



Preventing Child Labour in Home-based Crafts Production – A Practical Toolkit for Businesses



Background

This Toolkit was produced in response to requests from companies for practical guidance, and examples of good practice to support their efforts to address child labour in the home-based craft sector.

Traidcraft Exchange is working to help companies find sustainable and scalable solutions to the presence of child labour amongst homeworkers in craft supply chains. As part of this work Traidcraft has collaborated with Homeworkers Worldwide (HWW) to research how businesses are addressing child labour in this sector. This research and the resulting report 'Strategies for combating child labour in home-based craft production' form the basis for this Toolkit, including the quotations and examples of good practice which it cites.

Contents

Introduction.....	3
Using this Toolkit	5
Underlying Principles.....	6
Practical Steps.....	7
Sourcing and Business Practices:	
Walking the Talk.....	15
Education	16
Working with others.....	18
Useful links	19
Appendices.....	20



Introduction

150 million children are engaged in child labour worldwide.¹ Child labour occurs in a wide range of workplaces: in factories, in farming, in workshops, and at home.

Child labour robs children of their childhood and future, through denying them the chance of schooling. It is a major concern for consumers, companies and campaigners. Preventing child labour is not straightforward and there is no one-size fits all approach. But effective action is both possible and necessary. Along with governments, NGOs and local communities, companies have a central role to play in addressing the problem. By working together we can make a real difference to the wellbeing of children.

This toolkit focuses on those children working in home-based craft production chains. It does not address other situations, such as in factories. However, some of our recommendations may also be relevant for small workshops.

Whilst many of the practical examples here are drawn from experience in Northern India, the general principles and approaches outlined will be of use in other countries as well. One of the strongest messages from numerous interviews with businesses addressing child labour, was the importance of understanding and responding to the local context. A single toolkit could

never provide all the answers for every supply chain. However, it provides a starting point for businesses seeking to tackle child labour, as well as providing practical examples of what other companies have found to be successful.

This toolkit focuses on the areas which fall most directly within the companies' sphere of responsibility, and highlights areas where companies can exert influence. Whilst some of the approaches outlined in this toolkit may appear challenging or ambitious, they are based on what businesses themselves have told us is realistic and achievable. Traidcraft and Homeworkers Worldwide are available to provide support and guidance throughout the process. We have also included links to other relevant stakeholders and sources of support at the end of this document. We firmly believe that all our efforts to prevent child labour amongst homeworkers will be more far more effective when we work together, and it is in this spirit that this toolkit has been developed.

Traidcraft and Homeworkers Worldwide would like to thank Body Shop International, H&M and the other major retailers and organisations who contributed to this toolkit. The views expressed in this report are those of Traidcraft and Homeworkers Worldwide and may not reflect the views of any single contributor, except where attributed.

¹ www.unicef.org/protection/57929_58009.html Unicef figures for children aged 5-14.

The risks of child labour in home-based crafts production

Home-based craft production is often perceived to be high risk for child labour, for several reasons.

- Home-based work (or homework) is, by definition, done at home rather than in factories and it is therefore more challenging to monitor exactly who is doing the work.
- Craft work is laborious. It is not unusual for family members to assist the main homeworker, particularly when workloads are high.
- Homeworkers (whether doing crafts or other work) tend to be very low paid: engaging other family members, including children, may be the only way they can increase their small earnings.

Fortunately these risks can be addressed, and there is much that companies sourcing home-based craft products can do to prevent child labour in their chains.

Why banning homework is not the solution

Homework is far more common than is generally recognised, not only in craft production but in all kinds of product chains. For companies, homeworkers provide a vast, flexible workforce – often with specialist skills.

In the past companies have sought to manage risks by banning homeworking. This approach has been shown to cause real harm to the child labourers it purports to protect, and to homeworkers.ⁱⁱ

Banning homework does not help potential child labourers because (if successful) the homeworkers simply lose their work and their families are further impoverished. Children may find themselves pushed into worse forms of child labour as a consequence. The more likely scenario however is that homeworking continues, but is pushed further underground – making it even more difficult to address working conditions, and making child workers more vulnerable.

Tackling root causes

Poverty is one of the primary causes of child labour. Where parents are able to earn enough to support their families, they are far more likely to keep their children out of work, and in education.

The children of homeworkers in craft production are at

risk of child labour because their parents' earnings are often inadequate. Homeworkers' earnings tend to be **low**, **irregular** and **insecure**.

- Wages are **low** because homeworkers are paid piece rates that commonly equate to well below the minimum wage.
- Earnings are **irregular** because homeworkers are only paid when they have work and the purchasing practices of many retailers encourage last minute orders and wildly fluctuating workloads.
- Earnings are **insecure** because homeworkers are generally employed informally, with few rights, falling outside of many company or government social protection schemes.

