
**Case Study of The Ethical Issues of Child Labor
in Chocolate Business in The West Africa Regions**

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Abstract :

This case study was conducted to identify ethical aspect of chocolate industry which related to the used of child labour in farming and harvesting process in West Africa region. The case study identified the issue through secondary data collected from online resources. It is a descriptive article to describe the condition of unethical issues by employing children in the cocoa plantation and factory. It is a giant industry which involved giant companies and big market as well as huge number of the customers. However the benefit was not always distributed to all of the participants or contributors of the industry. Especially for those who work at the cocoa plantation in west Africa region. There are two parties which raised the ethical issues of employing child labour in the chocolate industry, the supporting and contrary parties. It is a dilemma. Both sides have strong argument to deal with the issue and the method to solve it. However it could be concluded the child labor are increased because of four main problems, poverty, education, culture and political issue. In many case these issues are combined to contributed in the used of child labour. In conclusion it needs comprehensive programs involved all the stakeholders of the chocolate industry to take the responsibility to improve the quality of life of the child and families in the west africa especially those who are living around the cocoa plantation. They are just the children who should have the life as the children, similar right as other children around the world have.

Keywords: business ethics, child labour, chocolate industry

1. Introduction

Chocolate, one of the most favorable and pleasurable sweets shared around the world. However, there is the dark side of chocolate behind the sweet. Thousands of children in West Africa are compelled to work in the production of cocoa, the primary ingredient of chocolate. Cote d'Ivoire (Ivory Coast) especially, the leading supplier of cocoa, accounts for more than 40% of world production (Salaam-Blyther, Hanrahan & Cook 2005). Low cocoa prices and hence the requirement for lower labour costs drive planters to employ child labour as a means to survive. These child workers toil for long, exhausting hours, using unsafe tools and facing frequent exposure to hazardous pesticides as they trek long distances in the grueling heat. Those who labour as slaves have to also bear recurrent beatings and other merciless treatment. Additionally, child labourers in Cote

d'Ivoire are robbed not only of their liberty but of the right to a fundamental education. Hence, these circumstances result in the rising concern for child labour in West Africa.

With increasing concern about corporate social responsibility, cocoa industry takes action to cope with the child labour issue by means of joint commitment and independent policies and programs. In 2001, cocoa industry (including major companies such as Hershey, Nestle and M&M/Mars) made a voluntary commitment, the Harkin Engel Protocol (commonly known as the Cocoa Protocol), to certify their cocoa "child labour-free" (Salaam-Blyther, Hanrahan & Cook 2005; Chocolate Manufacturers Association 1989). In order to achieve the objective, major chocolate companies conduct policies and programs such as certification. These efforts aim to demonstrate the corporate social responsibility of chocolate companies regarding forced and child labour issues. A variety of programs that major chocolate companies have initiated related to ensuring sustainability in their cocoa purchasing, including policies, monitoring programs, certified cocoa procurement, and so forth (Newman & O'Connell 2010). In terms of certification, it has been acknowledged (Newman & O'Connell 2010) that the best certification used in industry is Fair Trade Certified and was followed by Rainforest Alliance (RA) and UTZ Certified which mainly prohibit forced labour, child labour, and discrimination. Other programs also contributed to prevent child workers from being mistreat. Consequently, all these efforts indicate chocolate industry is endeavoring to deal with issues.

In order to terminate child labour, non-profit organizations encourage the public actively to press chocolate companies for eliminating child labour in cocoa production via public education and corporate campaigns. These organizations such as Global Exchange, Oasis USA and ILRF aim at ending child slavery, human trafficking, and forced labour. In addition, the International Labour Organization (ILO), the tripartite UN agency that brings together governments, employers and workers of its member, promotes child interest through International Programme on the Elimination of Child Labour (IPEC 2010). As a result, all these international organizations demonstrate efforts of accelerating action against child labour.

