



International  
Labour  
Organization



# Cooperating out of Child Labour

**Harnessing the untapped potential  
of cooperatives and the cooperative  
movement to eliminate child labour**

International Labour Organization  
Cooperative Programme

International Programme on  
the Elimination of Child Labour

International Co-operative Alliance

## **The Cooperative Programme of the International Labour Organization**

The International Labour Organization (ILO) is the sole agency of the United Nations (UN) system which, under its constitution from 1919, has a specific mandate for cooperative development. Accordingly, the ILO is the only UN organization with a programme devoted to the promotion of cooperatives around the world. ILO Recommendation 193 (2002) represents the unique International Standard dedicated to this purpose.

Based on this Recommendation, the work of the ILO Cooperative Programme (EMP/COOP) concerns: adequate cooperative policy and legislation advices to ILO member states; capacity building for cooperative stakeholders via the production of technical materials and educational tools tailored to the needs of cooperative organizations; promoting cooperatives and their impacts on employment by means of technical cooperation activities; and, increasing public awareness through of advocacy and sensitization on cooperative values and principles.

## **International Programme on the Elimination of Child Labour**

As mandated by its tripartite constituents – governments, and employers’ and workers’ organizations - the International Labour Organization’s (ILO) goal with regard to child labour is the progressive elimination of all its forms worldwide. Particular emphasis is given to eradicating as a priority the “worst forms of child labour” - slavery, forced labour, trafficking, debt bondage, serfdom, prostitution, children in armed conflict, the use of children in illicit activities, and hazardous child labour.

The ILO’s International Programme on the Elimination of Child Labour (IPEC), which is the largest programme of its kind globally, works to strengthen the capacity of countries and social partners to deal with the problem and promotes a worldwide movement to combat child labour. IPEC offers technical assistance to countries to encourage policy and legislative reform and to put in place concrete measures to enable them to eliminate child labour, with a priority on the worst forms. It conducts international and national campaigns to change social attitudes and promote ratification and effective implementation of child labour Conventions. IPEC’s work to eliminate child labour is an important facet of the ILO’s Decent Work Agenda.

The **International Co-operative Alliance (ICA)** is an independent, non-governmental association which unites, represents and serves cooperatives worldwide. Founded in 1895, ICA has 220 member organizations from 87 countries active in all sectors of the economy. Together these cooperatives represent more than 800 million individuals worldwide.

International Labour Organization Cooperative Programme  
International Programme on the Elimination of Child Labour  
International Co-operative Alliance

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## Foreword

*Cooperating out of child labour: Harnessing the untapped potential of cooperatives and the cooperative movement to eliminate child labour* has been produced as a call to action to the world cooperative movement to join hands in fighting child labour. As this Report demonstrates, cooperatives and the cooperative movement have an important, but as yet unharnessed, role to play in the elimination of child labour worldwide. It aims to build on the Global Cooperative Campaign Against Poverty, *Cooperating Out of Poverty*, jointly launched by the International Co-operative Alliance and the ILO in 2005 as a call to action to the world cooperative movement to join hands in fighting poverty.

*Cooperating out of child labour* has been produced to help cooperative leaders, employees, and members ensure that cooperative business operations and supply chains are child labour free; and that cooperatives and the cooperative movement play active roles in the growing worldwide movement to eliminate child labour.

Cooperative philosophy and organizational structure, which emphasise equality, democracy and social responsibility, lend themselves naturally to helping end child labour. As they are economically and socially significant actors in many countries around the world, cooperatives can be effective partners for the dissemination of information, good practice, as well as for advocacy so that the

child labour issue remains high on both the entrepreneurial and political agenda.

In their business operations, cooperatives can help to tackle the use of child labour in their own operations as well as in the areas and communities where they operate. Cooperative businesses operate in most of the economic sectors where child labourers are found. Cooperatives are important employers; and in stimulating decent youth and adult job creation they can help eliminate the use of children as cheap labour. Cooperatives also run many training and education programmes where child labour components can be added to raise awareness on how cooperative members and their communities can tackle child labour. Finally, cooperatives can add their voice, and lend their support, in national, regional and international fora dealing with the elimination of child labour.

The good news is that globally, child labour is on the decrease with an 11% decline from 2002-2006, and with an even sharper decline in the number of child labourers in hazardous work. With more active involvement of cooperatives and the cooperative movement, this rate of decrease can be even more rapid.

Hagen Henry  
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## Abbreviations

<b>COOPAfrica:</b>	ILO Cooperative Facility for Africa	<b>NGO:</b>	Non-governmental organization
<b>CSR:</b>	Corporate social responsibility	<b>OS&amp;H:</b>	Occupational safety and health
<b>FAO:</b>	Food and Agriculture Organization of the United Nations	<b>PPE:</b>	Personal protective equipment
<b>HCL:</b>	Hazardous child labour	<b>SACCOS:</b>	Savings and credit cooperatives
<b>ICA:</b>	International Co-operative Alliance	<b>SCREAM:</b>	Securing Children's Rights through Education, the Arts and the Media (ILO IPEC)
<b>ILO:</b>	International Labour Organization	<b>WFCL:</b>	Worst forms of child labour
<b>IPEC:</b>	(ILO) International Programme on the Elimination of Child Labour	<b>WHO:</b>	(United Nations) World Health Organization
<b>MDGs:</b>	Millennium Development Goals		





## Executive Summary

Child labour is a global phenomenon and is found in all regions of the world, in both developing and industrialized countries. The International Labour Organization's (ILO) goal is the progressive elimination of all forms of child labour worldwide with priority given to eliminate without delay what are termed 'the worst forms of child labour' (WFCL). The WFCL include all forms of slavery, trafficking of children, use of child soldiers, commercial sexual exploitation, the use of children in illicit activities, and hazardous child labour.

Realising the goal of elimination of child labour will only be possible if the worldwide movement and social mobilisation against this type of exploitation continues to rapidly grow and strengthen. In the ILO's work to develop new partnerships to tackle child labour, cooperatives and their members, and the wider cooperative movement, seem natural allies. Yet, as this Report demonstrates, cooperatives and the cooperative movement have an important, but as yet unharnessed, role to play in the elimination of child labour worldwide.

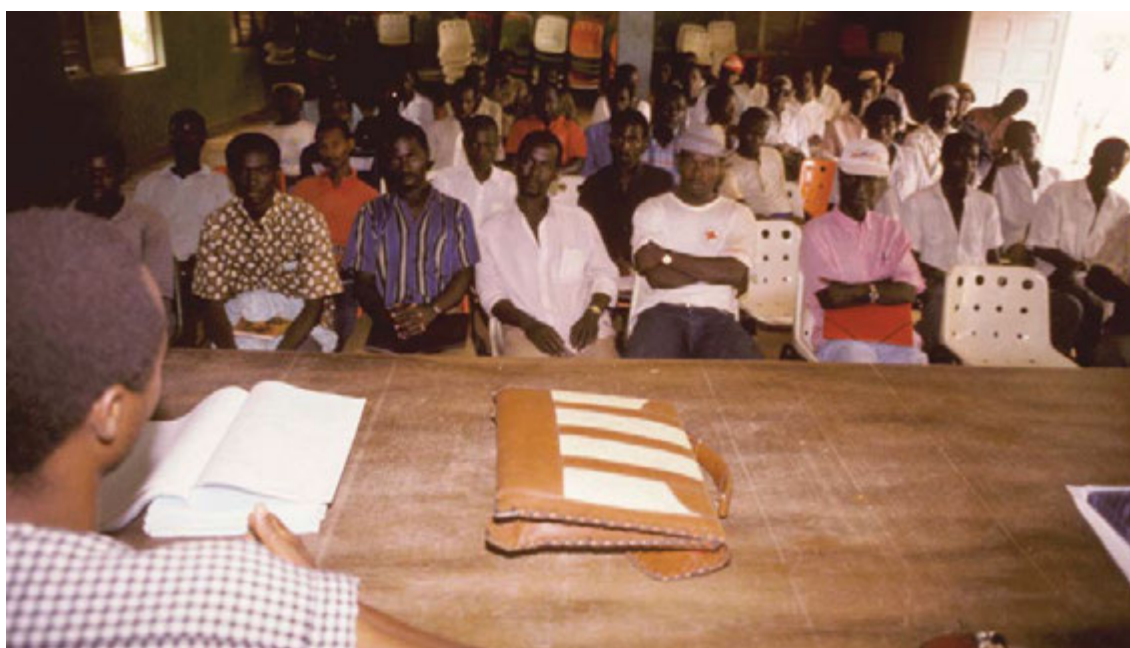
This Report, *Cooperating out of child labour: Harnessing the untapped potential of cooperatives and the cooperative movement to eliminate child labour*, has been jointly

produced by the ILO Cooperative Programme, ILO IPEC and ICA to address this gap and represents a call to action to the world cooperative movement to join hands in fighting child labour.

Cooperatives are member-owned and member-controlled organizations that are guided in their business, social and cultural activities by a series of cooperative values and principles which naturally lend themselves to tackling eradication of child labour. Especially as cooperative values, principles and philosophy are against exploitation of labour, in whatever form. What is more, cooperatives have a concern for the communities within which they operate; cooperators believe in caring for others.

Cooperatives are business enterprises operating in economic sectors where child labour is found, or purchasing and marketing products from sectors where there is child labour. The elimination of child labour makes good business sense for cooperatives especially with the heightened consumer concern for socially responsible business.

Globally, an estimated 218 million children – defined as persons under 18 years of age – are engaged in child labour. Chapter 2 of the



Report outlines the general characteristics of child labour, with a special focus on the elimination of hazardous child labour as this is the category where cooperatives can be most effective in terms of their business operations. It provides basic terminology on child labour, describing the international legal framework provided by ILO Convention No. 138 Concerning Minimum Age for Admission to Employment, 1973, and ILO Convention No. 182 Concerning the Prohibition and Immediate Action for the Worst Forms of Child Labour, 1999. The Report goes on to explain why children are at greater risk than adults from health and safety hazards in the workplace. Hazardous child labour in agriculture is used to illustrate the types of hazards and levels of risk common to working children across all economic sectors.

The Report also emphasises that not all work that children undertake is bad for them or would qualify as work to be eliminated under the ILO Conventions Nos. 138 and 182. Age-appropriate tasks that are of lower risk and do not interfere with a child's schooling and right to leisure time can be a normal part of growing up. The Report points out that promoting decent youth employment should be a goal in many economic sectors where child labour is currently found, and where cooperatives play important business roles.

Chapter 3 describes the framework for cooperative action on child labour provided by the ILO Recommendation No. 193 of 2002 (Promotion of Cooperatives) and the set of cooperative values and principles as enshrined in the Cooperative Identity Statement of the International Co-operative Alliance. The majority of cooperatives fit into the following groups – agricultural cooperatives, consumer cooperatives, financial cooperatives, housing cooperatives, transport, health and social services, and worker – industrial – producer cooperatives.

The main ways in which cooperatives can address child labour are then outlined. Firstly, in their business operations, cooperatives can help their members who are using child labour to move to child labour free production,

through awareness raising, information, technical, and even financial services. They can ensure that their product supply chains are child labour free, especially larger cooperative enterprises marketing to the consumer, and who are supplied by producers under contract. Secondly, cooperatives have a general awareness raising role on child labour among their members and in the communities where they operate. Thirdly, in communities, cooperatives can work with citizens, groups, local government etc. to eradicate all forms of child labour. Lastly, as part of a cooperative movement and as civil society organizations, cooperatives can play important roles at national, regional, and international levels, and incorporate child labour elimination in their campaigns, and educational initiatives.

Chapter 4 of the Report goes on to describe how cooperatives are working to eliminate child labour by: addressing the poverty dimension of child labour by improving the livelihoods of their members and people in the communities that they serve; ensuring that members and others who have business dealings with cooperatives do not use child labour either directly or indirectly; helping the communities in which they are located to root out all forms of child labour, and; ensuring that their product supply chains are child labour free.

By way of general guidance to cooperatives, Chapter 4 provides examples of how agricultural cooperatives; consumer cooperatives; worker – industrial – producer cooperatives; and saving and credit cooperatives or credit unions around the world are already tackling child labour.

In conclusion, the Report observes that whilst, in reality, cooperatives may be doing more to eliminate child labour than they are reporting on, they need to be encouraged to take a more active role on this issue. Cooperatives need to be encouraged to look at options for creating partnerships; to help the enterprises with which they are affiliated to end child labour, and to use the cooperative movement to spread the message on child labour to make this phenomenon a thing of the past.



# Chapter 1

## Introduction

Child labour is a worldwide phenomenon which takes many different forms. Globally, some 218 million children - defined as persons under 18 years of age<sup>2</sup> - do work which, by its nature and/or the way it is carried out, exploits and abuses them, harms their safety, health, and well being and hinders their education, development and future livelihoods.<sup>3</sup>

The International Labour Organization's (ILO) goal is the progressive elimination of all forms of child labour worldwide with priority given to eliminate without delay what are termed 'the worst forms of child labour' (WFCL). The WFCL, as defined in *ILO Convention No. 182: Prohibition and Immediate Action on the Worst Forms of Child Labour*, include all forms of slavery, trafficking of children, use of child soldiers, commercial sexual exploitation, the use of children in illicit activities, and hazardous child labour.

The ILO seeks to strategically position child labour elimination at the macro-level in the socio-economic development and poverty reduction strategies of its member countries, in order to encourage mainstreaming and integration of child labour issues and concerns. The ILO's International Programme on the Elimination of Child Labour (IPEC) collaborates with a range of key partners, institutions and stakeholders at the global level. Its work fits into and supports various development frameworks at the international level, such as the United Nations Millennium Development Goals, the Poverty Reduction Strategy Papers and the Education for All Initiative.<sup>4</sup>

Realising the goal of elimination of child labour will only be possible if the worldwide movement and social mobilisation against this type of exploitation continues to rapidly grow and strengthen. In the ILO's work to develop new partnerships to tackle child labour,





cooperatives and their members, and the wider cooperative movement, seem natural allies, whose true potential remains as yet untapped.