Companies can take steps to ensure children don't need to work through raising wages, finding ways to make work more regular (this is a challenge but there are positive examples of best practice) and ensuring homeworkers receive some form of social security coverage.

“Fair wages is one of the main conditions to ensure no child labour. It is a fact that parents only put their children to work if they cannot otherwise earn enough for the family to survive.”

Fair Trade Retailer, EZA Fairer Handel

There is broad consensus that effective elimination of child labour requires action to raise homeworkers' wages and also to ensure that children have access to education. Child labour is more common where education provision is poor, of low quality or unaffordable. These are important factors because they reduce the incentive to send children to school against the opportunity cost of losing the child's income. However, earnings are crucial, and are something that companies themselves can address, and in many cases are addressing. In addition, companies can also have a positive influence on factors such as access to education and community attitudes by working together with other local stakeholders.

2 See 'Strategies for combating child labour in home-based crafts production', Traidcraft/ HWW 2014.



“A risk management approach, which seeks to exclude child labour from production, without ensuring that adult earnings are sufficient to meet family needs, may force child labour into less visible and more hazardous occupations.”

Strategies for combating child labour
in home-based crafts production,
(HWW/Traidcraft), 2014

Using this Toolkit

This toolkit is divided into three main sections.

- **Underlying Principles** outlines cross-cutting principles that will help inform your approach to preventing child labour in home-based craft production.
- **Practical Steps** includes advice and examples of actions you can take to prevent child labour by improving homeworker earnings, supporting children's access to education, and remediation strategies for when child labour is identified.
- In the **Appendices** you will find model policies and simple practical tools, which have been developed, tested and found to be effective by different companies.

Some issues associated with child labour require careful thought; some elements remain contentious and subject to continued debate. Where we think an issue may need further exploration, we have included a 'Think about' box outlining differing approaches and points to consider.

THINK ABOUT... Defining child labour

You will need to ensure that the definitions of child labour you use are compatible with ILO standards and local law at a minimum. The ILO's minimum age for employment in developing countries is 14 (or older if school leaving age is older). In addition, the ILO distinguishes between acceptable forms of work and 'worst forms of child labour' (such as hazardous work) that are not appropriate for anyone under 18.

There is general consensus that children should not do work that interferes with their education, or that is physically harmful or dangerous. Beyond this, there are varying definitions of child labour, and experts do not always agree on what, if any, work is appropriate for children. Some NGOs and companies accept children helping their families with work, as long as they are going to school. Others contend that children should not be working even outside school hours, as leisure time is an important part of childhood. We recommend discussing these issues with local stakeholders such as NGOs and child labour organisations who operate in the areas from which you are sourcing.

Key Questions:

- *What is your position on children working if they are also in education?*
- *What is your position on adolescent workers?*

Underlying Principles

In exploring examples of best practice by companies we have identified some key underlying principles that have informed effective interventions.



Best interests of the child

The guiding principle for all work to prevent child labour must be the 'best interests of the child'. The value of an intervention or approach depends upon whether it leaves the children themselves better-off.

Transparency and openness

It is important to be open about the reality of homeworking, especially when dealing with suppliers. Transparency in supply-chains is crucial.

Engaging with communities

Children, their parents (the homeworkers) and the wider community need to be engaged in order to share in the commitment to prevent child labour.

