

The role of Employers in Eliminating Child labour in Agriculture

Paper for the National Conference in Eliminating
Child Labour in Agriculture

**Beyani Todd Muthali, Executive Director, Employers Consultative Association of
Malawi**

ABSTRACT

This paper addresses the role employers can play in the elimination of child labour in agriculture from a multi sectoral approach. The paper focuses on the key reasons why employers should combat child labour as well as the appropriate strategies at enterprise level that can be used towards the elimination of child labour. Employers have faced and continue to face challenges in engaging in activities towards the elimination of Child Labour. While these challenges exist, good practices have been set by some employers in Malawi.

Table of Contents

1.0	INTRODUCTION.....	3
1.1	SITUATION ANALYSIS.....	4
2.0	WHY SHOULD CHILD LABOUR BE A CONCERN TO EMPLOYERS.....	5
2.1	RISK OF POOR PUBLIC IMAGE	5
2.2	POOR QUALITY PRODUCTS AND LOW PRODUCTIVITY	6
2.3	ACCESS TO MARKETS (HOUSEHOLDS AND EMPLOYERS).....	7
2.4	LACK OF SKILLED LABOUR.....	8
3.	HOW EMPLOYERS CAN ELIMINATE CHILD LABOUR	9
3.1	COMPANY STRATEGY ON CHILD LABOUR	9
3.2	COORDINATING EDUCATIONAL, HEALTH AND SOCIAL PROGRAMMES.....	10
3.3	CODES OF CONDUCT.....	11
4.	CONCLUSION	11
5.0	REFERENCES.....	12

1.0 Introduction

In many countries, child labour is mainly an agricultural issue. Sixty percent of all child labourers in the world, in the age group 5 - 17 years work in agriculture, including farming, fishing, aquaculture, forestry, and livestock. This amounts to over 129 million girls and boys. The majority (67.5%) of child labourers are unpaid family members. In agriculture this percentage is higher, and is combined with very early entry into work, sometimes between 5 and 7 years of age. Poverty is the main cause of child labour in agriculture, together with limited access to quality education, inadequate agricultural technology and access to adult labour, high hazards and risks, and traditional attitudes towards children's participation in agricultural activities. In Malawi Child labour is attributed to household food insecurity and lack of other basic necessities.¹The 2002 Child Labour baseline survey reported that size of households, low education, age distribution and sex composition are also indirect causes of child labour. In addition, HIV and AIDS related illnesses affect many families causing children to work to fend for their daily household needs². The pandemic has escalated the poverty situation in the country.

Employers, take advantage of the children's poverty and inability to bargain for reasonable salaries and exploit them. Some of the reasons why employers are not interested in combating child labour are that they don't fully appreciate legislation in place that prohibits child labour as well as international standards as stipulated in the ILO conventions 138 (Minimum Age) and 182(Worst Forms of Child Labour). Replacing labour is also costly and this deters employers from adopting pro zero tolerance on child labour. Amongst these is the lack of information and available resources to address the issue of child Labour within organizations that are involved in child labour.

It is imperative to note child labour has the potential to adversely affect trade and business as well as competitive advantage of employers particularly now that we exist in a global village. Many large enterprises subcontract their production and purchase their inputs from smaller enterprises operating both the formal and informal economies.

Currently, governments, key trading partners, the media and public and private investors have intensified campaigns and advocacy on child labour issues. This is because the issue affects their corporate image, loss of business, shareholder disappointment and disinvestment. To uphold universal values, promote the ILO's decent work agenda and avoid complexity in child labour problems, employers must actively manage the risk that child labour will occur somewhere along their supply

²http://www.ilo.org/ipecc/areas/Agriculture/lang--en/index.htm#P2_484

chains. While business alone cannot eliminate the problem of child labour on a sustainable basis, its involvement is crucial. Therefore the role of the employers is very important in eliminating child labour. Although the problem is mainly in the agricultural sector, a multispectral approach needs to be taken.

1.1 Situation analysis

In 2005 ECAM conducted a baseline survey of child labour in the Tea industry in Malawi. The study aimed at establishing the existence and the extent of child labour, the perceptions that encourage child labour in the industry and surrounding communities, an assessment on the capacities of institutions that engage in issues of child labour and recommendations on the desired interventions on this subject area. The study established that child labour did exist in the industry especially amongst smallholder farmers as opposed to large scale estates. Out of a sample of 128 children between the ages of 10 and 18, a total of 35 were actually found working, out of which 22 were observed in the family owned smallholder sector whilst 13 were from the commercial sector³.