Cooperatives are member-owned, member-patronized, and member-controlled organizations that are guided in their business, social and cultural activities by a series of cooperative values and principles (see Chapter 3) which naturally lend themselves to tackling eradication of child labour. Especially as cooperative values, principles and philosophy are against exploitation of labour, in whatever form. What is more, cooperatives have a concern for the communities within which they operate; cooperators believe in caring for others.

Cooperatives are business enterprises operating in, or purchasing and marketing products from, sectors where child labour exists. As discussed in Chapter 3, the elimination of child labour also makes good business sense for cooperatives especially with heightened consumer concern for socially responsible business.

The main ways in which cooperatives and their members can help eliminate child labour include:

- ensuring that cooperative members and others who have business dealings with cooperatives do not use child labour either directly or indirectly.  
*This means that in addition to banning the direct hiring of children, the cooperatives must ensure that labour supplied by contractors and subcontractors does not include children*

*and that products or services supplied to the cooperative by outside suppliers are not produced or provided using child labour;*

*The fact that cooperatives are rooted in communities<sup>5</sup> means they can be partners to help tackle all forms of child labour/exploitation in their local areas.*

- ensuring their product supply chains are child labour free.

Yet there is lack of information and data on how cooperatives and the cooperative movement are tackling child labour. The Report identifies some cooperatives that have had to revert to using child labour to remain competitive and those active in areas where child labour is common to all enterprises and who are addressing this problem. It also provides examples of how retail cooperatives are working to ensure that their product supply chains are child labour free. However, the examples cited are only indicative of the types of activities that cooperatives are undertaking, as full information is not currently available. As Chapter 4 illustrates, many cooperatives are working to tackle child labour across a wide variety of sectors, but many other cooperatives that carrying out similar initiatives are not reporting on them, nor are they providing information on their difficulties and successes in the same way as other types of businesses.

This Report addresses this information and data gap, and also encourages better reporting of child labour activities by cooperatives, with a view to harnessing the untapped potential of cooperatives and the cooperative movement to help eliminate child labour worldwide.



## Chapter 2

# Child labour

Child labour is a global phenomenon and is found in all regions of the world, in both developing and industrialized countries. Globally, an estimated 218 million children – defined as persons under 18 years of age – carry out economic activities that harm, abuse and exploit them or hinders their education, development and future livelihoods.

It must be stressed that not all work that children undertake is bad for them or would qualify as work to be eliminated under the ILO Minimum Age Convention No. 138 or the Worst Forms of Child Labour Convention No. 182. Age-appropriate tasks that are of lower risk and do not interfere with a child's schooling and right to leisure time can be a normal part of growing up. Indeed, many types of work experience for children can be positive, providing them with practical and social skills for work as adults. Improved self-confidence,

self-esteem and work skills are attributes often found in young people engaged in some aspects of work. Promoting decent youth employment should be a goal in many economic sectors where child labour is found and where cooperatives play important business roles.

In order to deal with child labour effectively, it is important for cooperatives and their members to have some background information on the nature, extent and characteristics of child labour. Chapter 2, therefore, explains the principal terms and concepts and conventions that are essential to understanding child labour issues, with a special focus on hazardous child labour as this is the form of child labour where cooperatives can play a most effective role in their business operations. The general characteristics of child labour are then outlined.



## Part 1

# Basic facts and terminology on child labour

This Report is based on the international legal framework for child labour provided by the Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182. (Convention 138 was the first child labour convention and its provisions are complemented by C 182.) Both these conventions are explained in detail in this report, and key articles of the ILO Conventions cited are provided in full in Appendices 1 to 2.

### What is “child labour”?

The term child labour reflects the engagement of children in prohibited work and activities, that is, work and activities by children to be eliminated as socially and morally undesirable.<sup>6</sup>

### Who is “a child”?

Article 2 of the ILO convention on the Worst Forms of Child Labour, 1999 (No.182) states that “the term ‘child’ shall apply to all persons under the age of 18.” This is also the definition used in the UN Convention on the Human Rights of the Child.

### What are “the worst forms of child labour”?

Whilst child labour of both boys and girls takes many different forms, the elimination of the ‘worst forms of child labour’ as defined by Article 3 of ILO Convention No. 182 is a priority. These are:

- (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory

recruitment of children for use in armed conflict;

- (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

### What is “hazardous child labour”?

Subparagraph (d) of Article 3 cited above describes what is popularly referred to as “hazardous child labour (HCL)”. HCL is work in dangerous or unhealthy conditions that could result in a child being killed, or injured (often permanently) and/or made ill (often permanently) as a consequence of poor safety and health standards and working arrangements.<sup>7</sup>

Hazardous child labour is the largest category of child labour with an estimated 126 million children out of 218 million child labourers working in dangerous conditions.

Both ILO Conventions 138 and 182 state that hazardous work should not be carried out by anyone under 18 with certain qualifications concerning young workers. (See the minimum age and young workers sub section below).

### Hazardous child labour lists

An important instrument that policy-makers can use as part of their strategy to tackle hazardous child labour is a legally-binding list of hazardous work activities and sectors that



are prohibited for children. Countries that have ratified ILO Convention No.182 are obligated to do this under Article 4.

In drawing up a national list, countries must also identify where such hazardous work is found and devise measures to implement the prohibitions or restrictions included in their list. Because this list is critical to subsequent efforts to eliminate hazardous child labour, the Convention emphasizes the importance of a proper consultative process, especially with workers' and employers' organizations, in drawing up, implementing it, and periodically revising it.

Advice for governments and the social partners on some hazardous child labour activities which should be prohibited is given in Paragraph 3 of the ILO Worst Forms of Child Labour Recommendation, 1999 (No 190), which accompanies Convention No. 182:

“In determining the types of work referred to under Article 3(d) of the Convention, and in identifying where they exist, consideration should be given, *inter alia*, to:

- (a) work which exposes children to physical, psychological or sexual abuse;
- (b) work underground, under water, at dangerous heights or in confined spaces;
- (c) work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
- (d) work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
- (e) work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.”

### National action programmes on child labour

Under Article 6 of Convention No. 182, governments are required to:

- design and implement programmes of action to eliminate as a priority the worst forms of child labour; and
- consult with relevant government institutions and employers' and workers' organizations, taking into consideration the views of other concerned groups as appropriate.

Convention No. 182 calls for international cooperation and assistance for putting an immediate end to the worst forms of child labour through (i) priority action to determine which hazards bring work into the category of the worst forms; (ii) the establishment of monitoring mechanisms and the implementation of programmes of action; (iii) the adoption of measures for prevention, rehabilitation and reintegration; and (iv) particular attention to children at special risk and the situation of girls.

### Other worst forms of child labour

Subparagraphs (a) to (c) of Article 3 of ILO Convention No. 182 on WFCL describe what is popularly referred to as “unconditional worst forms of child labour”. The activities covered by this term – slavery, forced and bonded labour, trafficking of children, child soldiers, commercial sexual exploitation, the use of children in illicit activities (pickpocketing, shoplifting, breaking and entering, peddling drugs, hiding stolen goods, etc.) – are criminal activities where there is clear consensus that they must be banned. As unconditional worst forms of child labour are not directly relevant to cooperatives in terms of their business operations, they are *not* covered extensively in this Report.

### Other terminology associated with the use of the word “child”

As noted in Section 1.1, Convention No. 182 states that “the term ‘child’ shall apply to all persons under the age of 18”. However, there are other sub-categories, based upon age, which are relevant to action on child labour.



## Minimum age for employment and young workers

Young workers are female and male adolescents below the age of 18 who have attained the minimum legal age for admission to employment in their country and are therefore legally authorised to work under certain conditions. The ILO Minimum Age Convention, 1973 (No.138) stipulates that ratifying States must fix a minimum age for admission to employment or work. Under this Convention, the minimum age for employment or work should not be less than 15 years, but developing countries may fix it at 14. A number of countries have fixed it at 16.

Young workers must **not** be engaged in hazardous work. If they are involved in hazardous work then they would be classed as child labourers, and not as young workers, and their employment under such hazardous conditions would be in breach of the law. Efforts must be made to ensure that young workers are employed under decent conditions of work which means they have good health, safety and working conditions.

## Light work

In general, girls and boys aged 13-15 are permitted to carry out “light work” under the ILO Minimum Age Convention No. 138. Article 7 states that:

1. National laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is:
  - (a) not likely to be harmful to their health or development; and
  - (b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received.

Article 7, Paragraph 4 of the same Convention allows developing countries to substitute the ages of 12 and 14 for 13 and 15 in Paragraph 1 above.

Clearly, the term “child labour” does not encompass all work performed by girls and boys under the age of 18. Child labour is not children doing small tasks around the house, nor is it children participating in work appropriate to their level of development and which allows them to acquire practical skills. Millions of young people legitimately undertake paid or unpaid work that is appropriate for their age and level of maturity. By so doing, they learn to take responsibility, they gain skills, they add to their families’ and their own well-being and income, and they contribute to their countries’ economies.

## Children’s rights with regard to work

All adults and children are entitled to certain rights by virtue of being human, and it is recognized that children have rights of their own.<sup>8</sup> Children need to know their rights, including the right to work in a safe and healthful workplace environment where hazards have been identified, risks assessed and appropriate prevention or control measures put in place. This includes a right to know about the dangers and risks to their own health and safety and the consequences of working on their education and futures. They need to learn how to protect themselves, which laws exist specifically for their protection and whom they can turn to for help.<sup>9</sup> Young workers should also have the right to refuse dangerous work tasks and conditions and should receive workers’ compensation in the event of work injury or illness.

## Children’s participation

ILO Recommendation No. 190 associated with ILO Convention No. 182 states: “The programmes of action referred to ... in the Convention should be designed and implemented ... in consultation ... taking into consideration the views of the children directly affected by the worst forms of child labour ...”. In other words, within the context of the work of IPEC, children constitute one of the stakeholder groups of its programmes and therefore are consulted as such. Children’s participation in designing and implementing programmes affecting their occupational safety





and health and well-being should be fully encouraged.

The international community is currently highlighting the need for greater and more meaningful child participation within the framework of a number of global initiatives, including Education For All, the elimination of child labour, HIV/AIDS, follow-up to the “World fit for children” initiative, the International Partnership for Cooperation on Child Labour in Agriculture and so on. It is important that means and methodologies are elaborated and improved to ensure that this significant group of international stakeholders define their own ways of contributing to global efforts to help and support them in their development and fulfilment.

The ILO fully endorses the need for meaningful child participation and IPEC has developed its own methodology for facilitating this through the SCREAM Stop Child Labour programme ([www.ilo.org/scream](http://www.ilo.org/scream)), which is an interactive programme based on the use of the visual, literary and performing arts, the media and campaigning and community mobilization.<sup>10</sup>

### Strategies for the elimination of hazardous child labour

ILO’s strategies for elimination of hazardous child labour can be classified under three general headings: prevention, withdrawal and rehabilitation, and protection.

#### Prevention

Prevention is the primary long-term aim. It means identifying children at potential risk, and stopping them from becoming child labourers in the first place by keeping them out of unsuitable work, especially hazardous labour. To ensure that parents see schooling as the best option for their children, families need, among other things, employment and income security and social benefits, like health insurance, to survive short and long-term crises.

Investment in the prevention of child labour is the most cost-effective approach to ending child labour in the long run. Systems of



prevention need to be carefully designed by the government or non-state agencies, including cooperatives. Micro-insurance schemes organized by civil society groups at the local level are one example. These can be linked into larger structures, such as banks and credit schemes. The government can help by providing start-up funds, matching workers’ contributions and developing supportive laws. Self-help groups can provide assistance through cooperatives, mutual benefit societies and so on, which are usually financed by beneficiary contributions.

## Withdrawal and rehabilitation

ILO's experience has shown that parents and families who are given a viable choice prefer to keep children out of the workplace. The simple removal of children from the workplace does not have a significant impact unless it is carried out in the context of a national policy that promotes the rights, welfare and sound development of children and encourages their participation in finding solutions to the problem of child labour.

The withdrawal and subsequent rehabilitation of children at work includes:

- identifying those children in unsuitable work, especially hazardous child labour;
- removing them from workplaces;
- getting them into school and/or skills training;
- Monitoring to ensure that they do not return to the same workplace or move to a new workplace.

Children in the worst forms of child labour need urgent action for rescue and rehabilitation. Measures to withdraw children from hazardous work may rely on persuasion through dialogue with parents, children, employers or law enforcement authorities or radical "rescue" operations. Community-based, integrated initiatives which are tailored to the specific needs of each target group have proven to be the most effective solutions.

## Protection (Young workers)

Wherever possible, ILO promotes youth employment under decent conditions of work. However, many children who have achieved the current minimum legal employment age in their country (14-17 years depending on the country) continue to be at risk and need to be better protected. This requires improving occupational safety and health (OSH) and working conditions and arrangements in the workplace. Strengthening risk management in the undertaking is considered to be a basis for these types of initiative.

If these young workers are *not* better protected and continue to work under hazardous conditions then they are classed as child labourers. As no child under 18 is allowed to carry out hazardous work, failure to improve OSH standards means they must be withdrawn from dangerous workplaces.

Protection is *not* a viable option in certain sectors. For example, small-scale mining – whether surface or underground – is considered so hazardous and the general working conditions so harsh, that prevention or withdrawal are the only options.