Understanding the local context

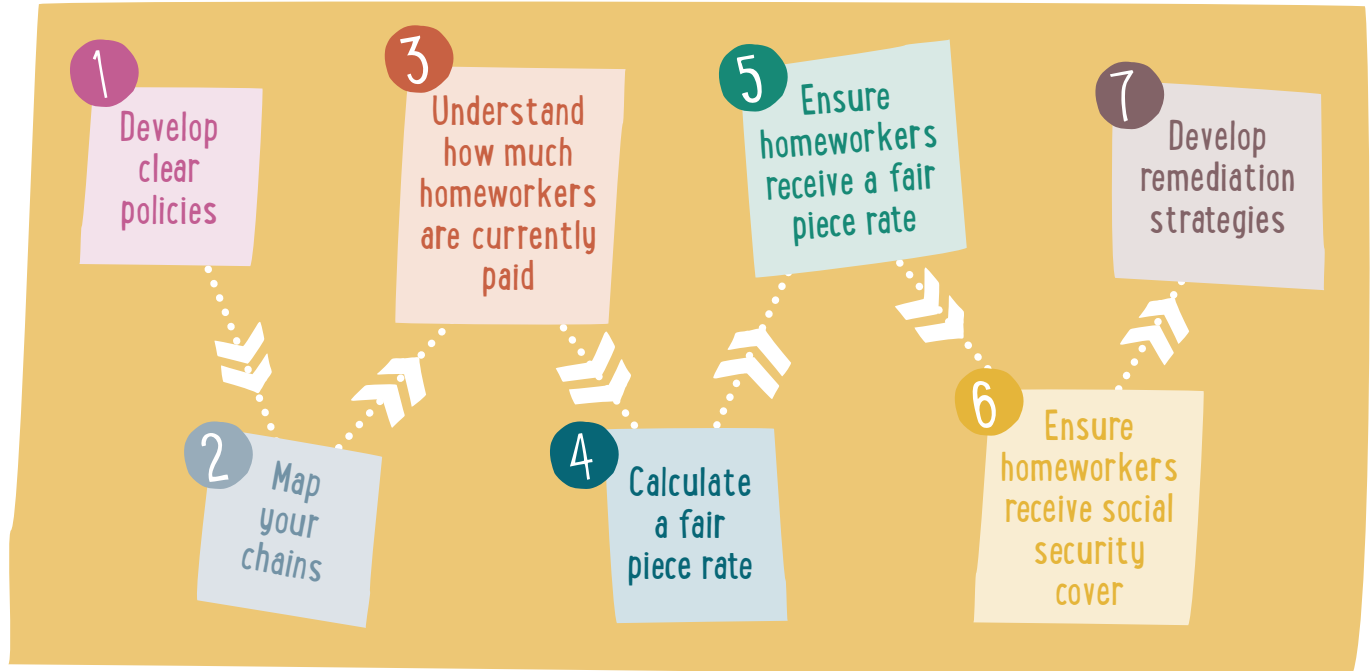
There is no one size fits all solution, and the specific challenges depend on local context. There will be legal, cultural, social, economic and product-specific factors that will influence child labour risks in supply chains. In-country staff and local partners are key to developing local understanding.

Working together

Implementing labour rights in informal chains is resource intensive. It is important to collaborate with suppliers and sub-contractors, with NGOs and local partners, and with other Brands. Working with others can bring in their specialist skills, increase leverage, and makes for more sustainable solutions.

Practical Steps

The following steps are designed to help businesses prevent child labour through improving homeworkers' earnings, increasing transparency in chains and putting in place remediation policies that will ensure effective action where child labour risks are identified.



1) Develop clear policies

Many companies have child labour policies and homemaker policies. These promote transparency, communicate companies' positions to suppliers and sub-contractors and enable implementation. Staff may need to be trained to ensure they are able to fully integrate these policies into their work wherever relevant.

We recommend starting with those supply chains where the most impact can be achieved. These are likely to be supply chains:

- where child labour has been identified;
- which are relatively stable, where there are long-term relationships with suppliers and where it is possible to follow through on work;
- where large volumes are sourced and where therefore there is potential for greater leverage;
- in areas where you have local knowledge, staff, and/or partners.

See Appendix 1) for a Model homemaker policy

See Appendix 2) for a Model child labour policy

2) Map your supply-chains

In order to take the necessary steps to address the causes of child labour, it is important to understand exactly what work is being done at home, where and by whom. Supply-chains need to be fully mapped and this requires going below the first, second or sometimes even third tier, right through to the homeworkers themselves.

Working with local NGOs can be really helpful here, especially when engaging with homeworkers themselves and with their children. Ensuring that homeworkers are involved in the process and that their voices are heard, as well as those of their children, is crucial. This can be easier if the homeworkers are organised in some way (see 'Working with others' section page x).

“ You have to go to the village and trace the supply chain, and this may mean tracking sub, sub, sub-suppliers. ”

Homeware retailer

THINK ABOUT... Gender

Child labour in home-based craft production has a strong gender dimension. Certain types of craft work may be associated more with girls, or with boys. In some communities, educating daughters is seen as a lower priority than educating sons, and girls may be expected to work at home to help pay for their brothers' education. Other social norms may affect girls' opportunity to attend school, e.g. concerns about safety and travelling alone.

'It is important to stress the rights of women and girls, particularly the rights of women to improve their livelihood, to make their own decisions and to stress the importance of girls education, including secondary – not only primary education.'

Hivos (Stop Child Labour coalition)

The vast majority of homeworkers (90%) are women. However in some sectors the role of women workers may be hidden. For example, in weaving men are often paid as the producers of the cloth because they do the weaving, when in fact their wives or female relatives play just as big a role in the production by setting up the thread on the looms.

Ensuring women are properly paid is vital to the whole family because women's income has been commonly found to be of more direct benefit to their children than men's. As fashion retailer H&M told us, *'When women earn it is used to take care of the household and the children so we think it makes a big difference to them.'*

Finally, it is important to bear in mind the responsibility of women as primary carers for children. This makes working with women doubly important, supporting them to improve their earnings and enabling their children to access education.