To complement the study ECAM developed a training manual aimed at raising awareness for employers in preventing child labour in Malawi. The training manual has served as a resource book and training tool to assist employers to learn about child labour as a point of departure for preventing and implementing actions to eliminate child labour in their companies as well as the communities they exist in. To show further commitment to the elimination of Child labour, ECAM has developed a policy statement in support of the elimination of child labour.

Successful interventions have been made since the baseline study was conducted. With technical support from the ILO ACT EMP ECAM embarked on a project titled the Employers Fight against Child Labour in the Tea sector. The overall objective was to utilize the associations strategic role in the different fora it exists in such as the Tripartite Labour Advisory Council to lobby and advocate in the interest of the elimination of Child labour. Another objective was to enhance the capacity and participation of ECAM and its affiliate the Tea Association of Malawi in National efforts aiming at the elimination of child labour targeting specifically the worst forms of Child Labour in the Tea Sector as a Strategy. The project achieved development of the training manual mentioned above, a documentary on child labour, inclusion of employers for example Tobacco Growers in the District Child labour Committees (DCLC). The project further managed to gain

³ ECAM Report on the Baseline Study on Child Labour Conducted in the Tea Sector-Malawi

commitment from employers on their scope of social responsibility to include; fighting against Child labour as employers managed to create recreation areas for the children and youth in Mango chi District. They donated cooking pots to schools and donated exercise books among other things.

The National Action Plan on Child Labour (2010 - 2016) will enable employers in various sectors, including the Tobacco Sector, to be self-compliant on anti-child labour regulations. Malawi does not have a child labour policy neither is there any National Employment Policy.

Besides, there are inconsistencies in the child labour provisions in the current Labour Acts and the Constitution. For example, there is no collective definition of a child in terms of age. There is an urgent need to harmonize the current legislation and policies on child labour.

The Tobacco sector has had a fair share of anti-child labour players in Malawi. These implementers range from government ministries, the civil society, and community based organizations and international NGO's. However there is a missing element amongst these players: the actual employers themselves. As such the demand-oriented and labour- oriented determinants of child labour in this sector may not be accorded the serious focus they deserve. Thus there is a need for a paradigm shift towards involving the employers in the sector as well as adopting a multisectoral approach.

It is the intention of the Employers Consultative Association of Malawi, to play a critical role in addressing this gap by virtue of its strategic position in various tripartite fora or national committees and its mandate to regulate labour related issues amongst all employers in Malawi including registered tobacco growers and young workers. Particular strategies would focus on mobilizing employers' against child labour through awareness and advocacy in the tobacco sector , lobbying and advocating on child labour issues at national and community level.

2.0 Why Should Child Labour be a concern to Employers

2.1 Risk of Poor Public Image

The world now exists in a global village. We all know that child labour deprives children of their basic rights, including their right to education, but ensuring that the supply chain is free of child labour can also bring important business benefits. The ethical performance of companies is under increasing scrutiny from customers, the media, investors and other stakeholders. Revelations of child labour in the supply chain can damage a company's reputation and lead to a loss of revenue. Conversely, a child

labour free supply chain can help protect your company's reputation and ensure you have an educated and capable workforce for the long-term. Buyers now seek suppliers who understand and share similar values concerning the problems of child labour. The initial screening includes checking conditions and practices at the premises of an existing or potential supplier or sensitization meetings. The majority of corporate companies in Malawi continuously have sensitization meetings with their partners raising awareness of their policies and expectations.

The majority of countries including Malawi have affixed a general minimum age for work which is 14-16 years age. In Malawi ⁴a child is any person under the age of eighteen years. Malawi has gazzetted a list of hazardous occupation recently. The list ensures that employers are aware of the risks associated with certain tasks given to children and comply with the law. Whilst worst forms of child labour have been defined under ILO Convention 182 the list of hazardous conditions has been left to each individual country since circumstances and situations vary from one country to another. The ratification of Convention 182 is binding on employers within the boundaries of Malawi and demonstrates the political will to eliminate child labour in agriculture; in particular suggesting the strict compliance to this on the part of employers. Government commitment is also shown under the Employment Act 2000 which ensures that ⁵children below the age of 14 are not being employed or engaged in any form of employment and those between the ages of 14 - 18 are not engaged in hazardous employment.

Compliance with laws ensures that the employer is deemed an honest corporate citizen and allows the enterprise in avoiding wasteful costs related to hiding employees from labour inspectors. The cooperation between the employer and Government in participating or supporting promotion of activities towards eliminating child labour is also strengthened. Strict compliance to legislation allows an employer to establish an open and cooperative relationship with Government instead of a close and confrontational one.