## Part 2

# General characteristics of child labour

General characteristics of child labour, with a particular focus on hazardous child labour, include:

1. Worldwide, the number of child labourers is very large. An estimated 218 million children<sup>11</sup> carry out economic activities which qualify as child labour across occupational sectors as diverse as:
  - primary sectors such as agriculture, fishing, mining, quarrying and stone breaking;
  - construction, and associated industries such as brick making;
  - manufacturing/industry - textiles and garments, sports goods, carpet weaving, tanneries and leather workshops, woodworking, paints, metal working, ceramics, glassware, surgical instruments, fireworks, handicrafts - to name but a few;
  - services - hotels, bars, restaurants, fast food establishments, tourism and domestic service;
  - agriculture, where nearly 70 per cent of all child labourers is found. Over 132 million girls and boys aged 5 to 14 years old work in crop and livestock production, helping supply some of the food and drink we consume and the fibres and raw materials we use to make other products.<sup>1</sup> Agriculture is also a sector where cooperatives are economically very important.



<sup>1</sup> This figure includes working children in fisheries and forestry.



2. Children often start working at young ages, from 5, 6 or 7 years of age, in both urban and rural areas. The work of these very young children is often characterised as “helping out” but begins at about the age that a child should be entering primary school.

3. An estimated 126 million children carry out hazardous child labour.<sup>12</sup> These children work in jobs where they risk being killed, injured or suffer work-related ill health, though precise data is invariably lacking due to under-reporting of occupational accidents and ill health. The ILO estimates that as many as 22,000 children are killed at work each year.<sup>13</sup>

Well over 70 per cent of child labourers work in the most dangerous sectors from a health and safety point of view; namely, agriculture, construction, mining and fishing.<sup>14</sup>

Moreover, long-term health problems due to work as a child labourer may not develop, show up, or become disabling until the child is an adult. Permanent health problems can include musculoskeletal disabilities due to carrying heavy loads; lung diseases from exposure to dusts; cancers and reproductive disorders due to exposure to pesticides and industrial chemicals. The effects on health of long hours, poor sanitation, stress, sexual harassment, and violence at work also need to be considered.

While child and adult workers in the same situation face similar hazards, children are greater risk from these dangers as their minds, bodies and emotions are growing and developing, and they are not able to protect themselves. See Part 3 of this Chapter for a fuller explanation.

4. Girl child labour often forms a significant part of the workforce in many sectors such as, for example, child domestic labour, hotels and restaurants, and agriculture. Girl child labourers are particularly disadvantaged as they usually undertake domestic chores – morning, evening, weekends – before and after their work. Furthermore their access to education is often less than for boys.

5. Child labour laws – if they exist – are often less stringent than laws for other types of work. Regulations are often lacking, or are only poorly applied and enforced, and there are sectors where categories of children are legally exempted from their coverage.

Much child labour remains hidden from view. The real extent of the child labour problem may be invisible to policy and decision-makers as much of the work these children do is considered as “helping out” and is seldom recognized in official statistics. It is often the head of the household who is registered as working, especially where migrant workers and their families are found.

Child labour may also go unnoticed when underage workers are supplied through labour contractors and sub-contractors; a practice which is increasingly common.

6. Supply chains and child labour – many child labourers work in small enterprises, which may include cooperatives, that supply products under contract to large national and multinational enterprises and companies. So there is a need to examine the supply chain for a particular product in order to ascertain the true extent and nature of child labour involved in its production. For example, many food supermarkets, plantations and large farms often contract smallholder farmers to supply agricultural products. These smallholder “outgrower” farmers, as they are often termed, may in turn use child labour

7. Child labour can impede children’s access to education and/or skills training and limit their possibilities of economic and social mobility and advancement in later life. Even when working children attend school they may be too tired to concentrate properly. Consequently, so their educational performance suffers and they fall behind.

Families often can’t afford to send their children to school, especially where there is no universal free primary education.



There are often no schools, insufficient numbers of teachers, poorly trained teachers, poorly paid teachers, a lack of textbooks and equipment, and children often have to walk long distances to school. The situation is even worse for secondary education in terms of access and affordability for poor households.

8. Poor skills and vocational training also help to keep children as child labourers. Skills and vocational training should be incorporated in school curricula to prepare and equip children from an early age for their entry into the world of work. Skills and vocational training are especially vital for children who have reached the minimum legal age for employment in their country (14-17 years of age depending on the country). This helps to ensure that these youths can find decent employment and not end up as child labourers working in poor and hazardous conditions.
9. Many child labourers come from poor families and households. For example, 75 per cent of

the world's core poor – surviving on less than 1 USD per day – live in rural areas where over 70 per cent of child labour is found.<sup>15</sup>

The prevalence of child labour reinforces poverty and undermines decent work and sustainable livelihoods as it perpetuates a cycle where household income for the self-employed or waged workers is insufficient to meet their families' economic needs. Breaking that cycle, therefore, involves tackling poverty. For example, helping parents and families to engage in new income generating activities, to earn better wages, plus helping with job creation measures, skills retraining, microfinance and so on.

10. The "family" element that is often associated with child labour – for example, in smallholder agriculture and work from home - which is bound-up with culture and tradition, can make it both difficult to acknowledge that children can be exploited and that action needs to be taken.



## Part 3

# Why are children at greater risk than adults from health and safety hazards in the workplace?

Child labourers are susceptible to all the dangers faced by adult workers when placed in the same situation. However, the work hazards and risks that affect adult workers can affect child labourers even more strongly. The results of lack of safety and health protection can often be more devastating and lasting for them. It can result in permanent disabilities, and they can also suffer psychological damage from working and living in an environment where they suffer from denigration, harassment or violence.

When speaking of child labourers it is important to go beyond the concepts of work hazard and risk as applied to adult workers and to expand them to include consideration of the developmental aspects of childhood. Because children are still growing they have special characteristics and needs that must be taken into consideration when determining workplace hazards and the risks associated with them, in terms of physical, cognitive (thought/learning) and behavioural development and emotional growth. The World Health Organization's definition of 'child health' is a complete physical, mental and social well-being of a child and not merely the absence of disease or infirmity.

It is also important to bear in mind that the consequences of some health and safety problems do not develop, show up, or become disabling until the child is an adult. So this aspect of permanent long-term disability or incurable disease must be factored in when considering the long term effects of working as a child labourer. Examples would be carrying heavy loads as a child resulting in long term musculoskeletal problems in later life; or cancer or reproductive effects developing in adulthood resulting from exposure to pesticides, industrial chemicals or heavy metals as a child worker.

Children's greater vulnerability than adults to workplace hazards and the risks arising from them are numerous and complex. Some of these are:

### General

- Per kilogram of body weight, children breathe more air, drink more water, eat more food and use more energy than adults. These higher rates of intake result, for example, in greater exposure to diseases (pathogens) and toxic substances/pollutants.<sup>16</sup> They also need more sleep than adults.
- They drink two and a half times more water than adults per kilogram of body weight.
- They eat three to four times more food per kilogram of body weight.
- Their small physical size and being asked to do tasks beyond their physical strength may pose additional risks.
- As children's tissues and organs mature at different rates, it is not possible to specify precise ages of vulnerability for children to specific workplace hazards and risks.

### Skin

- A child's skin area is 2.5 times greater than an adult's (per unit of body weight), which can result in greater skin absorption of toxics. Skin structure is only fully developed after puberty.

### Respiratory

- Children have deeper and more frequent breathing and thus can breathe in more substances that are hazardous to their health.
- A resting infant has twice the volume of air passing through the lungs compared to a resting adult (per unit of body weight) over the same time period.

### Brain

- Maturation can be hindered by exposure to toxic substances.
- Metals are retained in the brain more readily in childhood and absorption is greater (e.g. lead and methyl mercury).





### **Gastro-intestinal, endocrine and reproductive systems and renal function**

- The gastro-intestinal, endocrine and reproductive systems and renal function are immature at birth and mature during childhood and adolescence, thus the elimination of hazardous agents is less efficient. Exposure to toxic substances in the workplace can hinder the process of maturation.
- The endocrine system and the hormones it generates and controls play a key role in growth and development. The endocrine system may be especially vulnerable to disruption by chemicals during childhood and adolescence.

### **Enzyme system**

- The enzyme system is immature in childhood, resulting in poorer detoxification of hazardous substances.

### **Energy requirements**

- Children require greater energy consumption because they are growing, and this can result in increased susceptibility to toxins.

### **Fluid requirements**

- Children are more likely to dehydrate because they lose more water per kilogram of body weight through the greater passage of air through their lungs, the larger surface area of their skin, and their inability to concentrate urine in their kidneys.

### **Sleep requirements**

- 10-18 year-olds require about 9.5 hours sleep per night for proper development.

### **Temperature**

- Children have increased sensitivity to heat and cold, as their sweat glands and thermo-regulatory systems are not fully developed.

### **Physical strain/repetitive movements**

- Physical strain, especially combined with repetitive movements, on growing bones and joints can cause stunting, spinal injury and other life-long deformations and disabilities.

### **Auditory/Noise**

- In principle, the effects of excessive noise apply to children as well as adults, though at present it is not unequivocally clear whether children are more vulnerable to noise than adults.<sup>17</sup>

### **Cognitive and behavioural development**

- A child's capacity to recognize and assess potential safety and health risks at work and make decisions about them is less mature than that of adults. For younger children this ability is particularly weak. The ability to generate options, to look at a situation from a variety of perspectives, to anticipate consequences and to evaluate the credibility of sources increases throughout adolescence. By mid-adolescence, most youngsters make decisions in similar ways to adults.<sup>18</sup>

### **Children are vulnerable**

Other factors that increase levels of risk include:

- lack work experience – children are unable to make informed judgements;
- a desire to perform well – children are willing to go the extra mile without realizing the risks;
- learning unsafe health and safety behaviour from adults;
- lack of safety or health training;
- inadequate, even harsh, supervision; and
- lack of power in terms of organization and rights.
- Children may be reluctant to let others know when they do not understand something. They have a tendency to want to show superiors and others that they are big enough, strong enough or old enough to do the job. They may fear dismissal if they fail. Children often are unfamiliar with hazards and risks, and are not trained to deal with them.

### **Reduced life expectancy**

- This concept is difficult to quantify. But the earlier a person starts work, the more premature the ageing that will follow. A study based on a nationally cross-representative survey of 18-60 year-old Brazilian adults found that, after controlling for age, education, (potential/latent) wealth, housing

conditions, unemployment status and race, their entry into the labour force at or below the age of 9 years old had a statistically significant and substantial negative effect on health in adulthood.<sup>19</sup> The magnitude of the effect for women is

roughly twice that for men. On average, a 40-year-old woman who started work at or below 9 years of age is estimated to have the health status of a 45-year-old woman who did not work before the age of 9.<sup>20</sup>

## Part 4

### Hazardous child labour, using agriculture as an example

The following text on hazardous child labour in agriculture is used to illustrate many of the types of hazards and degrees of risk common to working children across all economic sectors.<sup>21</sup>

Worldwide, agriculture is the sector where by far the largest share of working children is found - nearly 70 percent. From tending cattle, harvesting crops, to handling machinery or holding flags to guide planes spraying pesticides, over 132 million girls and boys aged 5 to 14 years old help supply some of the food and drink we consume and the fibres and raw materials we use to make other products.<sup>2</sup> The numbers of course vary from country to country but it is estimated that at least 90 per cent of economically active children in rural areas in developing countries are working in agriculture. Child labour in agriculture is not confined to developing countries; it is also a serious problem in industrialized countries.

The number of child labourers working in agriculture is nearly ten times that of children involved in factory work, such as garment manufacturing, carpet-weaving or soccer-ball stitching. Yet, despite their numbers and the difficult nature of their work, children working in agriculture have received relatively little attention compared to some of the other types of child labour, particularly the manufacturing of goods for export or commercial sexual exploitation.

A large, though uncertain, number of these girls and boys carry out hazardous child labour.

On farms and plantations of all types and sizes, these child labourers carry out tasks which put their safety and health at risk. Many of them toil in poor to appalling conditions, are harshly exploited to perform dangerous jobs with little or no pay, and consequently suffer physical and mental hardship, and even loss of life. Irrespective of age, agriculture is one of the three most dangerous sectors in which to work in terms of the numbers of work-related fatalities, non-fatal accidents, and cases of occupational diseases.<sup>3</sup>

Agriculture is a sector with a very poor record of safety and health. Agriculture is one of three most dangerous occupations to work (along with construction and mining) in terms of fatalities, injuries and work-related ill health.

The work that children undertake in agriculture is often invisible and unacknowledged because they assist their parents or relatives on the family farm or in "piece work" or a "quota system" on larger farms or plantations, often as part of migrant worker families. In these situations it is assumed that children work, though they are not formally hired. They are often classed as "helpers" though they do similar and as strenuous work as adults. Equally, they may be "hired" through contractors, sub-contractors, or team leaders, thus enabling farm and plantation owners to deny responsibility for knowing the ages of the children or the terms under which they were hired. In other instances, children are hired directly by the farm or plantation owner.

<sup>2</sup> This figure includes working children in fisheries and forestry.

<sup>3</sup> The other two sectors are construction and mining.





As previously mentioned, because child labour is often not recognised, nor easily recorded in statistics, it goes largely unnoticed. Similarly, the accidents and ill health that child labourers suffer at work often go unrecorded and unreported. In addition, as certain work-related physical disabilities and health problems only develop, become fully apparent, or debilitating in adult life, they too go unrecorded and unreported, and the connection with work exposure as a child labourer is not made.

Specific hazards and risks in agriculture include:

#### **Hours of work**

Hours of work tend to be extremely long during planting and harvesting. Especially during rush periods, field work can go from dawn to dusk, with transport time to and from the fields in addition. The intensity of the work offers little chance for rest breaks and the length of the working day offers insufficient time for recuperation, or for leisure time.

#### **Physically demanding work**

Much agricultural work is by its nature physically demanding and strenuous, involving

long periods of standing, stooping, bending, repetitive and forceful movements in awkward body positions (see cutting tools below), and carrying heavy or awkward loads - baskets, bundles of crops, water containers etc. - often over long distances. These types of activities can harm children's musculoskeletal development, and may result in permanent impairment/disability.

#### **Extreme temperatures**

Children often work in extreme temperatures - ranging from hot sun to cold, wet conditions without suitable clothing or protective equipment. In high level tea plantations in the tropics the weather can be often cold and wet and frequently the children lack suitable warm clothing or footwear. In hot conditions, they may get dizzy from dehydration because they do not have access to drinking water.