Key Questions:

- **What are the gender issues you need to consider in your production chain?**
- **Are girls or boys more likely to be working?**
- **How can you engage with women as workers and as mothers?**



3) Find out how much homeworkers are currently paid

If homeworkers are employed directly, through a producer group or distribution centre, the labour cost can be made explicit through a costing and pricing exercise.

See Appendix 6) for a Model product costing spreadsheet

However, most homeworkers are employed in informal sub-contract chains. **Value chain mapping** is a useful way to demonstrate what price is paid (and how much retained) at each tier of the chain, by contractors and sub-contractorsⁱⁱⁱ, and eventually to the homeworkers who carry out production.

See Appendix 3) for a Value chain tool for sub-contract homeworker chains

4) Calculate a fair piece rate

Working out a fair piece rate is relatively straightforward. The best way to do this is to use time and motion studies to set piece rates. Where this is not practicable, an alternative approach is to ask a random selection of homeworkers how long a piece takes to make, and how many pieces they can produce in a normal 8 hour day, and work out the rate accordingly.

See Appendix 4) for guidance on Setting fair piece rates for homeworkers (ETI briefing)

In both approaches, the piece should be based on *at least* the appropriate local minimum wage. In India, consider if homeworkers are carrying out skilled work, as a higher minimum wage will be required.^{iv} Many Fair Trade companies are implementing a fair wage, currently defined as the minimum wage plus 10%, as the first step towards a living wage.



H&M raised homeworker's wages from the lowest (unskilled) minimum wage to a rate based on the minimum wage for skilled workers.

“We looked at the business case for paying skilled wages and discussed payments with sub-contractors and suppliers. The rise in wages only made a marginal difference to cost.”

Remember to include everyone's labour when you are calculating piece rates; other family members may be helping in production and their labour should be factored into the piece rate.

5) Ensure homeworkers receive a fair piece rate

Simple measures have proved effective to track payments to homeworkers even when a number of sub-contractors and intermediaries are involved.

- Develop a **paper trail to homeworkers**. Make sure suppliers have systems for tracking orders distributed via sub-contractors. Require sub-contractors to keep detailed records of any intermediaries and homeworkers.
- **Pass books** are used by many companies to monitor payments to homeworkers. Each homeworker receives a pass book which stipulates the agreed piece rate for each item; the book is signed by both the homeworker and the sub-contractors when payment is received for completed items.
- Suppliers generally have **systems** for managing production and **quality assurance** in informal sub-contract chains which can be adapted to provide visibility and traceability right down to the homeworker. A good place to start is by asking suppliers how they know who is responsible for re-working any faulty pieces.

See Appendix 7) for a Purchase order between contractor & supplier
See Appendix 5) for a Model Homeworker pass book

³ For large orders there may be several tiers of sub-contractor in the chain, so that the order can be distributed amongst a large number of homeworkers.

⁴ Much traditional crafts production, including embroidery and weaving, is highly skilled.

How companies are ensuring fair piece rates for homeworkers

Several major clothing retailers issue homeworkers with a **pass book**, in which the number of pieces they are given and payments they receive are recorded. This obviates any arguments about entitlements or late payments. It is also their 'license' to do work for the company. The pass book creates transparency over piece rates. Manufacturers are required to raise Purchase Orders with contractors for work carried out by homeworkers, creating a paper trail which can be followed by auditors.

One fashion retailer we spoke to requires sub-contractors to keep detailed records of all their homeworkers, signed by both the sub-contractor and the homemaker. The company gives a **Worker Reference handbook** to every worker and homemaker in their supply chain. This informs them of their entitlements under the Ethical Trading Initiative [ETI] Base Code of labour rights. Homeworkers keep a record of the piece rates they are paid, which allows the company to check whether they are receiving the minimum wage.

Finally,

- Raising homeworkers' piece rates may increase product cost, which of course can be challenging in a competitive commercial environment. However, major brands have described how they have found it possible to do so with only marginal increases in cost.
- Working together with other companies can help scale-up impact – raising the 'going-rate' for work, rather than just the pay homeworkers receive for some products.
- Some companies recommend ring-fencing homeworkers' labour costs in price negotiations and purchasing contracts to ensure there is no downward pressure on them.
- A simple spreadsheet⁵ is used by members of the European Fair Trade Association [EFTA] to identify the labour cost of a craft product, and to ensure that it is protected in cost negotiations. It can thereafter be used in monitoring to verify that fair wages are paid.

See Appendix 6) for a 'Model product costing spreadsheet' for identifying the labour cost of a craft product

“There is 100% mandatory visibility. Knowing where production is taking place is essential.”

Fashion retailer

THINK ABOUT... Product & Distribution Centres

Setting up a distribution or production centre is often seen as one way of ensuring that children are not working. There are different models for these centres with varying results.

In the leather sector, stitching centres set up without consulting homeworkers resulted in women homeworkers losing their work. This leaves their children poorer, and at worst pushes them into more hazardous work.