2.2 Poor Quality Products and Low Productivity

Employers who employ children as a source of cheap labour run the risk of having poor quality products and low productivity due to their lack of skills. Working full time prevents children from growing up to become educated citizens. The basics of learning how to read, write and understanding arithmetic denies the child an ability to develop thinking processes. According to research by the ILO⁶, the earlier a child starts to work,

⁴Child Labour National Action Plan

⁵Child Labour National Action Plan p. 2. Employment Act 2000 s13.

⁶ The End of Child Labour: Within Reach (Geneva: ILO, 2006) P. 24.

the higher is the penalty that he or she pays in terms of lower income earnings as an adult. It is estimated that a person's income is 11% higher every year for each additional year that that person (as a child) stayed in school. In addition, the country loses out due to un-competitiveness resulting from unskilled labour. This leads to poor human development that has longer term effects and denies the country of development

It is a common trend in developing countries that families send their children to work to gain an income in the short term thereby sacrificing higher earnings in the long term. Most children either drop out of school or do not attend at all due to this demand for income. According to the Child Labour Baseline Study ⁷, 58 percent of child labourers had attended school up to standard 5, 12 percent up to standard 8, and 1 percent had post primary education and 29 percent never attended school. It is not surprising that employers have preyed on this need for income in poverty stricken homes to lure under aged children as cheap labour. In the same survey⁸, 34 percent of the key community informants cited cheap labour as being one of the reasons for dropping out. . Situations such as where the tenant has incurred losses and is forced to work for the landlord are also a major cause contributing to school dropouts. In this case the increased demand from the landlord mounts pressure on the tenant and his family to work harder.

2.3 Access to Markets (Households and Employers)

For households, ⁹when financial markets are poorly developed, the separation in time between the immediate benefits and long delayed costs of sending children to work can result in too much child labour. The need then arises for employers to enhance their value chain through incentives that allow the community to generate income and access markets. It goes without saying that the child labour benefits to a household are immediate in that the child is expected to contribute to realizing an income for the household. Without access to markets they are unlikely to forego the immediate benefits of child labour. Child labour is therefore a ¹⁰reflection of poverty and inadequate access to markets. The employers must empower their communities in as far as entrepreneurial and business management skills. One concept that could be used is bottom of the pyramid, inclusive business. Outsourcing certain services to local communities enables the locals to earn an income thereby foregoing the immediate benefits of child labour. There hasn't been much research in this area, but the fact that one of the causes of child labour is poverty gives rise to the possibility that such empowerment by employers within their communities is one way of curbing child labour. It is worthwhile for employers to adapt their distribution systems according to local requirements. Integrating the poor into the value chain where they are able to access markets can contribute to efforts aimed at eliminating child labour. This would complement income

⁷Child Labour National Action Plan p. 8.

⁸Child Labour National Action Plan p. 9.

⁹Christopher Udry, Child Labour Discussion paper No. 856 Economic Growth Centre Yale University

¹⁰ Christopher Udry, Child Labour Discussion paper No. 856 Economic Growth Centre Yale University

generating efforts that have ¹¹proved to be effective in empowering the households economically. Inclusive business is also a way through which decent work under the decent work agenda can be realized.

The globalized economy presents a different picture for employers. In order to gain competitive advantage, an employer might want to increase production thus demanding more and cheap labour in which case child labour would not be avoided. While foreign direct investment in companies especially those that export may bring about decent job creation, it also has the reciprocal demand for labour as companies may want to compete with rival companies at that level. Such a scenario would be most prevalent in export oriented companies. ¹²According to statistics, only 5% of child labour workforce is thought to be engaged in export sector industries. Although the statistics suggest the problem is minimal it has sparked wide debate and prompted the World Trade Organisation member states to include “social clause” in international trade agreements. This would result in the imposition of penalties on countries or companies failing to observe core labour standards, such as ILO Convention 138. In order for enterprises to compete on the global scene, they cannot therefore undermine core labour standards.

2.4 Lack of Skilled Labour

Employers who employ children risk depleting the source of future skilled labour. Child labour as has an adverse impact on skills development. As has been explained in the paragraphs above, due to child labour, children do not attend school and subsequently lack the skills needed by employers in the production of their goods and services. Skills are a prerequisite for inclusive growth. ¹³A workforce that has been appropriately trained and is able to continue learning boosts investor confidence and thus job growth. Malawi is a low income country and according to the publication, in such countries scarcity of workers with relevant education and demonstrated skills constrains growth of a productive formal economy. This obviously has a direct impact on employers. ¹⁴Each country’s prosperity depends on how many of its people are employed and productive, depending on the skills acquired and how effectively those skills are needed. This suggests that lack of skills results in poor quality products for employers because they cannot find the right people with the right skills. This gives rise to the importance of employers playing a colossal role in eliminating child labour.