#### **Cutting tools**

Child labourers use cutting tools - machetes, knives, scythes, sickles etc - to cut crops, hay, weeds, and brushwood. Cuts are frequent, and even more serious injuries can be sustained such as amputations. Repetitive and forceful

actions associated with cutting can also harm their musculoskeletal development. The machete is the tool that is most commonly used by less skilled workers on the farm or plantation.

### **Harvesting hazards**

Child labourers are especially used to harvest crops, and they may fall off ladders, or even out of trees, while picking high-growing fruit. They may also be injured by fruit pods falling from trees. Many of the crops they work with are abrasive, prickly or irritant and they can suffer skin problems - allergies, rashes, blistering, etc.

### **Transport**

Child labourers are at risk of being killed by a tractor overturning, or being hit by tractors, trailers, trucks and heavy wagons used to transport the farm produce from the fields. In Australia and the USA, for example, boys are driving tractors on farms as young as the age of 7-9 years old, and by those ages many more are already riding on tractors as passengers. In other cases child labourers are killed or injured by climbing on or off trailers or other machines whilst these are still in motion, slipping or missing their footing, and falling under them and being crushed or run over.

### **Machinery**

In many countries, child labourers can be working around, or even operating, powered machinery and equipment such as power take-off shafts, grain augurs, balers, slurry tankers and other large farm machinery, and are at risk of being entangled or dragged into such machinery. Noisy machinery may also be a problem for child labourers, and excessive exposure to noise can lead to hearing problems in later life.

### **Hazardous substances**

Many child labourers also mix, load and apply pesticides which are toxic products, some of which are extremely poisonous and potentially cancer-causing (carcinogenic) or can harm both female and male reproduction later in life. Some children stand in the fields where pesticides are being aerially sprayed, holding flags to guide the spray planes as they swoop low over the fields. Contamination is virtually inevitable. Lack of proper pesticide storage

facilities or systems for disposal of empty pesticide containers can result in child poisonings or even deaths when containers are used for other purposes, e.g. to hold drinking/cooking water, or when children play with the empty, unwashed drums and bottles. Similarly they often apply chemical fertilisers with their bare hands or using a spoon.

Child labourers are often exposed to high levels of organic dust when harvesting crops or preparing feed for farm animals, and this can result in them developing allergic respiratory diseases such as occupational asthma and "farmer's lung-type" diseases (extrinsic allergic alveolitis).

Child labourers are at risk of catching diseases from farm animals, or from wild animals/micro-organisms (zoonoses), e.g. rats commonly associated with farm yards, livestock houses/enclosures, and ditches.

### **Animals**

They herd and shepherd farm animals, and/or milk them. Child labourers are frequently injured by being jostled, butted, or stamped on by farm animals, especially as many child labourers work barefoot. Children in pastoral communities may spend many months in remote, isolated areas looking after the herds, and involving heavy work such as watering livestock.

### **Cuts, bites and diseases**

Working barefoot in fields or around livestock also exposes them to cuts, bruises, thorn injuries, skin disorders, or even catching water-borne diseases, especially where soils are wet and sticky, or deliberately flooded as in the case of rice cultivation. They are also vulnerable to snake and insect bites, and in some cases, attacks by wild animals.

### **Welfare**

Frequently, there is a lack of clean drinking water, of decent washing facilities and toilets. Often their clothes are very dirty due to lack of cleaning facilities. Often the farm or plantation accommodation in which they live is extremely basic and makeshift - built of pieces of plastic, wood or cardboard, or other forms of unheated dwelling.





# Chapter 3

## Cooperatives

### What are cooperatives?

A cooperative is both an enterprise and, as a membership based and membership driven organization, part of civil society. The prime purpose of all cooperatives is to meet the needs of their members rather than to make a profit for shareholders as is the case in many other forms of enterprises. Part of the surplus earned by cooperative enterprises may be used for social purposes. Cooperatives are governed on the principle of one member, one vote. Worldwide, at least 800 million people are members of cooperatives.<sup>22</sup>

The cooperative sector is large and diverse. Cooperatives are found around the world in both highly industrialized countries as well as in least developed countries and can range from very small in terms of number of members and employees to very large. Similarly the range of

economic impact can be modest as it can be highly significant both in terms of local economies as well as to national GDP.

In many countries individual cooperatives are organised into unions, federations, and even sometimes into apex organizations which bring together cooperatives from all sectors. These cooperative integrative structures provide services, scale and voice to cooperative activities and their members.

Cooperatives take a variety of forms and they operate in a wide range of economic sectors. Although it is difficult to define precisely the types of cooperatives that exist, the majority would fit into the following groups – agricultural (including livestock, fishery and forestry) cooperatives, consumer cooperatives, financial cooperatives (insurance, savings and credit), housing cooperatives, transport, health



and social services, and worker- industrial - producer cooperatives. They are sometimes also more simply regrouped into producer or consumer cooperatives, but cover a wide range of sectors, products and services.

Though the list of types of cooperatives is a very long one, there are farmers' and agricultural cooperatives in just about every country. Credit unions or saving and credit cooperatives provide over 123 million people with access to safe savings, affordable credits, and a chance to plan for the future. The cooperative form of business has also easily adapted to economic activities that range from the retail sector, tourism, fisheries, forestry, small-scale mining, manufacturing (e.g. carpet and textile production) to transportation. Cooperatives can also provide housing and even internet access for members as well as providing health care and other social services for communities. In many countries, cooperatives also provide utilities such as water and electricity.<sup>23</sup>

Cooperatives vary in size from very small to very large businesses. For example, at the global level, the top 300 cooperatives are responsible for US\$ 1 trillion in turnover, the equivalent of the Gross Domestic Product (GDP) of the 10<sup>th</sup> largest economy in the world, that of Canada, and are found in the agricultural, consumer-retail and financial sectors.<sup>24</sup> In many countries, revenues generated by cooperatives

- Brazil: cooperatives are responsible for 40% of the agricultural GDP.
- Kenya: cooperatives have 70% of the coffee market, 76% dairy, 90% pyrethrum, and 95% of cotton.
- Colombia: Coffee cooperatives market 33.78% of Colombian coffee.
- Denmark: 36.4% of FMCG (fast moving consumer goods), Norway 24.1%, Sweden: 21.4% of consumer retail market (2007)<sup>27</sup>
- Kuwait: the Kuwaiti Union of Consumer Cooperative Societies handled 80% of the national retail trade.
- Switzerland: Two consumer cooperatives together they account for nearly 50% of the Swiss food retail market.

contribute significantly to national wealth/GDP. For example, Kenya – 45 per cent of GDP comes from cooperatives<sup>25</sup>, 22 per cent in New Zealand, 8.6 per cent in Vietnam and 5.25 per cent in Colombia.<sup>26</sup> They are also market leaders.

Cooperatives are also important for job creation, livelihoods promotion and economic development. Cooperatives in many countries are significant employers. The ILO has estimated that cooperatives provide over 100 million jobs<sup>28</sup>, 20 per cent more than multinational enterprises, and many of them in rural areas, where 75 per cent of the world's extreme poor are found. The United Nations estimated in 1994 that the livelihood of nearly 3

### Cooperatives create and maintain employment

- In Canada, cooperatives and credit unions employ over 155,000 people. The Desjardins movement (savings and credit cooperatives) is the largest employer in the province of Québec.
- In Colombia, the cooperative movement provides 111,951 jobs through direct employment and an additional 500,450 jobs as owner-workers in workers cooperatives - providing 3.49% of all jobs in the country. They provide 24.41% of the jobs in the health sector, 18% of the jobs in the transport sector, 13% in the worker/industrial sector, 11% in the financial sector, 8.31% in the agricultural sector and 7.21% in the financial sector.<sup>29</sup>
- In France, 21,000 cooperatives provide over 4 million jobs<sup>30</sup>; and 75% of French growers and farmers are members of cooperatives.<sup>31</sup>
- In Germany, 8,106 cooperatives provide jobs for 440,000 people.
- In Indonesia, cooperatives provide jobs to 288,589 individuals.<sup>32</sup>
- In Italy, 70,400 cooperative societies employed nearly 1 million people in 2005.<sup>33</sup>
- In Kenya, 250,000 people are employed by cooperatives.
- In Slovakia, the Co-operative Union represents more 700 cooperatives that employ nearly 75,000 workers.



*“Cooperatives empower people by enabling even the poorest segments of the population to participate in economic progress; they can create job opportunities for those who have skills but little or no capital and they provide (social) protection by organising self help in communities.”*

*Juan Somavia,  
Director-General,  
International Labour Organization<sup>35</sup>*

billion people, or half of the world’s population, was made secure by cooperative enterprises.

Many of the jobs provided are in agriculture – production, processing, marketing and sales – as well as in other sectors, such as financial services, health, electricity and water, housing and tourism to name only a few. In addition, cooperatives tend to be stable employers, especially in rural areas, when their members live in the community where the cooperative is located.

As well as being direct providers of jobs, cooperatives stimulate further employment by providing goods and services that enable other enterprises to thrive and thus keep money circulating within the community. For example, where savings and credit cooperatives exist in rural communities, they tend to be the sole provider of secure financial services and an important conduit for remittances from migrants. So, too, with rural electricity cooperatives or cooperatives of renewable energy that supply energy to local communities and family farms where commercial companies might find it too costly or insufficiently profitable to invest.<sup>34</sup>

Aside from economic benefits, cooperatives can empower individuals and communities. Often referred to as “schools for democracy”, cooperatives offer members the opportunity to more fully develop their knowledge of economic issues and democratic procedures and to hone their leadership and negotiation skills. Cooperative enterprises allow people to have a voice in economic and policy matters.

The success of cooperatives in providing people with self-help opportunities for economic and social advancement has also been a key element in the recognition of the role of the cooperative enterprise in addressing poverty.

They have tools of invaluable scope and effectiveness for improving the social, economic and cultural conditions of populations and thus for combating poverty.

Furthermore, through their capacity to involve all sectors of the economy, their democratic organization based on its “one member, one vote” rule, and through their capacity to convert individual risks into collective risks, co-operatives are the only form of organization meeting so concretely all dimensions of poverty such as resumed by the World Bank: opportunity, empowerment and security.

It is with this belief that the International Labour Organization and the International Co-operative Alliance decided to launch a Global Campaign against Poverty through Cooperatives.<sup>36</sup> The ultimate goal of this Campaign is to make a significant contribution to poverty reduction by using the full potential of cooperatives in UN Millenium Goals (MDG) achievement.

The Memorandum of Understanding signed between the International Co-operative Alliance and the ILO in 2004 also emphasises the role which cooperatives can play in working towards achieving the Millenium Development Goals.

In the words of former UN Secretary-General, Kofi Annan, “The cooperative movement is one of the largest organised segments of civil society, and plays a crucial role across a wide spectrum of human aspiration and need. Cooperatives provide vital health, housing and banking services; they promote education and gender equality; they protect the environment and workers’ rights. Through these and a range of other activities, they help people in more than a hundred countries better their lives and those in their communities.”<sup>37</sup>



### Call to action to the world cooperative movement to join hands in fighting child labour. How cooperatives can tackle child labour.

Ending child labour makes good business sense for cooperatives. Otherwise, with the growing worldwide pressure to end child labour, their markets will remain highly vulnerable to consumers demanding child labour free products.

1. In their business operations, cooperatives can use their influence and economic leverage to:
  - Help cooperative members who are using child labour to move to child labour free production, through awareness raising, information, technical, and even financial services.
  - Ensure that their product supply chains are child labour free. Especially larger cooperative enterprises marketing to the consumer, and who are supplied by producers under contract.
2. Cooperatives can play an important role in raising awareness on child labour among their members and in the communities in which they operate/are located.
3. In communities, cooperatives can work with citizens, groups, local government etc. to eradicate all forms of child labour.
4. As part of a cooperative movement and as civil society organizations, cooperatives can work for elimination of child labour at national, regional, and international levels. They can incorporate child labour elimination in, for example, their poverty eradication campaigns, and educational initiatives and so on.

### Cooperative values, principles and philosophy and how they link to the elimination of child labour

Cooperatives are founded and run on a set of cooperative values and principles as enshrined in the Cooperative Identity Statement of the International Co-operative Alliance which is cited in the ILO Recommendation No. 193 of 2002 (Promotion of Cooperatives) as well as in the UN Guidelines aimed at creating a supportive environment for the development of cooperatives adopted by the General Assembly of the United Nations in 2001.<sup>39</sup>

The ILO Recommendation No. 193 mentioned above provides guidance on promoting and strengthening of cooperatives. The goal is, inter alia, to: create and develop income-generating activities and sustainable decent employment; develop human resource capacities and knowledge of the values,

advantages and benefits of the cooperative movement through education and training; improve social and economic well-being, taking into account the need to eliminate all forms of discrimination; contribute to sustainable human development; establish and expand a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community.

As Juan Somavia, Director-General, International Labour Organization, has pointed out, "Recommendation 193 is the only policy framework for cooperative development that has the added value of being adopted by governments, employers' organizations and trade unions, and supported by relevant civil society organizations."<sup>40</sup>

Recommendation 193 reiterates the definition of a cooperative and key terms associated with cooperatives as included in the ICA Identity

*"The cooperative movement's identity is founded on our history and values. Words like 'freedom' and 'democracy' have a strong symbolic meaning for us, but actions speak louder than words. As cooperative enterprises we have a responsibility to show how we put our values into practice. We need to promote the fact that our products are not produced from child labour nor do they cause environmental destruction. Our idea is to contribute to fair globalisation."*

*Ivano Barberini, ICA President<sup>438</sup>*



Statement, notably «*Cooperative*» means: «An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise». (Paragraph 1, point 2)

“*Cooperative values*” (Paragraph 1, point 3 (a)) are:

- self-help;
- self-responsibility;
- democracy;
- equality;
- equity;
- solidarity.