A major homeware retailer, aims to bring all homework in the carpet sector into centres. However, this company has a long-term strategy and acknowledges that initially it may be necessary to work with women working at home and adopt a gradual approach to bringing all work into a centre.

A more flexible model, adopted by some companies, is for the sub-contractor to set up a centre where some production may be carried out, but which also functions as a distribution centre and contact point for homeworkers. This has the advantage of bringing homeworkers together, facilitating training and quality control without destroying their livelihoods. Some companies favour engaging homeworkers through some form of organisation such as a cooperative or association. The Self-Employed Women's Association [SEWA] runs centres in the NCR region of northern India, distributing work to member homeworkers.

Centres may be better suited for predictable product chains than in more volatile fashion product sectors.

For centres to be effective, homeworkers need a voice within the centre; partnerships need to be built with *their* preferred organisation. Whether through a centre or not, the lesson from the chains of Fair Trade and mainstream companies alike is that the **organisation of homeworkers** is mutually beneficial, helping to build their capacity for production, improve quality and guaranteeing good working conditions including the absence of child labour.

Key Questions:

- *If you are considering a Production and Distribution Centre approach:*
- *How can you ensure current homeworkers do not lose work, making their children worse off?*
- *Are homeworkers consulted so that the centre meets their needs?*

⁵ A similar spreadsheet is also used by major retailers to ensure fair wages of artisans.



6) Ensure homeworkers receive social security cover

Homeworkers generally fall outside of social security protection – covered neither by company nor government schemes. Ensuring homeworkers receive some form of social protection can be important when it comes to preventing child labour risks. At a minimum homeworkers need protection for ill health and maternity – times when they cannot work and therefore when it is more likely that their children will have to. There are a variety of ways that you can ensure homeworkers are covered.

Support homeworkers to sign up to existing schemes

- Some governments (national and/or state) offer social security schemes for informal workers that homeworkers can access (in India this can vary from state to state).
 - However, even where relevant schemes exist, homeworkers often struggle to access them. They simply may not know about the schemes, or they may lack the necessary paperwork or identification required,
- A number of companies sourcing products in Northern India have worked with local NGOs to support homeworkers to register for ID cards and access government health-care and insurance schemes which cover the artisan handicraft sector.^{vi}

- Some have found that this can also be an important first step in homeworkers becoming organised, which has helped the companies engage with them on other issues.
- However, be aware of the extent of the coverage on offer. The Handicraft Artisans Comprehensive Welfare Scheme in India for example, only provides very basic coverage. You may wish to consider how to go further.

Provide company schemes

- All homeworkers under the Body Shop Community Fair Trade programme have access to benefits such as medical allowances on top of any legal rights – and this is checked and verified by assessments.
- H&M conducted a social impact assessment in two villages it was sourcing from as part of a child labour strategy and is now implementing a social security system because they found that most homeworkers were uninsured and had no pension.

Work with others to demand more inclusive national schemes

- Consider joining local NGOs in lobbying the government for universal social security and free and accessible health-care. In principle, homeworkers should be treated like other workers, and provided with the same kind of contributory insurance schemes. This is a long-term goal and other coverage will still be required in the short term.

⁶ Under the ETI Homeworker Project homeworkers were issued with identity cards. This was also found to have benefits of building the respect and recognition of women homeworkers.

THINK ABOUT... Social Security – who is entitled and who is responsible

Social security provides a safety net for families in times of difficulty, preventing them falling into poverty. It can take different forms depending on local context, but broadly comprises:

- Rights as workers for protection in times of sickness, old age, maternity, unemployment and industrial injury or disease.
- Public provision of healthcare and social assistance for those in need or living below the poverty line – whether in or out of work.

The elements of social security that are workers' rights (including benefits funded by National Insurance, to which both the employer and the employee make contributions) constitute part of the wage, and are part of an employer's responsibility.

While in most countries homeworkers are denied social security rights as workers, under the ILO Convention on Home Work (177) homeworkers are entitled to equal treatment, including in social

security, on a par with formally employed workers. The ETI Homeworker Guidelines makes explicit the responsibility for companies to provide social protection to homeworkers and informal workers if they are not covered by statutory schemes, so that they enjoy equivalent benefits to factory workers.

In the long term homeworkers should be covered by national insurance and pension schemes (ESI and PF in India). Companies have a responsibility to those producing their goods and until such rights are established, may need to make up any shortfall through private provision.

In North India and elsewhere, it is widely acknowledged that primary health centres are inadequate. As in the area of education, companies can add their voices to advocacy work in partnership with local organisations to ensure free and good quality health-care.

While social assistance is mainly a government responsibility, it is vitally important wages are sufficient so that homeworkers can make savings and contribute to insurance schemes which give them a level of security at times of sudden disasters, unemployment or family crises.