¹¹ National Action Plan on Child Labour P 25

¹² Business and Labour a Management primer. Shell International

¹³ Employment For Social Justice and a fair globalization, overview of ILO Programmes, Skills and Employability

¹⁴ A Skilled Workforce for Strong, Sustainable and Balanced Growth, G20

The perception by employers that hiring children will improve their profitability is probably derived from their short term profit expectations. Employing children denies the employer of having a healthy, skilled and productive workforce of adult workers. There are costs associated with recruitment and training of employees. Employers engaged in child labour run the risk of incurring such costs. This is because children have less appreciation of quality control and less capacity to use machinery properly and efficiently. Employers are also likely to incur unnecessary Occupational Safety and Health costs because of the high chances of children getting injured from the machinery in the workplace. In order to access markets with diverse products the need for a skilled workforce is imperative. ¹⁵In Malawi wages seem to be low by international standards. According to value chain analysis on agricultural products by Keyser and Tchale (2009) labour costs are low suggesting that labour is cheap in Malawi. This allows employers to employ such cheap labour thereby giving low wages which in turn impacts on productivity. It goes without saying that for Malawi agricultural productivity has a strong influence on overall labour productivity

3. How employers can eliminate Child Labour

3.1 Company strategy on child labour

Creating company's anti child labour policies is the beginning towards the endeavour to eliminate the problem. Depending upon the size of the enterprise, policies will differ from one employer to another. For instance, small employers may want to conform to laws while large companies that have a big workforce may endeavor to ensure their existing buyers and consumers are aware that their products are child labour free. ECAM has a critical role in helping companies develop strategies on eliminating child labour since most businesses are not aware. Therefore, organizations should analyze the existing environment both internal and external regarding the extent of child labour. Employers may conduct a detailed analysis of the problem and later engage in an audit either done internally or by an independent firm (while the former might not be credible, the latter is but it might also raise concerns). Due to the nature of child labour and the negative image the country has had at certain intervals in the past, employers are always cautious and skeptical on such report since may affect negatively the organizations corporate image.

There is need for companies to understand the definition of child labour as well minimum age admission to employment (convention 138) and hazardous as stipulated in National Action Plan and convention 182 on Worst forms of Child Labour. The Malawian Employment Act states the minimum age before one can be engaged in work is 16 years. Therefore an employer must know these definitions to determine what types of activities that constitute child labour. Even though there could be gaps in some policies, employers still need to comply with these provisions. Employers may wish to

¹⁵ Dick Durevale and Richard Mussa, Employment Diagnostics of Malawi 2010, p. 66.

adhere to standards stricter than what is contained in the national laws and policies of Malawi. As explained earlier that organizations may wish to adhere to the requirements of buyers and consumers. Strict policies might be a prerequisite for buyers before any business is transacted. This is particular in the case of multinationals. The role of an umbrella organization such as ECAM is crucial in this instance. Provision of information on international standards to its constituents assists in them having a well informed and designed policy.

3.2 Coordinating Educational, Health and Social Programmes

Malawi's education sector faces a lot of challenges that include poor infrastructure, in adequate teaching and learning materials, high teacher's pupil ratio among others. These challenges have contributed to high dropout rates.¹⁶ The country has a low primary school completion rate for the first four years of primary school (44.2 %) which is the lowest compared to other countries in the SADC region. Zambia has a record high of 90 percent. There is a strong link between education and child labour since most dropouts are engaged in child labour. As already alluded to, lack of education robs a country of skilled labour which is unfavorable to the employers and the country as a whole in the long run. Employers need to support education within the communities they conduct their businesses through either the conventional ways such as scholarships, bursaries or by providing funds to establish or improve schools. The immediate question that one would ask is how then would the families survive due to the withdrawal from work of their breadwinners? It remains the responsibility of the employer to pay wages while having transferred the full time child labourers to schools. The immediate action is to reduce working hours while maintaining the same level of wages if at all possible. The likelihood of that child's household being taken care of is increased while the possibility of him searching for work elsewhere is decreased.

Various projects have been implemented in Malawi by employers towards the fight to eliminate child labour. ECAM together with the Tea Association of Malawi has been proactive in fighting child labour. For example, Eastern Produce which is the largest tea growing enterprise in the country operating 15 plantations and processing 10 factories. The company has built schools around its estates allowing parents to work while children gain an education. Not only has it concentrated on its internal policy, but also contributed to government efforts of improving education.

As one of indirect causes of child labour is HIV/AIDS, Eastern Produce has established HIV in the workplace and also promoted community pilot programme with Medecins Sans Frontieres.