As well as ethical values of:

- honesty;
- openness;
- social responsibility;
- caring for others.

“*Cooperative principles*” (Paragraph 1, point 3 (b)) are:

- voluntary and open membership;
- democratic member control member;
- economic participation;
- autonomy and independence;
- education, training and information;
- cooperation among cooperatives;
- concern for community.

### The cooperative movement and child labour

Cooperative values, principles and philosophy lend themselves naturally to elimination of all forms of child labour. It is clear that child labour is neither ethical nor socially responsible; it challenges the cooperative value of caring for others and conflicts with the ambitions of building sustainable enterprises. However, child labour continues to be a tolerated practice in many countries to ensure economic gain and economic competitiveness and as a strategy to combat poverty.

**Extract from the Statement on the Cooperative Identity, adopted by the General Assembly of the International Co-operative Alliance in 1995**

The cooperative principles are guidelines by which cooperatives put their values into practice.

**1. Voluntary and open membership**

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

**2. Democratic member control**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

**3. Member economic participation**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

**4. Autonomy and independence**

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.<sup>4</sup>

**5. Education, training and information**

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.

**6. Cooperation among cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

**7. Concern for community**

Cooperatives work for the sustainable development of their communities through policies approved by their members.

<sup>4</sup> In several developing countries, governments used to finance agricultural cooperatives to deliver essential agricultural services. Such cooperatives were important but they were quasi-government agencies that controlled rather than empowered farmers. They were neither ruled nor managed by farmers, were sometimes misused and often benefited the middle class and not the rural poor. As a result, the term “cooperative” acquired a negative connotation. *Sustainable agriculture and rural development (SARD) and farmers’ organizations. Fact sheet, FAO Rome 2007; [ftp://ftp.fao.org/SD/SDA/SDAR/sard/SARD-farmers-orgs%20-%20english.pdf](http://ftp.fao.org/SD/SDA/SDAR/sard/SARD-farmers-orgs%20-%20english.pdf)*





*“The cooperative movement has a 150-year old commitment to social responsibility, pursuing practical programmes for social justice. It is actively engaged in advancing the ILO’s Decent Work Agenda, improving the lives of women and men, their families and communities, opening up pathways out of the informal economy. The movement is in the vanguard of the contemporary quest for globalization with a human face and it is not surprising that cooperatives have shown leadership in realizing the values of good corporate citizenship. It has practiced corporate social responsibility since long before the term was invented.”*

*Juan Somavia, ILO DG statement  
13th UN International Day of Cooperative, 2007.*

Therefore, one of the major contributions that cooperatives can make to eliminating child labour is improving the livelihoods of their members and those in the communities that they serve. By making contributions to reducing poverty and coupling this with the promotion of cooperative values in all business operations, awareness raising on the issue of child labour to members, consumers suppliers, and the general community, cooperatives can make significant headway in reducing the incidence of child labour.

Indeed cooperatives must see the elimination of child labour as part of the adherence to cooperative values and principles, a recognition of the rights of children, and as a socially responsible action.

However, ending child labour is not only the right thing to do, it also makes good business sense.

Trends in the business world show that striving for economic gain is not a sufficient condition



for economic success. Society increasingly expects businesses to take a much more active role in environmental, social, and political issues than it did five years ago.<sup>41</sup> Increasingly enterprises are judged on their behaviour in areas such as health and safety, environmental protection, human rights, human resource management practices, corporate governance, community development, and consumer protection, labour protection, supplier relations, business ethics, stakeholder rights, and respect for the law and people's cultural values. The judgement comes from a wide spectrum of stakeholders including consumers, suppliers, potential employees, public authorities, citizen groups and the general public. Their judgement can have economic repercussions of reward or punishment of enterprises for their activities.

This trend towards corporate social responsibility (CSR) can be an advantage for cooperatives who through their values and principles have been practicing CSR since their inception.

Cooperatives are demonstrating corporate social responsibility by operating transparently and accountably or by voluntarily exceeding minimum legal

requirements and obligations, for example in their support to, engagement with and requests from suppliers and other stakeholders. They exhibit corporate social responsibility by engaging in or supporting socially responsible schemes such as fair-trade, pro-equity education programmes, pro-equity savings and credit programmes, fairer conditions of employment, poverty alleviation, livelihoods promotion, and labelling of healthy food and non-toxic chemicals, awareness campaigns on child labour practices, and promotion of human and labour rights.<sup>42</sup>

CSR is important to cooperatives to enhance their visibility and reputation, to build new business partnerships, improve employee and member recruitment and retention, inform areas of innovation, manage risk, build new market knowledge, and meet industry norms.

Acting against child labour and communicating about activities that combat child labour can bring improved economic success while promoting the cooperative form of business.





## Chapter 4

# How cooperatives are tackling child labour

Cooperatives are working to eliminate child labour in a variety of ways. First, as a rule they improve the livelihoods of their members and people in the communities that they serve thereby addressing the poverty dimension of child labour. They are also ensuring that members and others who have business dealings with them do not use child labour either directly or indirectly. Thirdly, cooperatives help the communities in which they are located to root out all forms of child labour. Fourthly, cooperatives selling to consumers seek to ensure that their product supply chains are child labour free. This chapter provides examples of these different types of interventions by way of guidance to as well as suggested actions for cooperatives.

### Agricultural cooperatives

The most successful type of cooperatives is the agricultural cooperative if measured by market share – they account for US\$ 400 billion of commodities. Agricultural cooperatives or farmers' cooperatives are involved in agricultural production, supply, marketing, and processing, purchasing and credit, but also in financial services (savings, credit and insurance), energy, transport, water for irrigation, housing, tourism and handicrafts. Cooperatives provide farmers with agricultural inputs such as fertilisers, and sell their produce on to wholesalers, marketing boards, inter-cooperative partnerships, cooperative retailers, fair trade organizations or other types of buyers for export.



Cooperatives play a significant role in agriculture around the world, with agricultural marketing and supply cooperatives being the most important types in Asia, Latin America and Africa. More than 50 per cent of global agricultural output is marketed through cooperatives. In addition, a large share of the markets for agricultural commodities is handled by cooperatives and some enterprises are very large, particularly in grains, dairy, and livestock and certain export crops.

- Argentina: 58% of rural electricity in 2005 was provided by cooperatives without which the agricultural sector, responsible for 6% of the GDP, would be compromised and jobs in rural communities would be lost.<sup>44</sup>
- Benin: The savings and credit cooperative federation, FECECAM, is providing financial services including affordable micro health and life insurance to its 516,076 individual members, 90% of which are found rural areas.
- Ethiopia: 900,000 people in the agriculture sector are estimated to generate part of their income through cooperatives.<sup>45</sup>
- France: 650,000 members of 3,200 agricultural cooperatives provide over 150,000 jobs.<sup>46</sup>
- India: the needs of 67% of rural households are covered by cooperatives.<sup>47</sup>
- Iran: 28 million individuals in rural areas are members of or derive benefits from rural cooperatives.<sup>48</sup>
- Japan: 9.1 million family farmers are members of cooperatives. Their cooperatives provide 257,000 jobs.<sup>49</sup>
- Mongolia: 19% of rural revenues are derived from cooperatives.<sup>50</sup>
- Philippines: The majority of the 30,000+ cooperatives are located in rural areas. They provide 65,215 jobs in rural areas through direct employment with cooperatives.<sup>51</sup>
- In Africa, agricultural cooperatives are the dominant form and they constitute the second most important source of employment after the state.
- In India, cooperatives are found in 99 % of the villages and 2 out of every three families are cooperative members.<sup>52</sup>

Cooperatives dominate the market for many agricultural products: wool, beef, milk, sugar, rice.<sup>43</sup> They are widely found in the production of coffee, cocoa, cotton, and other export crops. Given that the agricultural cooperative sector is the largest and most economically important and that 70 per cent of child labour is found in agriculture, it seems logical to concentrate on helping cooperatives to increase their activities on child labour elimination. The following examples of how agricultural and agriculture-related cooperatives are tackling child labour include can serve as guidance:

### Coffee marketing cooperatives

In **Nicaragua**<sup>53</sup> children of coffee-farming families often begin working around age 10, helping especially with the coffee harvest in February that coincides with the school year. José Tomás Tórrés is a coffee farmer in the Segovia region of Nicaragua. Tomás is 29 years old, married, and has four children. Tomás is lucky because he is a member of the Luis Alberto Vásquez Cooperative. It is one of 45 Nicaraguan cooperatives that make up PRODECOOP, a larger fair trade coffee export cooperative that is part of the worldwide Fair Trade network. (The international fair trade community promotes social change by more than tripling the incomes of farming families). Because of his work in the cooperative, Tomás can now afford to send all four of his children to school. Tomás's dream is familiar to parents all over the world: he wants his children to have the opportunities he never had.

In **Costa Rica**<sup>54</sup>, a farmer who is member of the coffee cooperative, COPELDOS, did not have the opportunity to go to school as he helped his parents with their work on other people's farms. By marketing their coffee through the Fair Trade market, the farmers of Coopeldos are able to sell between 30-40 per cent of their coffee at a price guaranteed to cover the costs of production and living expenses. For the rest, they receive the world market price, which for the last few years has been very low, below the cost of production. By raising his income, this farmer cooperative member has been able to send all his children to primary and secondary school. His eldest son is now finishing seven years of study at medical school, made possible by financial contributions from the whole family, and a scholarship from the coffee cooperative.





### Cocoa marketing cooperatives

The public and international outcry that followed media reports in 2000 of trafficking of large numbers of children for labour in slavery-like conditions on cocoa plantations in West Africa has led to a series of initiatives address child labour in this sector, in which cooperatives have played an important part.<sup>55</sup>

An ILO survey<sup>56</sup> found that an estimated 284,000 children were working on cocoa farms in **Côte d'Ivoire, Cameroon, Ghana and Nigeria**, 64 percent of whom were under 14 years old. About 59 per cent of all children involved were boys, and 41 per cent girls. Most of these children were from the drier savannah areas of Africa, where family livelihoods are inherently uncertain and households are forced into risk-reducing livelihood strategies, including having to send their children to work in other countries on cocoa plantations.

The survey estimated that 146,000 children under 15 were clearing fields on cocoa farms using machetes, and 153,000 children were involved in the application of pesticides without protective equipment.<sup>57</sup>

The study concluded that the picture that emerges is one of a sector with stagnant technology, low yields and an increasing demand for unskilled workers trapped in a circle of poverty. Salaried children were most clearly trapped in a vicious circle. The majority of these children had never been to school and were earning subsistence wages, driven into this labour by economic circumstances.

Since then there have been major efforts to end child labour in cocoa production in West Africa. The cooperative movement has also responded. Ethical purchasers working with the Fair Trade certification system have been working with the Kavokiva cooperative in Côte d'Ivoire. Kavokiva farmers are paid a guaranteed fair price for their products and have in turn committed themselves to uphold the basic core labour rights on their farms, including no child labour.<sup>58</sup>

### Cocoa marketing cooperative, Belize

The story of Toledo Cocoa Growers Association (TCGA) of **Belize**<sup>59</sup> is another good example how much improvement can be achieved by using the fair trade model. The cooperative was formed in 1986 in order to obtain higher prices

and improve living conditions TCGA has 126 members and is located in the Toledo region of Belize, the poorest district in the country. Like for West African cocoa producer, cocoa production is also the main source of income for TCGA's producers. When the price of cocoa was suddenly cut in half between 1992 and 1993, falling below the cost of production, the cooperative started to struggle. Fortunately, a chocolate company from the United Kingdom called Green and Black's offered a long-term contract for a stable supply of quality cocoa. They agreed to buy all the cocoa TCGA could produce at an above-market price on a fair trade basis. Fair trade ensures a minimum price of \$.80/pound under long-term contracts, and ensures access to credit, and in return prohibits child labour and forced labour.

### Fair trade cocoa, Bolivia

The El Ceibo cooperative ("Central de Cooperativas Agropecuaria-industrial") is located in the Alto Beni region in northeast **Bolivia**.<sup>60</sup> About 65 per cent of El Ceibo's cocoa production was certified organic as of May of 2000 and the cooperative has been working to increase that amount. The cooperative has developed its processing so well that the farmers are already exporting their own cocoa butter and cocoa liquor and selling their own chocolate domestically. Many members work in both the agricultural and processing sectors, giving the farmers extra opportunities to develop skills that will help them remain competitive in the market.

Sales through fair trade have been especially important to El Ceibo's development. Fair Trade ensures a minimum price of US\$ .80/pound under long-term contracts, access to credit, and prohibits abusive child labour and forced labour.

Fair Trade farmers are required to reserve a portion of their revenues for social projects, ensuring that community development and technical training for farmers will always be possible. Fair trade also promotes environmentally sustainable practices such as shade cultivation, composting, and minimization of chemical inputs, ensuring that farmers use cultivation techniques that are safe for the environment and public health.

### Farmapine Ghana Limited (FGL), Ghana

Cooperatives are also tackling child labour indirectly by providing support to their communities in areas like education. For example, Farmapine **Ghana** Limited (FGL)<sup>61</sup> is a pineapple marketing cooperative that processes and exports its members' produce. It is owned by members of five farmers' cooperatives and two former pineapple producer-exporters. The arrangement is guided by formal contracts signed between FGL, the cooperatives and cooperative members. Farmapine outgrowers in the cooperatives make higher profits and face lower risks than outgrowers not affiliated with FGL. The arrangement has been successful in increasing Ghanaian farmers' income, generating employment, and stemming migration to the cities in search of jobs. In addition, the cooperative members have been active in their communities, funding the building of schools and providing other basic amenities.

### Indian Farmers Fertiliser Cooperative Limited, India

The **Indian** Farmers Fertiliser Cooperative Limited (IFFCO)<sup>62</sup> is a farmer owned cooperative engaged in the production and distribution of fertilisers. The distribution of IFFCO's fertiliser is undertaken through over 37,000 cooperative agencies and member cooperative societies.

