



Eradicating Child Labor—Another World Is Possible

Documenting the Salvadoran Sugar Industry's Efforts to Eradicate Child Labor in Sugar Cane Production

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About BSR

A leader in corporate responsibility since 1992, BSR works with its global network of more than 250 member companies to develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. With six offices in Asia, Europe, and North America, BSR uses its expertise in the environment, human rights, economic development, and governance and accountability to guide global companies toward creating a just and sustainable world. Visit www.bsr.org for more information.



About FUNDEMÁS

Fundación Empresarial para la Acción Social (FUNDEMÁS) was founded in May 2000 by a group of farsighted Salvadoran businesspeople to contribute to El Salvador's sustainable economic and social development by promoting CSR culture, entrepreneurial behavior, and better-quality education countrywide. Visit www.fundemas.org for more information.

Executive Summary

The Asociación Azucarera de El Salvador (AAES), which represents the nation's refineries, partnered with BSR and FUNDEMÁS to systematize the successful efforts of the Salvadoran sugar industry to reduce the use of child labor in sugar cane production. The project culminated with the publication of a manual intended to help other sugar producers and agricultural industries in Central America learn from the Salvadoran experience and replicate practices that may prove useful in their national environments.

In 2004, El Salvador was publicly criticized for employing children on its sugar cane harvest by the nonprofit organization Human Rights Watch (HRW). However, the report titled "Deaf Ears" had not considered the efforts made by the sugar industry to reduce child labor in the sugar fields. In response to HRW's accusations, the AAES coordinated with government agencies and the International Labour Organization (ILO) to integrate and complement previous efforts and developed a strategic long-term plan to reduce and eventually eradicate child labor.

As a result of these continuous efforts and taking into account the data from the Ministry of Education's annual registration census, it was observed that, by 2008, the number of children working in sugar cane fields had decreased by 72 percent vis-à-vis 2003.

Furthermore, the strategic partnership between the private sector, the government, and international agencies is working successfully to increase public awareness of the effects of child labor, and has also helped unify the country's sugar industry toward this goal.

The Asociación Azucarera de El Salvador has drafted its own Code of Conduct and all of the refineries enforce a "zero tolerance for child labor clause" in their contracts with producers from whom they buy sugar cane. In the long-term, El Salvador expects to eliminate child labor in the sugar cane harvest, as well as institutionalize relevant programs and make them sustainable. Additionally, the reduction of child labor has led to an improved image and reputation abroad for El Salvador's sugar industry.

The BSR and FUNDEMÁS manual will include tips and recommendations for other agricultural industries wishing to replicate the experience, including the following principles:

- » Sustainability of Efforts: Preventing and eradicating child labor requires changing deep-seated cultural habits in society and, hence, demands a long-term commitment nationwide.
- » Compliance with the Law: Creating and strengthening mechanisms to ensure awareness of and compliance with national and international child labor laws is crucial.

About AAES

The Asociación Azucarera de El Salvador (AAES) is the country's sugar industry trade association. Its goal is to promote and develop a world-class sugar industry in the country. All six of the Salvadoran refineries are members. Visit www.asociacionazucarera.com for more information.

- » Developing Partnerships: Working in collaboration with other sectors and institutions is important because it takes advantage of the knowledge and expertise and it improves the success and contributes to the sustainability of results.
- » International Acknowledgment: It is important that international agencies and companies acknowledge the efforts made so that their markets may value “child labor-free” products.
- » Industry-wide support: Obtaining the support of the entire refinery industry is necessary in order to apply common standards to all sugar cane growers.
- » Communication: Keeping both the population at large and target audiences informed of the industry's efforts and achievements is critical, so that the industry may be acknowledged as a key player in preventing and eradicating child labor in the sugar cane harvest.
- » Awareness-raising: It is important to raise the awareness of all value chain members (communities, refinery staff, sugar cane producers, among others) on the need to prevent children under the age of 18 from conducting hazardous work that may damage their health or affect their education.

Opportunity

El Salvador is the smallest, most densely populated country in Central America with close to 5.7 million inhabitants.¹ Agriculture remains an important source of revenue for the country; in 2007 it comprised nearly 11 percent of El Salvador's GDP.² Coffee and sugar are its main exports, with sugar cane cultivation and sugar production jointly representing 2.3 percent of GDP.³ Six large refineries in El Salvador produce refined sugar and other sugar-derived products. These refineries have access to less than 10 percent of the country's sugar cane fields following a land reform that changed the land tenure system and resulted in at least 7,000 independent sugar cane producers who sell their raw product to the mills.

The sugar industry employs more than 48,000 people, including full-time and seasonal workers. Of these, 44,000 work in the sugar cane fields (26,000 full-time and 18,000 seasonal workers), and the remaining 4,000 work in refineries or in other jobs, such as transportation.

El Salvador has repeatedly been signaled out as using child labor in the sugar cane fields, both in the planting and cutting stages. The severity of the problem was confirmed in 2004 with the inclusion of a labor child module in the Registration Census administered by the Ministry of Education that found that more than 12,000 children under the age of 18 worked directly or indirectly⁴ in the sugar cane harvest while attending school.