¹⁶ Dick Durevale and Richard Mussa, *Employment Diagnostics of Malawi 2010*, p. 68.

3.3 Codes of conduct

The use of a code of conduct has increased over the past 15 years¹⁷. These are formal statements that contain ethical principles that govern the organizations conduct with regards to child labour. Media campaigns, the public as well as consumers have pushed employers use codes of conduct in order to boost their image and to be deemed clean. The codes of conduct are becoming more apparent in the agricultural sector which is obviously the most affected. The fight to eliminate child labour needs a multisectoral approach. Codes of conduct need not only be in the sectors that are affected but also in the service industries. The role of employers in the financial services such as banks are of great importance. Banks as a grouping for instance may create incentives for the small holder farmers tailoring their services in such a manner that farmers comply with anti child labour regulations and conduct. Such codes initiatives invite support from the Government as well as International support. One example is the Equator Principles which is promoted by the International Finance Cooperation, part of the World Bank Group.¹⁸ The particular section on child labour requires that a bank seek to ensure that its borrower does not employ children “in manner that is economically exploitative or likely to be hazardous or to interfere with the child’s education, or to be harmful to the child’s health or physical mental, spiritual, moral or social development”.

Eastern produce serves as one employer that has ensured that a strict code of conduct is adhered to. The enterprise does not hire anyone under the age of 18 and signs of a ban on child labour are visible throughout its premises. The enterprise further provides free health care to all workers and their dependants and to show that it appreciates the gender dimension of child labour it enforces equal opportunity of employment.

4. Conclusion

From the discussion, it can therefore be concluded that employers have contributed towards child labour in Malawi. Therefore it is their responsibility to contribute to its elimination in the country. As such, employers are supposed to adhere to the laws stipulated and conventions Malawi ratified. One example is withdrawing children from work to go to schools. While this is an initiative that appears to be an immediate action, much consultation is required because of the economic implications of withdrawing children from labour to schools. Employers therefore need to consider the welfare of these children and their families once they have been withdrawn from work. This now creates a strain on employers hence the need for support to employers to be proactive is of paramount importance. The removal of children from child labour takes time, strategic planning and hefty resources.

¹⁷ IOE Position Paper on Codes of Conduct, adopted by IOE General Council, 1999.

¹⁸ www.equator-principles.com

One good lesson learnt is the contribution to government efforts in educating children. Education is a sector that faces a lot of challenges including infrastructure. Therefore the contribution by Eastern Produce should be emulated by other organizations.

Child labour is of major importance and concern to many people who feels that such practices are reprehensible. Most companies involved with either local or international markets, employ children to incur less production costs and make huge profits. These companies have cheaper costs and less moral standards of code of conduct. The international markets have also played a role in outsourcing products from developing countries that are cheap. Therefore, it is important to encourage companies to be mindful of international rights afforded to human beings through public awareness and consumer demand. It is important to ensure that employers 'should be proactive to protect the company from bad publicity, enhance the company's corporate social responsibility, and support both the government's and international agenda in eliminating child labour. Companies should ensure that are not dictated to by its consumers and buyers for non compliance with national laws and International standards.

5.0 References

http://www.ilo.org/ipecc/areas/Agriculture/lang--en/index.htm#P2_484

http://www.ilo.org/ipecc/areas/Agriculture/lang--en/index.htm#P2_484

Dick Durevale and Richard Mussa, Employment Diagnostics of Malawi 2010, p. 15.

Dick Durevale and Richard Mussa, Employment Diagnostics of Malawi 2010, p. 15.

Child Labour National Action Plan

Child Labour National Action Plan p. 2. Employment Act 2000 s13.

The End of Child Labour: Within Reach (Geneva: ILO, 2006) P. 24.

Child Labour National Action Plan p. 8.

Child Labour National Action Plan p. 9.

Christopher Udry, Child Labour Discussion paper No. 856 Economic Growth Centre
Yale University

Christopher Udry, Child Labour Discussion paper No. 856 Economic Growth Centre
Yale University

Dick Durevale and Richard Mussa, Employment Diagnostics of Malawi 2010, p. 66.

Employment for Social Justice and a fair globalization, overview of ILO Programmes,
Skills and Employability

A Skilled Workforce for Strong, Sustainable and Balanced Growth, G20

Dick Durevale and Richard Mussa, Employment Diagnostics of Malawi 2010, p. 68.

IOE Position Paper on Codes of Conduct, adopted by IOE General Council, 1999.

www.equator-principles.com

<http://www.guardian.co.uk/sustainable-business/eliminating-child-labour-supply-chain>
accessed on 8 August 2012