In addition, essential agro-inputs for crop production are made available to the farmers through a chain of 158 Farmers Service Centre (FSC).

IFFCO has committed to the effective abolition of child labour as a supporter of the ten principles of the *United Nations Global Compact*. In its 2004-2005 progress report to the Global Compact, it reported that it had banned recruitment of child labour and had adopted a policy towards employment opportunities, as well as provided assistance for the setting up of cooperatives to increase rural family incomes.



## Cooperatives marketing through fair trade labelling organizations

In a growing number of cases, cooperatives marketing organizations help farmers to sell their produce on to fair trade organizations.<sup>5</sup> As a result of shared values, principles and aims, Cooperatives and Fair Trade organizations business links between them are growing rapidly in many parts of the world. According to data published by the Fairtrade Labelling Organization (FLO)<sup>6</sup>, FLO-certified cooperatives are found in 36 countries. Cooperative producers account for 28 % of certified fair-trade coffee, 24 % of their honey producers and 16 % of their cocoa producers. Over 50,000 cocoa growers in eleven countries are members of fair trade cooperatives - in Belize, Bolivia, Cameroon, Costa Rica, Dominican Republic, Ecuador, Ghana, Haiti, Cote D'Ivoire, Nicaragua, and Peru.<sup>63</sup>

## Consumer cooperatives

### Consumer retail/wholesale cooperatives

The consumer cooperatives provide consumer goods to members and the general public. They are active in food retail, consumer goods and services including the provision of travel, funeral services, etc. Through cooperative wholesale societies they also deal with processing, manufacturing and distribution.

In many industrialized countries, consumer cooperatives have large retail/wholesale operations with an important market share of sales in their respective countries. These cooperatives buy in, sometimes process, market and sell to the consumer. So they can use their economic leverage and influence to ensure that their supply chains are child labour free, helping their suppliers and their communities to eliminate child labour. Examples of how

consumer cooperatives are working to end child labour include:

### Mountain Equipment Cooperative, Canada

The Mountain Equipment Cooperative (MEC)<sup>64</sup> provides leisure sports equipment and services to its members. With more than 2.6 million members, MEC is the most important **Canadian** retail cooperative.

MEC is supplied by 56 factories in 17 countries (both industrialized and developing). MEC's Code of Ethical Supply for its suppliers lays down standards concerning forced labour, child labour, young workers, and is based on ILO core labour conventions and Fair Labor Association<sup>7</sup> standards. Applying the Code involves verification at factory level, corrective measures, and a community engagement programme.

To help its suppliers meet the standards controlled through verification, MEC helps them to improve the factory standards of worker protection. Workers are allowed to discuss problems in strict confidence and to suggest improvements. In cases where corrective action in terms of workers' rights is needed, MEC always seek to support suppliers to find concrete solutions rather than stopping contracts. Results are often mixed as MEC also has to depend on the goodwill of the factories to concretely tackle their problems.

Based on corrective measures identified by the verification process, an improvement plan is put to the factory director, outlining the improvements needed, and the time deadlines. Both the factory manager(s) and workforce are fully involved in the improvement process as it is they who will be making the necessary changes, and MEC also helps provide resources.

MEC also cooperates with the Fair Labor Association and Business Social Responsibility,

<sup>5</sup> Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair Trade organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.

<sup>6</sup> The Fairtrade Labelling Organizations International is an informal association of four main Fair Trade networks: Fairtrade Labelling Organizations International, International Fair Trade Association, Network of European Worldshops and the European Fair Trade Association.

<sup>7</sup> The Fair Labor Association is made up of 20 major USA retailers and major brand suppliers



which offers training programmes on human rights in the Asia region, on these aspects.

In more extreme cases though, MEC takes more direct action. For example, when in 2006, preliminary verification found that two out of the five Chinese factories visited were using child labour, MEC cancelled its production contract with the first factory. With the second factory, which was also producing using both child and forced labour, MEC recalled all products already sold and reimbursed its customers, an operation which involved a loss of 100,000 Canadian dollars for the cooperative.

### **The European Community of Consumer Cooperatives (Euro Coop)**

The European Community of Consumer Cooperatives (Euro Coop)<sup>65</sup>, whose members are the national organizations of consumer cooperatives in 18 European countries, represents over 3,200 local or regional cooperatives, 25 million consumer members, 70 billion euro turnover, 300,000 employees, and 30,000 outlet stores across Europe.

Euro Coop supports the principles lying behind the fair trade movements. Fair trade labelling guarantees farmers and workers reasonable remuneration for their work, the right to form a union, proper employment contracts, and no child labour.

### **Cooperative Group (CWS), United Kingdom**

In the **United Kingdom**, the Cooperative Group (CWS) Limited includes businesses ranging from food retailing to banking and finance, and is the world's largest consumer cooperative. The Cooperative Group's main activity is selling food through more than 3,000 stores. It has established a set of principles, or sound sourcing criteria, for its own brand products. On child labour these state, *"Cooperative Group Limited suppliers shall not engage in or support the use of child labour. Specific consideration must be given to young persons between the ages of 15 and 18, particularly in respect of their hours of work and safety. Such young persons must not work at night or in hazardous conditions."* CWS

implements its own programme of monitoring suppliers. It uses a mixture of third-party social auditors and its own staff. In countries where there are a significant number of suppliers, a workbook for suppliers is provided, spelling out in detail the link between the CWS's Code of Sound Sourcing and ILO standards. While suppliers would normally be helped to take steps to conform to the Code, in some cases CWS has declined further business where non-compliance has been particularly poor.<sup>66</sup>

### **Coop Italia, Italy**

Coop Italia<sup>67</sup> brings together cooperatives from a variety of sectors including banking, insurance and the retail sectors. The conglomerate runs around 50 superstores, 1000 supermarkets and 200 discount stores throughout Italy. The turnover in 2001 was about US\$ 10 billion. Coop Italia requires producers and suppliers of its own brand products to sign up and comply with SA8000<sup>8</sup>, which aims not only at the protection of workers' trade union rights but also at the abolition of child labour. Worldwide, the cooperative purchases food and non-food products from nearly 2500 suppliers. In 2001 Coop Italia purchased US\$ 50 million of goods from Asian countries alone - predominantly textiles and rugs. The major supplier countries were China, India, Pakistan and Bangladesh.

Worthy of note is that the cooperative first started using a code of conduct for its supplier network in the mid-1990s. Its aim was to achieve consistent labour standards wherever Coop Italia conducted business in the world. During the World Cup in 1998 Coop Italia introduced and strongly promoted the concept of the "Ethical Soccer Ball". These were produced in Pakistan at a higher than normal production price to ensure a living wage for the workers. Coop Italia took care that no child labour was involved in the production of the ball. In the same year, the cooperative founded a system to oversee the entire supply chain and for all products. Coop Italia works closely with second-party agencies to monitor and verify compliance. If suppliers found to be operating in non-compliance of the code of conduct, Coop Italia provides intensive training

<sup>8</sup> **SA8000 Social Accountability 8000 Standard** is a global social accountability standard for decent working conditions, developed and overseen by Social Accountability International (SAI). — [www.sa8000.org/](http://www.sa8000.org/)





on how they can adopt new work measures that will bring them closer towards compliance.

An example of Coop Italia enforces its code, is provided by a dispute it had with the Del Monte Foods company, Kenya who were providing Coop-brand pineapples. Although Del Monte Foods Company had signed and therefore committed itself to Coop Italia's Code of Conduct, independent social auditors inspecting Del Monte plantation in Kenya found major violations of the Code. The problems related specifically to health and safety conditions and the right of workers to be members of a trade union. Del Monte Kenya denied all charges and resisted any proposals of change. Local human rights NGO and the Kenyan and local government backed the workers on the Del Monte plantations and finally compelled the company to take action. Coop Italia facilitated dialogue among all parties until Del Monte Kenya agreed to change their working conditions and complied with the Code of Conduct.

### **Coop Norden in Denmark, Norway and Sweden**

The **Scandinavian** cooperative *Coop Norden*<sup>68</sup> is jointly owned by Kooperativa Förbundet (KF), Sweden (42 per cent), FDB, Denmark (38 per cent) and Coop NKL, Norway (20 per cent). Coop Norden runs 1,085 stores and hypermarkets in Denmark, Norway and Sweden and has approximately 25,000 employees. The turnover is approximately SEK 89,5 billion (USD 12.1 billion).

Coop Norden has an ethical trading policy linked to a Code of Conduct, which in turn refers to the core ILO conventions, including those on child labour. The code gets used for purchases made by Intercoop, i.e. in China, Vietnam, Bangladesh, India, Pakistan and Indonesia. Every supplier has to sign the Code and return it to Coop Norden. Intercoop carries out regular and complete compliance audits which KF has indicated provide a realistic assessment of the actual situation. Their policy stipulates that *if a child is found to be working, the supplier would be forced to remove the child and pay for his/her schooling at the supplier's expense*. The policy does not stipulate immediate suspension of the contract but rather corrective measures. For other purchases made nationally, in Europe, Africa and the Americas, the Code is enclosed with the supplier contract. Upon signature, the supplier agrees to the terms of the code of conduct. No further monitoring is carried out.

As of December 2006, Coop Norden has indicated that its regular audits had not shown any cases of child labour.

### **MIGROS Switzerland and schools projects in India**

Migros is a large **Swiss**-based retail cooperative chain. Migros says it has always paid special attention to the problem of child labour but believes this problem cannot be solved by bans alone as families who send their children to work need this money to survive. It believes a broad approach is needed.



An example of this broader approach is the Migros KIDS School foundation<sup>69</sup> through which Migros funds the construction and running of schools in selected production countries. For example, in a joint partnership between apparel exporters from Tirupur, the knitwear capital of India, and a European fashion retailer Migros, an all-day school with meals and medical care being provided, was set up in 2000 for 200 students. The school now houses over 350 students from the weakest sections of the society, who otherwise would have become child workers to support their families and themselves. The school provides free education, food, uniforms, health care and a study allowance so that the children do not get tempted to sneak into informal employment. For every garment supplied to Migros, the garment exporters make a two-rupee contribution, which along with the contribution of Migros goes towards running the school. The school also provides vocational training so that once the children complete their schooling they are ready for gainful employment.



## Worker – industrial – producer cooperatives

Worker cooperatives are a particular form of cooperatives which are owned and governed by the employees of the business. They operate in all sectors of the economy and provide workers with both employment and ownership opportunities. Examples include employee-owned food stores, processing companies, restaurants, transport cooperatives (bus, taxi), handicrafts and artisanal production, timber processors and light and heavy industry as well as social care cooperatives for child and elderly care.

The following section provides examples of how worker – industrial - producer cooperatives are tackling child labour in their business operations and communities:

### Handicraft cooperative, Kenya

The Malindi Handcraft Cooperative Society, Kenya<sup>70</sup> is owned and operated by its 600 member woodcarvers, and is the second largest handicraft cooperative in the country. In addition to woodcarvers, the Cooperative employs and/or includes as members, a variety of craftsmen and women to finish its products with sanding,

painting, staining, beading, and textile application. A full 80 per cent of profits are returned to the members, and the remaining 20 per cent is used for business expenses and for the future growth and expansion of the cooperative.

To motivate its member owners, the cooperative society offers regular classes in literacy, HIV/AIDS prevention, computer training, banking and savings, water purification, and any other topic of interest to its carvers.

The Malindi Cooperative is also seeking to become part of the international fair trade movement. This includes enforcing policies to maintain gender equality and prevent child labour.

### Toys Made Without Child Labour, Sri Lanka

Global Exchange<sup>71</sup> is a U.S.-based fair trade online store which sells a wide variety of toys in its crafts stores: toys guaranteed to be made without child labour and without exploitative work practices. One of its suppliers is Golden Palm Enterprises, a cooperative making wooden toys in **Sri Lanka**, and dedicated to creating jobs in rural areas where the farm economy has suffered from years of civil war. Golden Palm's craft workshops create educational toys that are



safe, fun, and teach children about issues such as the environment and literacy.

The Golden Palm workshop creates employment opportunities that provide a dignified living. Workers benefit from an on-site doctor, tea and meal breaks, and excellent lighting and ventilation. They are provided with ample safety equipment and have health policies such as expectant mothers not working with any paints.

### **Carpet weaving cooperative, Pakistan**

The use of child labour in the hand-knotted carpet industry has been widely reported and documented in recent years. Nearly all hand-knotted carpets are made for export, with less than ten per cent sold for use in their country of origin. The largest carpet exporting countries are Iran, India, China, Pakistan, Turkey, Nepal, and Egypt. The United States and Germany are the world's leading importers of hand-knotted carpets.<sup>72</sup>

One U.S. carpet importing company, Ten Thousand Villages, currently labels hand-knotted carpets that are produced in **Pakistan** by families who are part of the JAKCISS carpet weaving cooperative<sup>73</sup> as, "This rug was made by fairly paid adult labour." The company also advertises child-labour free carpets in promotional materials and storefront signs. The JAKCISS carpet weaving cooperative, Ten Thousand Villages' sole supplier, guarantees that its rugs are free of illegal child labour, bonded labour and forced labour.

Ten Thousand Villages states that it does not have a written enforcement procedure with the cooperative, and notes that, "No institutionalized systems of monitoring and inspection exist in the JAKCISS cooperative." However, Ten Thousand Villages stresses that for the last ten years (1998-2008), its purchasing staff have been regularly visiting and conducting inspections of the weaving cooperative.

The JAKCISS carpet weaving cooperative involves over 400 families from 69 villages surrounding Lahore. Many JAKCISS weavers are seasonal farm workers who rely on the extra income provided by carpet weaving to support their families.

### **Sewing cooperatives (sporting goods), India**

The Fair Play Campaign<sup>74</sup> in the sporting goods industry initiated by SACCS/BBA in **India** is a benchmark amongst the several campaigns that it has successfully run over the years.