Key Questions:

- *What protection do homeworkers in your supply chains have in case of ill health or maternity, etc?*
- *Do homeworkers in your chains receive the same level of social protection as factory workers?*
- *Are homeworkers earning sufficient to pay into savings or insurance schemes?*



7) Develop remediation strategies

Preventing child labour by addressing low earnings is the best way to protect children in the long term. But even with the best intentions, things can go awry and it's advisable to have remediation strategies in place to ensure things get put right.

Careful monitoring of homeworkers can be used to identify potential child labour problems.

How companies ensure they are alert to child labour amongst homeworkers

One fashion retailer explained that under its homeworkers policy sub-contractors have to complete a simple record for each homemaker employed. The record includes proof of identity, a photograph of the homemaker and the names and ages of every member of the family. It is signed by the sub-contractor and the homemaker. This enables verification during audit visits and also risk assessment. The volume of orders going to a community is matched against the known production capacity of that community; if a mismatch is found this is taken to be a possible sign of further sub-contracting or use of child labour.

Community visits by company staff can be used to build relationships, and talk with children.

Another major fashion retailer explained 'You can get a sense of how things are; you can talk with kids and check with school that they are attending.' Local staff are needed to develop these relationships.

If we find child labour, what should we do?

Companies have found that it is imperative to have an appropriate remediation strategy in place, in the event of child labour being found. First and foremost, remediation should improve the situation of the child. Simply cancelling orders from a supplier or sub-contractor where child labour is found can be very damaging. It can leave families without income and this can push children into more desperate and hazardous forms of work.

“It is important to act with sensitivity and to make sure that any follow up does not put the child at risk. The principle is always to work in the best interests of the child.”

Homeware retailer



Some key components of a Remediation Policy

A comprehensive child labour remediation policy must be developed to suit the local context. In our research we found that it should include:

- **Working with a local NGO**

It is advisable to develop these partnerships in sourcing areas in advance of any problems being identified. This enables a quicker response if and when any such problems occur. Local NGOs will be best placed to talk to children and families, they can help present the child's perspective and ensure responses work in the child's best interests.

- **Discussions with suppliers**

Seek to understand how the problem has developed. Is it due to weaknesses in policies themselves, or in the implementation of these? How can prevention be ensured in the future? Who will pay for remediation?

Financial remediation

A key question to address is how to ensure a child is not made poorer by being taken out of work? This may involve continuing to make payments to the family for the loss of the child's income, or it may mean employing another family member.

- **Education**

Are there ways to support the child into education? If the child has missed out on a lot of schooling they may need a bridge school to help them back into education.

A major fashion retailer explained that its child remediation strategy, which includes homeworking situations, reflects the range of steps that are needed.

“These involve raising awareness of parents about child labour, ensuring that children attend schools and payments to the family to compensate for loss of earnings until the child reaches employable age... If the factory and supplier commit to remediation – and so far this is nearly always the case – orders are not cancelled. The suppliers meet the cost of remediation, including income support for the family. NGOs are called in to speak with child workers and their parents and guardians.”

Sourcing and Business Practices: Walking the Talk

It is of course essential that work to address child labour in informal chains is supported by general business practices.

Raising piece rates received by homeworkers may add a little to (FOB) costs, and although this may not be much relative to the retail price, buy-in from buyers and senior managers will be required. Business practices which seek to maximise margins can quickly undermine other achievements and increase reputational risk.

Big variations in volumes, and delayed or rushed orders, can raise the risk of child labour – suppliers may have to bring in additional sub-contractors, reducing transparency in supply-chains.

Lessons from Fair Trade

Child labour is rare in Fair Trade supply chains. Commercial companies seeking to prevent child labour may wish to consider adopting elements of their approach, including:

- Commercial relationships are long-term and volumes are stable and predictable.
- Suppliers are offered credit, meaning they can pay homeworkers without delay.
- Labour costs (at minimum wage or above) are made visible and protected.
- High levels of trust and shared values exist in Fair Trade chains.
- Responsibility is shared. Fair Trade retailers like EZA Fairer Handel make public commitments in their Partner Policy about how they help their suppliers achieve the Fair Trade Principles.

A full review of sourcing strategy and business practices is beyond the scope of this toolkit.^{vii} However, companies described to us how addressing the following issues can be helpful:

- Ensure homeworkers' labour costs are visible and protect them in price negotiations. See Appendix 6) for a Model product costing spreadsheet.
- Support Buyers and Senior Managers to understand their role in preventing child labour.

- Review sourcing strategy and buyers' performance management targets.
- Do they support stable and predictable trading relationships, and direct orders towards suppliers who are tackling child labour?
- Review lead times and critical path. This may require involving design and other teams.
- Can production schedules be adjusted to smooth out peaks and troughs in orders?
- Take a critical look at payment terms.
- Could these be driving delayed payments and hardship for homeworkers?
- Source from Fair Trade suppliers (members of the World Fair Trade Organisation^{viii}) or sources certified by Goodweave in the case of carpets, for example.