It is crucial that be concerned about the source of cocoa production while enjoying the chocolate. Forced child labour in West Africa still toiled under unsafe, unfair and inhuman circumstances. Alternatively, chocolate companies have power to influence and improve the situation through cocoa purchasing ethically. Child labor in West Africa would benefit by those chocolate companies carry out ethical cocoa procurement. Furthermore, the effort of international non-profit organizations has greatly impact on the elimination of child labor in cocoa production. As a result, this case study discusses the use of abusive child labour in West African cocoa production, the practice of chocolate companies which involved enduring sustainability of cocoa purchasing, and the effort of international organizations in eliminating child labour. This case study also provides guidelines for stakeholders in terms of ethical marketing decisions.

2. Theoretical Framework

Business Ethics is defined as a scientific discipline which studies business activities from an ethical point of view. As such, it needs integrated relationship between its two main components: ethics and the corporate.

Arens, Elder and Beasley (2014) said, ethics can be delineated as “a set of moral principles or values” (p. 78). Sermon elaborates on this definition by saying that ethics “provide principles that guide behavior and help people make moral choices among alternative forms of activity” (as cited in Fisher, 2004, p. 398). Thither are a mixture of ethical systems from which to choose one’s ethics, such as the deontological method, utilitarianism, and pragmatism (Arens et al., 2014). Every organization delivers its own strengths and criticisms, and each may yield vastly different outcomes in a given ethical dilemma, and so the question of what ethical standards should be retained in the highest authority therefore becomes important. Before this, nevertheless, the remainders of the different systems ought to be studied.

Wheeler (1959) defines ethics as “that branch of philosophy which is the systematic study of reflective choice, of the standard of good and wrong by which it is to be conducted, and of the goods toward which it may ultimately be addressed.” From this definition three key factors can be placed. First, ethics involves a question requiring reflective choice (decision problems). Second, ethics involves guides of right and wrong (moral rules). Third, moral philosophy is concerned with the consequences (goods) of decisions. A problem situation exists when a person must make a selection between alternative actions, and the correct choice is not perfectly clear. An ethical problem situation may be delineated as one in which the choice of alternative actions affects the welfare of any other person (Robertson and Lawyers 2002:462). The term “ethical dilemma” is sometimes employed by some writers in.

The topic of ethics is at the very core of all parties. Every corporate, such as a nation and family, a social group and a business institution must run their activities according to some ethical principles. Without such principles, the society and community would sink into social disorder and crash. The term “ethics” is delineated as the study of moral precepts and values that govern the actions and decision of an individual or group. Ethics involves learning what is right and wrong, and then doing the right thing. Moral philosophy is also identified as the process by which individuals, social groups and societies evaluate their activities from the view of moral precepts and values (Blackburn, Klayman and Malin, 1985).

Business ethics should be considered more than moral values that determine our conduct in the business. It refers to the commercial activities, either business to business relationship or with a single customer. While the objective of all business is to draw profits, it should contribute to the interest of the company by ensuring fair practices..

3. Findings

In West Africa region there are more than 1.5 million small family farms and thousands of communities depend on cocoa for their livelihood (Newman & O’Connell

2010). Unfortunately, the cocoa commodity has proved the inability to increase living standard of the West African farmers. Most of the cocoa farmers in this region are living in poverty. As the consequence, to decrease the production cost at the farm, farmers often employ the child and forced labour and also resulting human trafficking.

A function of economic factors causes the child employment. These factors included low income of cocoa family farmers, low price of cocoa bean, and small scale of farm with limited resources (Salaam-Blyther, Hanrahan & Cook 2005). Therefore, farmers prefer to use child labours to work at the farms instead of hiring adult labour. They are not able to hire adult labour because of limited income that earned for selling their cocoa bean. The bean price is determined by the market, and therefore major companies in cocoa industry have stronger power than small farmers in determining the price. The companies take advantages of cheap commodity and labour cost to gain high profit without considering negative long term impact for the young generation in West Africa. Alternatively, the company could not take all the responsibilities for this condition. It is part of business nature trying to gain maximum profit and minimize the cost.

According to The Payson Centre at Tulane University in 2009 (cited in Newman & O'Connell 2010), 50% of children working in cocoa farms got injuries in the past twelve months and 15% of them were forced to work at the farms in Ivory Coast and Ghana. In addition, Interpol and Ivory Coast police also found children who forced to be the labour were trafficked from another country. There are more than 109,000 children at Ivory Coast work as the labour for cocoa industry, and 10,000 of them are the victims of human trafficking (Salaam-Blyther, Hanrahan & Cook 2005; Stop Child & Forced Labour Cocoa Campaign 2009).