The main objectives of Fair Play Campaign are:

- Identification of critical instances of child labour; these children, along with their mothers will constitute the critical target group (CTG).
- Negotiating with employers/ contractors whether the task performed by the child can be assigned to an adult of the same family e.g. the mother; providing a monetary incentive e.g. salary of the mother may initially be paid by the project.
- Setting up of sewing cooperatives for income augmentation of CTG mothers; flexitime provisions; membership conditional to project coordinator's certification that children have ceased working.
- Setting up of cooperative store for sale of sewing coop products.
- Facilitating admission of older children into vocational training schools.

### **Sewing cooperatives, Nicaragua**

The **Nicaraguan** Garment Worker's Fund (NGWF)<sup>75</sup> is an initiative committed to the eradication of sweatshops in Nicaragua, one factory at a time. The Fund is partnered with the worker-owned Nueva Vida Women's Sewing Cooperative (also known as Comamnuvi) which was set up in 2001. The cooperative has since grown substantially and now produces high quality, primarily organic cotton T-shirts for export to international markets.

The Comamnuvi factory is an industry leader, producing socially and environmentally conscious organic clothing under an emerging democratic management structure. The Fund believes that alternatives to sweatshop labour are possible – but workers of small cooperatives such as Comamnuvi must rely on the support of mindful consumers dedicated to supporting good labour standards.



## Cooperatives act to end sweatshop labour

Sweatshops and child labour are a growing problem, particularly in clothing and textiles. And many popular agricultural products, from coffee to bananas to cut flowers, are grown under terrible conditions.

No one wants to buy products made with sweatshop labour, but it is hard to know what to avoid, and where to find green and Fair Trade products. Co-op America<sup>76</sup> provides the information one needs to help stop sweatshop labour and promote fair treatment of workers everywhere.

## Small-scale gold mining in Santa Filomena, Peru

Pilot projects of the International Labour Organization (ILO) have demonstrated that it is possible to eliminate child labour by helping mining and quarrying communities organize cooperatives or other productive units; improve the health, safety, and productivity of adult workers; and secure essential services such as schools, clean water, and sanitation systems.

A good example of such self-help is provided by the remote mining community of Santa Filomena, **Peru**.<sup>77</sup> In 2004, the Santa Filomena community organized itself into a community-based mineworker's association in order to improve working conditions, and declared its small-scale gold mining industry, child labour free

ILO's International Programme on the Elimination of Child Labour (IPEC) helped the community install an electric winch in a mine to haul minerals up the mine shaft. The winch eliminated the need for children to carry heavy loads from up to 200 meters below the surface.

The Santa Filomena project also supported alternative income-generating activities. For instance, the project bought kneading machines and ovens for a local women's group, trained members of the group to use the machines, and helped them start a bakery. As a result, the members of the group prepare bread daily, supplementing their families' diets and, at the same time, increasing their incomes, thus having to rely less on income from their children.



In addition, awareness-raising activities in schools were organised. Children in primary school painted pictures about the types of work they had done. The project also supported a photography exhibit dedicated to child labour issues and the health risks that children encounter in mines. These efforts were intended to raise community awareness about the dangers of child labour and the benefits of having children attend school.

Strengthening organizational capacities, improving social protections, creating income opportunities for women so their children don't have to mine, raising awareness of the social and economic benefits and costs of child labour, and developing better nutrition and health services enabled hundreds of boys and girls to leave the mines in Santa Filomena.

## Saving and credit cooperatives or credit unions

Cooperatives have a long history of operating in the financial sector. Savings and credit cooperatives, called credit unions in some countries, are financial institutions formed by an organized group of people with a common bond. They are the leading providers of microfinance in many countries. Members of credit unions pool their assets to provide loans and other





financial services including insurance products to each other. The World Council of Credit Unions, has surveyed savings and credit cooperatives in 96 countries around the world and identified more than 49,000 of them with a combined membership of over 177 million individuals and assets of more than US\$ 1.2 trillion. Credit unions can play a particularly important role in developing countries where many people do not have access to traditional banking or insurance facilities.<sup>78</sup> In some countries, financial services are also provided through cooperative banks.

The following are examples of how savings and credit cooperatives and cooperative banks can link to the elimination of child labour :

### **Savings and credit cooperatives and child labour, Tanzania**

The **Tanzanian** Government<sup>79</sup> has initiated a Cooperative Reform and Modernisation Program 2005-2015 whose objective is to initiate “a comprehensive transformation of cooperatives, to become organizations which are member owned and controlled, competitive, viable, sustainable and with capacity of fulfilling members’ economic and social needs”.

A key part of this modernisation is the expansion of saving and credits cooperatives (SACCOs). A project coordinated by the ILO Office in Tanzania, in conjunction with government agencies, designed to support women’s employment and reduce child labour, has led to the establishment of four women’s SACCOs, in Dar es Salaam, Tanga, Pemba and Unguja. The SACCOs encourage regular savings of small amounts, and enable the women to obtain loans. As one woman member from Tanga put it, “Initially we were afraid of borrowing. We did not know that as women we could borrow and repay loans. We are happy that we managed to borrow when the first loans were dispersed.”

### **Cooperative Bank, United Kingdom**

According to a 2006 report from the Cooperative Bank, UK,<sup>80</sup> in conjunction with the Future Foundation think-tank, ethical finance was the biggest growth sector in a growing market for ethical goods and services,

Ethical spending by UK consumers has reached a tipping point, the study finds, who now spend more on ethical goods and services than they do on cigarettes and alcohol.

During 2005, spending on ethical goods and services totalled £29.3 billion, up 11 per cent on 2004, while the retail market for cigarettes and alcohol stood at £28 billion. But the biggest growth area was ethical finance, which rose from a market value of just £5.2 billion in 1999 to £11.6 billion in 2005.

The Cooperative Bank; UK has acted as a market leader in ethical financial offerings, refusing to lend customers' savings to companies involved in unethical activities including using child labour and manufacturing weapons.

In India, the Primary Agricultural Cooperative Bank<sup>81</sup> has been helping villagers in and around Kancheepuram, Tamil Nadu, in cooperation with a non-governmental organization, the Aims Foundation India, to start a cooperative milk society. This is part of a wider effort to end child bonded labour in the Kancheepuram area based on news accounts of this problem in 2003.

### **Housing cooperatives**

Housing cooperatives take different forms depending on the country and aim of its members. They include building construction cooperatives formed to build homes collectively, housing cooperatives for the administration of housing stock (common ownership) and market value cooperatives which enable members to own a share of the value if the dwellings equivalent to the value of their homes.

Although at first glance this type of cooperative might not seem to have much to contribute to eliminating child labour, they can be active in sourcing products that are child labour free. One example is the Common Fire (housing) Cooperative<sup>82</sup> in the United States. It has raised awareness on its website to the need for social responsible purchasing asking its members to “make sure the carpets you are buying are child labour free”. It has links with a carpet retailer and has raised awareness on the Rugmark Label which ensures strict no-child-labour standards from its manufacturers.

## Conclusions

*Cooperating Out of Child Labour: Harnessing the untapped potential of cooperatives and the cooperative movement to eliminate child labour* is a concrete first step in focalising cooperatives on the problem of child labour. The Report is a call to action to harness the untapped potential of cooperative enterprises and the cooperative movement as a whole to play more active roles in the growing worldwide movement to eliminate child labour.

The Report addresses how cooperatives can be effective in eliminating child labour in economic sectors and supply chains where they operate, as well as in the local areas and communities where they are based. It highlights that cooperatives are not immune to child labour problems especially as economies become more competitive with increasing pressure to lower business operating costs. It highlights the need to move child labour higher on the cooperative agenda to assure that child labour is *not* one of the options cited for staying competitive.

To help cooperative leaders, managers, employees, and members ensure that cooperative business operations and supply chains are child labour free, the Report has:

- highlighted that the nature of cooperatives gives them a special role on child labour elimination;
- laid out the key issues associated with child labour and cooperatives and given appropriate background and introduced legal information (ILO standards) on the topic;
- provided concrete examples of cooperative initiatives across a wide variety of economic sectors to tackle child labour.

In reality, cooperatives may be doing more to eliminate child labour than they are reporting on. Yet, cooperatives need to be encouraged to take a more active role on child labour elimination. They can look at their own options for partnering; they can help the enterprises with which they are affiliated to end child labour and they can use the cooperative movement to spread the message on child labour.

Finally, this Report shows the commitment of ILO Cooperative Programme and the International Co-operative Alliance, in cooperation with IPEC, to help encourage and support cooperatives and the cooperative movement to act effectively on child labour so that both poverty and child labour become things of the past.



## Appendices

### Appendix 1: ILO Minimum Age Convention, 1973 (No. 138)

#### Article 1

*Each Member for which this Convention is in force undertakes to pursue a national policy designed to ensure the effective abolition of child labour and to raise progressively the minimum age for admission to employment or work to a level consistent with the fullest physical and mental development of young persons.*

#### Article 2

- 1. Each Member which ratifies this Convention shall specify, in a declaration appended to its ratification, a minimum age for admission to employment or work within its territory and on means of transport registered in its territory; subject to Articles 4 to 8 of this Convention, no one under that age shall be admitted to employment or work in any occupation.*
- 2. Each Member which has ratified this Convention may subsequently notify the Director-General of the International Labour Office, by further declarations, that it specifies a minimum age higher than that previously specified.*
- 3. The minimum age specified in pursuance of paragraph 1 of this Article shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years.*
- 4. Notwithstanding the provisions of paragraph 3 of this Article, a Member whose economy and educational facilities are insufficiently developed may, after consultation with the organizations of employers and workers concerned, where such exist, initially specify a minimum age of 14 years.*
- 5. Each Member which has specified a minimum age of 14 years in pursuance of the provisions of the preceding paragraph shall include in its reports on the application of this Convention submitted under article 22 of the Constitution of the International Labour Organization a statement—*

*(a) that its reason for doing so subsists; or*

*(b) that it renounces its right to avail itself of the provisions in question as from a stated date.*

#### Article 3

- 1. The minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years.*
- 2. The types of employment or work to which paragraph 1 of this Article applies shall be determined by national laws or regulations or by the competent authority, after consultation with the organizations of employers and workers concerned, where such exist.*
- 3. Notwithstanding the provisions of paragraph 1 of this Article, national laws or regulations or the competent authority may, after consultation with the organizations of employers and workers concerned, where such exist, authorise employment or work as from the age of 16 years on condition that the health, safety and morals of the young persons concerned are fully protected and that the young persons have received adequate specific instruction or vocational training in the relevant branch of activity.*

#### Article 4

- 1. In so far as necessary, the competent authority, after consultation with the organizations of employers and workers concerned, where such exist, may exclude from the application of this Convention limited categories of employment or work in respect of which special and substantial problems of application arise.*
- 2. Each Member which ratifies this Convention shall list in its first report on the application of the Convention submitted under article 22 of the Constitution of the International Labour Organization any categories which may have been excluded in pursuance of paragraph 1 of this Article, giving the reasons for such exclusion, and shall state in subsequent reports the position of its law and practice in respect of the categories excluded and the extent to which effect has been given or is proposed to be given to the Convention in respect of such categories.*

3. *Employment or work covered by Article 3 of this Convention shall not be excluded from the application of the Convention in pursuance of this Article.*

## Article 5

1. *A Member whose economy and administrative facilities are insufficiently developed may, after consultation with the organizations of employers and workers concerned, where such exist, initially limit the scope of application of this Convention.*
2. *Each Member which avails itself of the provisions of paragraph 1 of this Article shall specify, in a declaration appended to its ratification, the branches of economic activity or types of undertakings to which it will apply the provisions of the Convention.*
3. *The provisions of the Convention shall be applicable as a minimum to the following: mining and quarrying; manufacturing; construction; electricity, gas and water; sanitary services; transport, storage and communication; and plantations and other agricultural undertakings mainly producing for commercial purposes, but excluding family and small-scale holdings producing for local consumption and not regularly employing hired workers.*
4. *Any Member which has limited the scope of application of this Convention in pursuance of this Article—*
  - (a) *shall indicate in its reports under Article 22 of the Constitution of the International Labour Organization the general position as regards the employment or work of young persons and children in the branches of activity which are excluded from the scope of application of this Convention and any progress which may have been made towards wider application of the provisions of the Convention;*
  - (b) *may at any time formally extend the scope of application by a declaration addressed to the Director-General of the International Labour Office.*

## Article 6

*This Convention does not apply to work done by children and young persons in schools for general, vocational or technical education or in other training institutions, or to work done by persons at least 14 years of age in undertakings, where such work is carried out in accordance with conditions*

*prescribed by the competent authority, after consultation with the organizations of employers and workers concerned, where such exist, and is an integral part of—*

- (a) *a course of education or training for which a school or training institution is primarily responsible;*
- (b) *a programme of training mainly or entirely in an undertaking, which programme has been approved by the competent authority; or*
- (c) *a programme of guidance or orientation designed to facilitate the choice of an occupation or of a line of training.*

## Article 7

1. *National laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is—*
  - (a) *not likely to be harmful to their health or development; and*
  - (b) *not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received.*
2. *National laws or regulations may also permit the employment or work of persons who are at least 15 years of age but have not yet completed their compulsory schooling on work which meets the requirements set forth in sub-paragraphs (a) and (b) of paragraph 1 of this Article.*
3. *The competent authority shall determine the activities in which employment or work may be permitted under paragraphs 1 and 2 of this Article and shall prescribe the number of hours during which and the conditions in which such employment or work may be undertaken.*
4. *Notwithstanding the provisions of paragraphs 1 and 2 of this Article, a Member which has availed itself of the provisions of paragraph 4 of Article 2 may, for as long as it continues to do so, substitute the ages 12 and 14 for the ages 13 and 15 in paragraph 1 and the age 14 for the age 15 in paragraph 2 of this Article.*

## Article 8

1. *After consultation with the organizations of employers and workers concerned, where such exist, the competent authority may, by permits granted in individual cases, allow exceptions to the prohibition of employment or work provided for in Article 2 of this Convention, for such*