The Body Shop explained that its sourcing strategy supports long-term relationships with its suppliers, despite the need to refresh its product range.

“Product design and materials are subject to change but can often be produced from the same source. We seek to offer a sustainable level of orders and thus regular employment.”

Companies need to walk the talk, when it comes to child labour.

Is your company ready to pay a slightly higher price so that families do not need their children to work to survive?

If you are serious about preventing child labour amongst homeworkers, it is best to get clarity on this across the company from the outset.

⁷ Further guidance, produced jointly by the Chartered Institute of Purchasing and Supply and Traidcraft, is available from www.traidcraft.co.uk/resourcesearch, select 'Campaigns & Policy' and (for ETI members) from: www.ethicaltrade.org/resources/key-eti-resources/step-by-step-guide-purchasing-practices-may-10

⁸ Members of the World Fair Trade Organisation sign up to implement the Fair Trade Principles. In 2013 WFTO instituted a guarantee system which offers a credible evidence of adherence to the standards. See www.wfto.com/standard-and-guarantee-system

THINK ABOUT...

Why is regular work an issue for homeworkers?

Homeworkers are only paid when they receive work, and the work they receive can be very irregular. Improving the regularity of orders makes a huge difference to families, providing more stable incomes. Large peaks in demand can put pressure on families to complete large quantities quickly – in such situations the whole family may join in to help with the work.

This is one of the more challenging areas for companies to address, particularly fashion retailers, and goes to fundamental issues around purchasing practices.

One major fashion retailer told us:

'Regularity and sustainability of employment is also a challenge, especially in a fashion environment, with ever changing trends.'

The company has developed long-term relationships with suppliers, which has helped to improve conditions, but, they explained,

'There will always be new suppliers and we need to engage with new suppliers to make sure they understand our ethical requirements.'

In order to prevent child labour they stress, *'Regularity is a challenge but important.'*

Education

Companies are not in the business of providing education, nevertheless it is important to understand how school provision impacts on child labour in supply chains.

Both the quality and affordability of education are key. The availability of decent education varies widely. State education provision may be poor quality, private education may be costly, and the cost of school uniforms and books may be prohibitive, reducing the incentive to send children to school against the opportunity cost of losing the child's income.

Children from minority backgrounds (in the South Asian context this would include certain caste groups) may face the additional disincentive of discrimination in the class room, and children of migrant workers may face bureaucratic barriers to enrollment.

Girl children are more prone to miss out on schooling, both so that they can work and in order to care for younger siblings, whilst their parents work. To address the latter, childcare provision for younger children can be helpful. One company we spoke to, for example, provides crèche facilities for homeworkers at its distribution and drop-in centre.

How companies are helping children at risk of child labour access education

Whilst access to education does not fall directly within their sphere of responsibility, companies can play a positive role in access to education through partnerships with local NGOs and bridge schools.

- Decent education is the responsibility of governments. In India free and accessible education up to the age of 14 is a constitutional right. Where this education is not being provided, or is inadequate, companies can work with local NGOs to pressure governments to fulfil their responsibilities. Mobilising communities is crucial to success.
- Some companies partner with local NGOs who provide 'bridge schools'. These play an important role in helping child labourers into schooling. Many child labourers may be first time learners or have missed out on large amounts of schooling, so will need significant support to be able to re-enter the school system. These schools are an important aspect of child labour remediation and therefore companies should support them where necessary.

- Some companies have additional educational projects, funded through CSR schemes, charitable trusts, or in the case of Fair Trade, the fair trade premium can be used to provide educational facilities.
- Vocational education for adolescents is important. Whilst the argument that child labourers in craft production are learning a skill (rather than working) is now rightly discredited (see 'Think about' below) it is important to acknowledge that much craft work is highly skilled and takes some time to learn. Some companies support training for adolescent workers to develop their skills in order to earn a decent living in the future. For example, one fashion retailer explained that they provide a drop-in centre for homeworkers, which includes a crèche and offers vocational training to young workers.



THINK ABOUT... Learning a Craft

One argument often used to justify child labour in craft industries is that children need to start learning a craft from a young age in order to guarantee future employment as adults.

While this argument may have had some validity in traditional crafts, it cannot be used in globalised commercial chains where traditional family craft is mainly a thing of the past. Research has shown that when they have a choice, craft workers prefer their children to go to school. Children employed in crafts such as the brass industry in Moradabad or locks in Aligarh, for example, are usually not family members. Craft workers send their own children to school and employ children from poorer areas on the least skilled work only as cheap labour.