Despite threatening the sugar industry's relationships with international buyers, these statistics warned on the need to design a broader strategy to solve the problem. Although some buyers openly stated their decision to stop buying Salvadoran sugar, others showed an interest in joining the effort to reduce this problem and their commitment to conducting audits to monitor country and sugar industry progress, as did The Coca Cola Company.

In response, the AAES increased its commitment to prevent and eradicate child labor and developed numerous internal and external communication channels to publicize progress in fighting this practice together with the ILO and the

¹ El Salvador Country Profile 2008. Economist Intelligence Unit.

² El Salvador Country Profile 2008. Economist Intelligence Unit.

³ Asociación Azucarera de El Salvador website.

⁴ “Indirectly involved” means those who accompany and help their parents with different tasks in the sugar cane fields.

Salvadoran government (specifically the Ministries of Labor, Education, and Health.).

On the other hand, the decentralization of sugar cane producers in El Salvador (approximately 7,000 counting independent producers and cooperatives) may hamper monitoring of child labor, unless industry efforts and resources are integrated with the corresponding government institutions, such as the Ministry of Labor and Social Protection (MTPS) through coordinated and organized work. This will ensure compliance with the labor law, international agreements, the policy of zero tolerance for child labor, and the sustainability of efforts.

Based on this experience, the BSR and FUNDEMAS project has created a good practice guide for other businesses and countries to be aware of and use in their efforts to eradicate child labor in the agricultural business.

Strategy

Based on the Salvadoran experience, these essential steps are needed to create a holistic strategy aimed at eliminating child labor:

- 1. Recognize the problem.**
- 2. Understand the problem.**
What are its root causes?
What are the main obstacles to overcome?
What efforts have been made? How do you set your baseline? Which indicators are established?
- 3. Determine the main responsible sectors.**
How can each contribute to minimizing the problem?
- 4. Jointly develop a strategy and implementation plan involving all responsible sectors.**
- 5. Evaluate implementation.**
Adjust strategies if necessary.
- 6. Communicate efforts.**
Regularly share how challenges have been faced and what good practices have been used.

The documentation of the Salvadoran sugar industry efforts demonstrates that effective elimination of child labor requires a long-term strategy that capitalizes on the knowledge and expertise of responsible agencies and institutions. The description on the left offers an overview of how the AAES, together with the Ministries of Labor and Education and the ILO, developed and implemented the country's first comprehensive strategy for eliminating child labor in the sugar cane harvest.

The AAES communicated its commitment against child labor to all its buyers, both local and abroad, and provided details of the efforts it was making. As a result, companies that had stated their purpose to stop purchasing Salvadoran sugar reversed their decision and decided to maintain their business relationship with the country, under the condition that the country and its sugar industry would continue along the expected path.

To this end, in 2006 the AAES adopted a Code of Conduct that all the country's refineries endorsed. The code applies to all aspects of their work, including labor hiring, respect for the environment, and respect for ethical principles and regulations. In 2007 all the refineries agreed to require and enforce "zero tolerance for child labor" clauses in their contracts with sugar cane producers. These clauses clearly state that mills will not purchase sugar cane from producers that employ children under the age of 18.

The adoption and application of this set of standards across the industry is another important factor in the success of the strategy, together with the clear message of zero tolerance for child labor communicated to producers and the strengthening of follow-up mechanisms to check their enforcement.

Implementation

The joint national strategy was coordinated by the National Committee against Child Labor, which encouraged the drafting and implementation of the "National Plan to Eradicate Child Labor in El Salvador for 2006–2009". The Plan deals with the issue of child labor in several areas, including sugar cane production, fishing, and garbage collection, and identifies seven strategic action areas:

- 1 Strengthening of the legal framework
- 2 Strengthening of the institutional framework
- 3 Education
- 4 Health
- 5 Recreation, culture, and sports

- 6 Income increase
- 7 Communication and awareness-raising

The strength of this plan and its implementation was that it addressed both the social, cultural, and economic root causes that lead to children’s work in the sugar cane fields. Also, it approached the problem with long-term and holistic solutions under the responsibility of each of the national institutions, thus building a partnership to solve the issue.

Results

SHORT-TERM RESULTS

All involved sectors interviewed for this case agreed that the partnership among AAES, the Salvadoran government, and the ILO has been extremely successful. The outputs can be grouped into four broad categories:

- 1 **Reduced child labor.** The Ministry of Education’s registration census, released in 2009, shows a 72 percent reduction in children under the age of 18 who attend school and work in sugar cane fields. Estimated at more than 12,000 in 2004, the number has dropped to fewer than 3,470. In an article published on their website in September 2009 Human Rights Watch recognized the reduction in child labor in the Salvadoran sugar cane harvest.
- 2 **Increased public awareness.** El Salvador has successfully raised awareness of the negative impact of child labor, both with the population at large and the families in rural areas that engage in this practice. Through continuous information and awareness-raising, many parents are now aware of the fact that child labor in sugar cane fields damages their children’s health and have therefore sought alternatives for them, such as school attendance or other forms of safer, legally-acceptable work.
- 3 **Successful cross-sector partnership.** All responsible sectors, (including government bodies, international agencies, and the AAES) agree that joint coordination has enhanced mutual understanding and tangible collaboration among sectors as well as among government agencies. There has been regular and fluid communication and challenges are faced together. Responsible sectors maintain that the strategy has worked well because “there is willingness and a common goal” and that each party contributes to the cause with its own strengths.
- 4 **Increased unity of the sugar industry in implementing zero child-labor tolerance policies.** The problem’s severity made the Salvadoran sugar industry join forces in relation to this issue and succeeded in making all of the mills’ senior management adopt the commitment as their own. An example of this unity can be seen in the AAES Code of Conduct. Likewise, international sugar buyers have demonstrated their strong support for the AAES campaign by contributing to efforts aimed at reducing child labor.

“According to official statistics from the Ministry of Education in El Salvador, child labor in the sugar cane industry dropped by 70 percent between 2003 and 2008.”

—Human Rights Watch website, September 2009

ANTICIPATED LONG-TERM OUTCOMES

The long-term outcomes will depend on how well the National Plan to Eradicate Child Labor continues to be implemented, on the commitment of national institutions and agencies, and on the collaboration of international agencies.

Work continues regarding six outcomes:

- 1 **Continued reduction in child labor until eradication is attained.** All stakeholders anticipate that the actions established in El Salvador’s National Plan to Eradicate Child Labor will continue to diminish the number of workers under 18 employed in the sugar cane production, and that this is feasible in a 10-year period.

- 2 **Increased institutionalization of the issue within government ministries.** Involvement from different players to eradicate child labor has resulted in significant achievements in the country. Active involvement from government agencies is key, as it guarantees the sustainability of the outcomes obtained. Moreover, developing partnerships with other players such as non-governmental organizations, private companies, community organizations, etc. is also important.
- 3 The clear and manifest **commitment of the sugar industry and the government of El Salvador translates into very successful results.**
- 4 **Government ministries responsible for dealing with this issue must be reinforced,** both regarding the provision of basic social services to the population and the oversight and control of compliance with the laws against child labor. To do so, they must have a budget specific to support their actions.
- 5 Likewise, **the ministries should establish multidisciplinary technical teams** specialized in the matter, for example, the Child-Labor Eradication Unit (UETI) created by the Ministry of Labor and Social Protection to deal specifically with this issue.
- 6 **Increased competitiveness of the country's sugar.** There is no doubt that the reduction of child labor has led to an improved image and reputation abroad for the Salvadoran sugar industry. New markets have become available to the industry since the implementation of the National Plan. Similarly, the Public Affairs and Communications Manager of Coca-Cola for Central America explained that “labor and environmental issues represent the competitive edge of the 21st century.” El Salvador will become more attractive to socially conscious buyers as its track record improves regarding the eradication of child labor in the sugar cane harvest.

LESSONS LEARNED AND USEFUL TIPS

The BSR and FUNDEMAS manual will share the Salvadoran sugar industry experience with other agricultural industries of the region that seek to eradicate child labor. Specifically, the manual will detail lessons learned and will provide useful guidelines for replicating the experience in other contexts. The main recommendations are summarized below.

- 1 ***Persistence and continuity are key: Addressing child labor is a long-term commitment.*** All involved sectors must be clear that child labor is a complex problem to address, and that its transformation requires continuous long-term efforts.
- 2 ***Multisector partnerships.*** Partnering with public and private organizations, with civil society organizations, and with international agencies will strengthen the likelihood of success and ensure its sustainability.
- 3 ***Adaptability and flexibility are essential.*** All responsible sectors must remain open to changes and be willing to make the adjustments needed in their work plans to reach the common goal of eradicating child labor.
- 4 ***It is crucial to educate and raise the awareness of the public and the responsible sectors about the issue.*** All responsible sectors should communicate the same message but adapt it to the different audiences, such as decision-makers, sugar cane producers, rural communities, local leaders, parents, cooperatives, etc.
- 5 ***The movement must obtain support from all members of the industry.*** In El Salvador the support of the industry is evidenced by the AAES Code of Conduct and the “zero child-labor tolerance” clause in the contracts between refineries and producers.
- 6 ***The industry should communicate its efforts and the challenges faced.*** With the publication of the HRW report, the sugar industry realized that it

needed to more effectively communicate its efforts and achievements to eliminate child labor. Preparing CSR reports on a regular basis is one way to inform the public.

- 7 Gain the support of international companies.** There are many multinational companies, such as Coca Cola, who seek out products that are free of child labor in their production chains. Socially responsible companies should seek the support of national and international markets that value products made in safe and responsible ways.

About the DR-CAFTA Project

This case was made possible by a grant from the U.S. Department of State to BSR for its "DR-CAFTA Responsible Competitiveness Project." The project works with producers, labor, government, and international buyers to promote responsible labor practices in countries of the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA). For more information, visit www.drcafta.bsr.org.