*purposes as participation in artistic performances.*

- 2. Permits so granted shall limit the number of hours during which and prescribe the conditions in which employment or work is allowed.*

#### **Article 9**

- 1. All necessary measures, including the provision of appropriate penalties, shall be taken by the competent authority to ensure the effective enforcement of the provisions of this Convention.*
- 2. National laws or regulations or the competent authority shall define the persons responsible for compliance with the provisions giving effect to the Convention.*
- 3. National laws or regulations or the competent authority shall prescribe the registers or other documents which shall be kept and made available by the employer; such registers or documents shall contain the names and ages or dates of birth, duly certified wherever possible, of persons whom he employs or who work for him and who are less than 18 years of age.*

## **Appendix 2: ILO Worst Forms of Child Labour Convention, 1999 (No. 182)**

#### **Article 1**

*Each Member which ratifies this Convention shall take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour as a matter of urgency.*

#### **Article 2**

*For the purposes of this Convention, the term child shall apply to all persons under the age of 18.*

#### **Article 3**

*For the purposes of this Convention, the term the worst forms of child labour comprises:*

- (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;*

- (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;*
- (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;*
- (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.*

#### **Article 4**

- 1. The types of work referred to under Article 3(d) shall be determined by national laws or regulations or by the competent authority, after consultation with the organizations of employers and workers concerned, taking into consideration relevant international standards, in particular Paragraphs 3 and 4 of the Worst Forms of Child Labour Recommendation, 1999.*
- 2. The competent authority, after consultation with the organizations of employers and workers concerned, shall identify where the types of work so determined exist.*
- 3. The list of the types of work determined under paragraph 1 of this Article shall be periodically examined and revised as necessary, in consultation with the organizations of employers and workers concerned.*

#### **Article 5**

*Each Member shall, after consultation with employers' and workers' organizations, establish or designate appropriate mechanisms to monitor the implementation of the provisions giving effect to this Convention.*

#### **Article 6**

- 1. Each Member shall design and implement programmes of action to eliminate as a priority the worst forms of child labour.*
- 2. Such programmes of action shall be designed and implemented in consultation with relevant government institutions and employers' and workers' organizations, taking into consideration the views of other concerned groups as appropriate.*

#### **Article 7**

- 1. Each Member shall take all necessary measures to ensure the effective implementation and*

*enforcement of the provisions giving effect to this Convention including the provision and application of penal sanctions or, as appropriate, other sanctions.*

2. Each Member shall, taking into account the importance of education in eliminating child labour, take effective and time-bound measures to:

- (a) prevent the engagement of children in the worst forms of child labour;
- (b) provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration;
- (c) ensure access to free basic education, and, wherever possible and appropriate, vocational training, for all children removed from the worst forms of child labour;
- (d) identify and reach out to children at special risk; and
- (e) take account of the special situation of girls.

3. Each Member shall designate the competent authority responsible for the implementation of the provisions giving effect to this Convention.

## Article 8

*Members shall take appropriate steps to assist one another in giving effect to the provisions of this Convention through enhanced international cooperation and/or assistance including support for social and economic development, poverty eradication programmes and universal education.*

## Appendix 3: ILO Promotion of Cooperatives Recommendation, 2002 (R193)

### Article 2

*For the purposes of this Recommendation, the term "cooperative" means an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.*

### Article 3

*The promotion and strengthening of the identity of cooperatives should be encouraged on the basis of:*

- (a) cooperative values of self-help, self-responsibility, democracy, equality, equity and solidarity; as well as ethical values of

*honesty, openness, social responsibility and caring for others; and*

- (b) cooperative principles as developed by the international cooperative movement and as referred to in the Annex hereto. These principles are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.

### Article 4

*Measures should be adopted to promote the potential of cooperatives in all countries, irrespective of their level of development, in order to assist them and their membership to:*

- (a) create and develop income-generating activities and sustainable decent employment;
- (b) develop human resource capacities and knowledge of the values, advantages and benefits of the cooperative movement through education and training;
- (c) develop their business potential, including entrepreneurial and managerial capacities;
- (d) strengthen their competitiveness as well as gain access to markets and to institutional finance;
- (e) increase savings and investment;
- (f) improve social and economic well-being, taking into account the need to eliminate all forms of discrimination;
- (g) contribute to sustainable human development; and
- (h) establish and expand a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community.

### Article 6

*A balanced society necessitates the existence of strong public and private sectors, as well as a strong cooperative, mutual and the other social and non-governmental sector. It is in this context that Governments should provide a supportive policy and legal framework consistent with the nature and function of cooperatives and guided by the cooperative values and principles set out in Paragraph 3, which would:*



- (a) *establish an institutional framework with the purpose of allowing for the registration of cooperatives in as rapid, simple, affordable and efficient a manner as possible;*
- (b) *promote policies aimed at allowing the creation of appropriate reserves, part of which at least could be indivisible, and solidarity funds within cooperatives;*
- (c) *provide for the adoption of measures for the oversight of cooperatives, on terms appropriate to their nature and functions, which respect their autonomy, and are in accordance with national law and practice, and which are no less favourable than those applicable to other forms of enterprise and social organization;*
- (d) *facilitate the membership of cooperatives in cooperative structures responding to the needs of cooperative members; and*
- (e) *encourage the development of cooperatives as autonomous and self-managed enterprises, particularly in areas where cooperatives have an important role to play or provide services that are not otherwise provided.*

#### **Article 7**

- (1) *The promotion of cooperatives guided by the values and principles set out in Paragraph 3 should be considered as one of the pillars of national and international economic and social development.*
- (2) *Cooperatives should be treated in accordance with national law and practice and on terms no less favourable than those accorded to other forms of enterprise and social organization. Governments should introduce support measures, where appropriate, for the activities of cooperatives that meet specific social and public policy outcomes, such as employment promotion or the development of activities benefiting disadvantaged groups or regions. Such measures could include, among others and in so far as possible, tax benefits, loans, grants, access to public works programmes, and special procurement provisions.*
- (3) *Special consideration should be given to increasing women's participation in the cooperative movement at all levels, particularly at management and leadership levels.*

#### **Article 9**

*Governments should promote the important role of cooperatives in transforming what are often marginal survival activities (sometimes referred to as the "informal economy") into legally protected work, fully integrated into mainstream economic life.*

#### **Article 10**

- (1) *Member States should adopt specific legislation and regulations on cooperatives, which are guided by the cooperative values and principles set out in Paragraph 3, and revise such legislation and regulations when appropriate.*
- (2) *Governments should consult cooperative organizations, as well as the employers' and workers' organizations concerned, in the formulation and revision of legislation, policies and regulations applicable to cooperatives.*

#### **Article 11**

- (1) *Governments should facilitate access of cooperatives to support services in order to strengthen them, their business viability and their capacity to create employment and income.*
- (2) *These services should include, wherever possible:*
  - (a) *human resource development programmes;*
  - (b) *research and management consultancy services;*
  - (c) *access to finance and investment;*
  - (d) *accountancy and audit services;*
  - (e) *management information services;*
  - (f) *information and public relations services;*
  - (g) *consultancy services on technology and innovation;*
  - (h) *legal and taxation services;*
  - (i) *support services for marketing; and*
  - (j) *other support services where appropriate.*
- (3) *Governments should facilitate the establishment of these support services. Cooperatives and their organizations should be encouraged to participate in the organization and management of these services and, wherever feasible and appropriate, to finance them.*
- (4) *Governments should recognize the role of cooperatives and their organizations by*

*developing appropriate instruments aimed at creating and strengthening cooperatives at national and local levels.*

## **Article 12**

*Governments should, where appropriate, adopt measures to facilitate the access of cooperatives to investment finance and credit. Such measures should notably:*

- (a) allow loans and other financial facilities to be offered;*
- (b) simplify administrative procedures, remedy any inadequate level of cooperative assets, and reduce the cost of loan transactions;*
- (c) facilitate an autonomous system of finance for cooperatives, including savings and credit, banking and insurance cooperatives; and*
- (d) include special provisions for disadvantaged groups.*

## **Article 13**

*For the promotion of the cooperative movement, governments should encourage conditions favouring the development of technical, commercial and financial linkages among all forms of cooperatives so as to facilitate an exchange of experience and the sharing of risks and benefits.*

## **Article 14**

*Employers' and workers' organizations, recognizing the significance of cooperatives for the attainment of sustainable development goals, should seek, together with cooperative organizations, ways and means of cooperative promotion.*

## **Article 15**

*Employers' organizations should consider, where appropriate, the extension of membership to cooperatives wishing to join them and provide appropriate support services on the same terms and conditions applying to other members.*

## **Article 16**

*Workers' organizations should be encouraged to:*

- (a) advise and assist workers in cooperatives to join workers' organizations;*

- (b) assist their members to establish cooperatives, including with the aim of facilitating access to basic goods and services;*

- (c) participate in committees and working groups at the local, national and international levels that consider economic and social issues having an impact on cooperatives;*

- (d) assist and participate in the setting up of new cooperatives with a view to the creation or maintenance of employment, including in cases of proposed closures of enterprises;*

- (e) assist and participate in programmes for cooperatives aimed at improving their productivity;*

- (f) promote equality of opportunity in cooperatives;*

- (g) promote the exercise of the rights of worker-members of cooperatives; and*

- (h) undertake any other activities for the promotion of cooperatives, including education and training.*

## **Article 17**

*Cooperatives and organizations representing them should be encouraged to:*

- (a) establish an active relationship with employers' and workers' organizations and concerned governmental and non-governmental agencies with a view to creating a favourable climate for the development of cooperatives;*

- (b) manage their own support services and contribute to their financing;*

- (c) provide commercial and financial services to affiliated cooperatives;*

- (d) invest in, and further, human resource development of their members, workers and managers;*

- (e) further the development of and affiliation with national and international cooperative organizations;*

- (f) represent the national cooperative movement at the international level; and*

- (g) undertake any other activities for the promotion of cooperatives.*





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### Chapter 1

- <sup>1</sup> The Cooperative Movement refers to cooperative organisations operating in sectors of the economy and society. It includes individual cooperative enterprises of all types and sizes as well as their organisations which bring cooperatives together such as unions, federations, confederations.
- <sup>2</sup> Article 2 of the ILO Convention No. 182.
- <sup>3</sup> IPEC: *Training resource pack on the elimination of child labour in agriculture* (Geneva, ILO, 2005).
- <sup>4</sup> IPEC: *Tackling hazardous child labour in agriculture: Guidance on policy and practice, Guidebook 2* (Geneva, ILO, 2006), Chapter 2.
- <sup>5</sup> "Community" can be defined as a group of interacting people living in a common location or individuals who share characteristics, regardless of their location or type of interaction. In this sense, "community" can mean a community of interest.

### Chapter 2

- <sup>6</sup> IPEC: *Every child counts: New global estimates on child labour* (Geneva, ILO, 2002), p 23.
- <sup>7</sup> Op. cit. 3.
- <sup>8</sup> IPEC and the Inter-parliamentary Union: *Eliminating the WFCL: Handbook for Parliamentarians No. 3* (Geneva, ILO, 2002), p 29.
- <sup>9</sup> IPEC: *Action against child labour* (Geneva, ILO, 2000), p 150.
- <sup>10</sup> SCREAM: [www.ilo.org/scream](http://www.ilo.org/scream)
- <sup>11</sup> ILO: *The end of child labour - Within reach* (Geneva, ILO, 2006), page xi.
- <sup>12</sup> Op. cit. 11.
- <sup>13</sup> Safework: *Facts on safe work, fact sheet* (Geneva, ILO, 2005).
- <sup>14</sup> Op. cit. 13.
- <sup>15</sup> Op. cit. 4, Guidebook 2, Chapter 2, 2.1.
- <sup>16</sup> UNEP, UNICEF, WHO: *Children in the new millennium: Environmental impact on health* (Geneva, WHO, 2002), p 32.
- <sup>17</sup> Umwelt Bundes Amt Für Mensch and Umwelt: *Environmental health risks. What are the differences between children and adults?* (Berlin, Germany), [www.apug.de7archiv/pdf/brochure\\_children\\_suscept.pdf](http://www.apug.de7archiv/pdf/brochure_children_suscept.pdf)
- <sup>18</sup> Keating, D.P.: "Adolescent thinking" in S.S. Feldman et al (eds): *At The Threshold: The Developing Adolescent* (Cambridge, Mass, 1990), pp. 54-89.

- <sup>19</sup> Guiffrida, A., et al: "Health and Poverty in Brazil", in *Understanding Children's Work: Child labour and health: Evidence and research issues* (Washington, DC, Mimeo, Inter-American Development Bank, 2002), p 16.

<sup>20</sup> Op. cit. 19.

<sup>21</sup> Op. cit. 3, Guidebook 3.

### Chapter 3

- <sup>22</sup> ILO, ICA: *The Cooperative College: Promoting cooperatives: A guide to ILO Recommendation 193* (Geneva., ILO, 2004), p 19.
- <sup>23</sup> United Nations Department of Public Information: *Cooperatives at work. United Nations 60 – A Time for Renewal* (New York, UN, 2005).
- <sup>24</sup> International Cooperative Alliance: *Global 300 list, 2007 – The world's major cooperatives and mutual businesses* (Geneva, ICA, 2007).
- <sup>25</sup> International Cooperative Alliance: *Ministers of Cooperatives – meeting with International Cooperative Alliance* (Geneva, ICA, 2007).
- <sup>26</sup> International Cooperative Alliance website: *Coop Stats* <http://www.ica.coop/coop/statistics.html>
- <sup>27</sup> Coop Norden: *Annual Report 2006* (Sweden, Coop Norden, 2006).
- <sup>28</sup> Op. cit. 22.
- <sup>29</sup> CONFECOOP: *Sector Cooperativo Colombiano 2007*.
- <sup>30</sup> GNC: Newsletter, No 348, June 2007.
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