This is not to deny the importance of learning skills for children, particularly adolescents, between the ages of 14 and 18 when vocational training is needed. Ensuring decent work for craft workers, particularly women and girls working at home, is an important way in which craft work can be seen as a valued occupation.

Key Questions:

- *Are training schemes or apprenticeships for adolescent workers appropriate in your supply chains?*
- *Could such schemes improve security of supply for your business?*

Working with others

Throughout this document, and the research on which it is based, the advantages of collaboration come-up time after time. Businesses themselves tell us that collaboration both increases effectiveness and lowers the cost of implementation and monitoring.

Traidcraft, and Homeworkers Worldwide are keen to help companies apply this toolkit so that they can have a sustainable and positive impact on child labour, within the bounds of our limited resources. We have local NGO and trade union partners in many countries from which you may be sourcing.

Collaboration with other companies will increase coverage and leverage. The Ethical Trading Initiative is an obvious forum for collaboration between companies and could help you identify overlapping supply chains.

Collaboration with local NGOs will also bring in the necessary expertise, skill-sets and credibility on the ground. Many of the approaches described in this toolkit, especially consulting and building the capacity of homeworkers, will be more effective if homeworkers are organised. Organising homeworkers is not the role of a company; but companies can enable the process by working with local NGOs, and making it clear to sub-

contractors that they welcome such organising. Nor are companies expected to become experts in educational provision. However local NGOs are likely to welcome companies adding their influential voices to NGO advocacy for better local provision of schools. NGOs have limited resources, and you may need to consider if funding is appropriate. Seek advice to help you identify an NGO with appropriate experience.

A spirit of collaboration is essential to preventing child labour. No organisation can succeed acting alone.

In that spirit, we are grateful to all the companies, NGOs and individuals who assisted in the production of this toolkit through participating in our research and sharing their experience.

We hope this toolkit will be the starting point for future collaborations, and that the approaches and examples outlined here will help you to make tangible steps towards preventing child labour. For further information please explore our list of useful links, or feel free to contact Traidcraft or HWW directly. Together we can make a meaningful difference to the lives of children in homeworker households.



Useful links

Homeworkers Worldwide – HWW is a UK-based organisation set up to support the organisation of homeworkers around the world.
www.homeworkersww.org.uk

Traidcraft – Traidcraft fights poverty through trade, helping people in developing countries to transform their lives.
www.traidcraft.co.uk

Traidcraft – Chartered Institute of Purchasing and Supply jointly produced Responsible Purchasing resources:

- The Buying Game – on-line self-assessment game for buyers new to purchasing from developing countries
www.thebuyinggame.org
- Win Win: Achieving Sustainable Procurement with the Developing World – a step by step guidance of how to ‘buy better’ from the developing world. www.traidcraft.co.uk/media/8655c9af-fede-4662-a295-233981bb15c8
- Taking the Lead – guide for senior managers highlights strategic considerations. www.traidcraft.co.uk/media/8153a414-9848-4b19-a18f-85f96da91301

Ethical Trading Initiative – An alliance of companies, trade unions and NGOs that promotes respect for workers’ rights around the globe.
www.ethicaltrade.org

- Child labour resources www.ethicaltrade.org/resources/key-eti-resources/child-labour-briefing
- Homeworking resources www.ethicaltrade.org/in-action/programmes/homeworkers-project/guidelines

ILO International Labour Standards on Child Labour

www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/child-labour/lang--it/index.htm

ILO Convention on Homework

www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312322:NO

Children’s Rights and Business Principles – developed by Unicef, the UN Global Compact and Save the Children.
childrenandbusiness.org

FNV Mondiaal – A Dutch trade union federation, working internationally, which actively campaigns against child labour.
www.fnvmondiaal.nl

GoodWeave – GoodWeave is working to end exploitative child labour in the rug industry and to offer educational opportunities to children in South Asia.
www.goodweave.org.uk

MV Foundation – An Indian children’s rights organisation which has pioneered the creation of ‘child labour free zones.’
mvfindia.in

Save the Children – Works in 120 countries to save children’s lives, protect their rights and help them fulfil their potential.
(UK) www.savethechildren.org.uk
(India) www.savethechildren.in

Stop Child Labour – Stop Child Labour collaborates with organisations in Asia, Africa and Latin America who work on the principle that ‘no child should work; every child must be in school’.
www.stopchildlabour.eu

Appendices

The following selection of practical tools can be found online at goo.gl/JLSA9g

We hope they will be a useful reference for you in drawing-up your own policies and strategies.

1. Model homeworker policy
2. Model child labour policy
3. Value chain tool for sub-contract homeworker chains
4. Setting fair piece rates for homeworkers (ETI briefing)
5. Model Homeworker pass book
6. Model product costing spreadsheet
7. Purchase order between contractor & supplier

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