doors, there are thousands of Guatemalan children as young as seven working to harvest and plant agricultural crops in rural areas.

Marco is one of many Guatemalan children who wake up each morning to face a day of work in the fields. Every day, 10-year-old Marco picks 30 pounds of coffee and carries it up a hill to a drop-off point. Though he finds his job physically debilitating and less than inspiring, the money he makes will go toward the rent and to help his siblings (11 in total). In an interview with World Vision, Marco shares with us the heartfelt promise he made to his mother to find a better job in the U.S. so he can send her money.

WHAT OTHER COUNTRIES ARE DOING

In an effort to raise awareness and incentivize companies to take greater action, key economic allies and partners of Canada have recently proposed or introduced supply chain transparency legislation requiring companies to disclose their efforts to address forced and child labour in their supply chains. This sort of disclosure legislation doesn't place undue burden on companies or impose a one-size-fits-all approach. It does, however, have the promise of significantly reducing child labour by encouraging companies to be more proactive in addressing child labour in their supply chains by harnessing consumer, investor and other stakeholder pressure.

In the U.S.: The *California Transparency in Supply Chains Act* requires all retailers and manufacturers doing business in California with annual global revenues of more than \$100 million to publicly disclose information about their efforts to eradicate slavery and human trafficking from their direct supply chains



Children can be found working in mines in several countries.

In the U.K.: The *U.K. Modern Slavery Act 2015's Transparency in Supply Chains* clause, coming into effect in October 2015, will require private and publicly listed companies to disclose what steps they have taken to ensure that there is no slavery in their businesses or their supply chains.

WHY LEGISLATION?

Child labour is a complex challenge that requires continued and concerted efforts by NGOs, governments and communities affected by child labour themselves. It is essential to address both the underlying causes of child labour – poverty, inequality, entrenched social attitudes, weak regulatory environments, a lack of decent work for adults, and the absence of effective public services and social protection systems – as well as the demand for cheap and obedient labour.

Part of the solution is ensuring that companies are not contributing to the problem through the existence of child labour in their supply chains. While private sector voluntary initiatives are welcome, they aren't leading to enough action. Supply chain transparency legislation would raise the bar on what companies are doing to address child labour by harnessing consumer, investor, and competitor pressure.

In addition, Canadian supply chain transparency legislation would be a practical way for Canada to further implement its numerous international commitments to eradicate child labour, including the UN Convention on the Rights of the Child and ILO Convention No. 182 on the Worst Forms of Child Labour.

OUR RECOMMENDATIONS

1. World Vision recommends that the federal government create Canadian legislation requiring large publicly traded or private companies doing business in Canada to publicly report on efforts to monitor, address and prevent child labour, especially in its worst forms and including children who have been trafficked, in their supply chains on an annual basis.

We propose the following key elements as part of this legislation:

- the inclusion of all companies doing business in Canada, with annual revenues above a pre-determined amount;
 - mandate public reporting;
 - the creation of a single, searchable repository for company reports;
 - set minimum criteria for disclosure;
 - include robust enforcement mechanism to ensure compliance;
 - equivalency with other jurisdictions.
2. As a first step toward this, we propose the establishment of a multi-stakeholder advisory group – including representatives from the private sector, Government of Canada and civil society organizations – to provide advice on the options for legislation and ensuing regulations.