The study found that many children in rural area work at the cocoa farm as part of the family unit. The contribution of family member play important role to sustain the business and support family livelihood. Sociologist describes part of the tradition for children to work at the farm and participate in family livelihood activities (Salaam-Blyther, Hanrahan & Cook 2005). These children work as unpaid labour and 60% of them are under 14 years old. Some of children work at the cocoa farm without any family relationship with the farmers. Most of them were predicted as the victims of human trafficking (Salaam-Blyther, Hanrahan & Cook 2005).

In addition, the infrastructure and public facilities such as school are rarely found in the cocoa farm area. It causes most of children have no chance to go to school for education and lead them to start working as the labour.

Even though the children trafficking for cocoa labours have been acknowledged, more detail information about this activity is not widely disclosed. The study points out that many children sent to neighbour countries or cities for a better life and to support family life back home as part of the pattern of children migration (Salaam-Blyther, Hanrahan & Cook 2005).

International community has forced the companies and governments affected to eliminate the child labour in cocoa farm. The governments of these countries should take lead to initiate the solution for the child labour. Law enforcement, education and public

services development play important role in dealing with the child labour issues. However, the countries in West Africa are developing countries which have limited capacity to build public services and develop better education for their young generation. Therefore, it needs international cooperation to overcome the child labour problems.

Alternatively, some political issues also become big barrier for the international effort to eliminate the child labour. It has significant impact on the effectiveness of the program. For example, Ivory Coast is the subject of US government sanction under Section 508 of the Foreign Assistance Act of 1961 (Salaam-Blyther, Hanrahan & Cook 2005). The sanction was given because of military coup at 1999 and the government established at 2000 came from the election which was administered by government formed by the coup 1999. US government saw the election as unfair process of democracy.

Since 2001, a series of media exposes depicted forced child labour and trafficking on West African cocoa farms which have deep negative influence on brand image of chocolate manufacturers (Partos, L 2009). The public required that the major chocolate producers should take advantage of their vast influence on the chocolate market to bring about the kind of systemic changes necessary to eliminate child slavery once and for all (ILRF 2010). Under the pressure come from public and government, besides pushing forward the Harkin Engel protocol, chocolate companies commenced to take responsibility in supply chains independently to respond to the call of the public concerning corporate social responsibility.

On one hand, the Harkin Engel protocol did really force the chocolate companies to carry out their social responsibility in child labour. On the other hand, owing to company condition and attitudes, different companies take different measures to fight against child labour disputes in supply chains and the research also showed that these efforts did really help to decrease the child labor issues in West Africa.

Under the pressure, the whole industry continued to push forward the voluntary committee, the Harkin Engel protocol to control and reduce the negative influence come from child labour issues since 2001.

Recently, the Harkin Engel protocol's new plan calls for a 70% reduction in internationally unacceptable child labour by 2020 and it is being funded through 10 million dollars from the U.S. Labor Department and seven million from companies in the industry. The money will go toward building schools and supporting rural families in Ghana and the Cote d'Ivoire which are two of the largest cocoa producers in West Africa (ILRF 2010). The whole industry believed that at the end of deadline, the child labour issues could be controlled in an acceptable level.

The chocolate industry insisted that they have aggressively contributed to the efforts of child labour reducing in West Africa by means of the Harkin Engel protocol and independent company policies and programs. In addition, chocolate companies believe that the local governments in West Africa should be responsible for children in terms of human rights protection as well. They claimed that they cannot entirely control their suppliers, contractors and local governments' behaviours (ILRF 2010).

Recently, the leaders of chocolate industry, such as Mars and Nestlé have made some efforts to combat poor conditions in cocoa-growing countries, and their efforts have been admitted by the public and international organizations.

In spite of considered as one of the most boycotted companies in the world and its minimal investment in Fair Trade Certified coffee also provides reason to be skeptical about its commitment, Nestlé has already sourced responsible cocoa by using a amount of Fair Trade Certified cocoa when the majority of its cocoa could be produced by forced labour and child labour (Newman, T et al 2009). Moreover, in February 2008, Nestlé did make a public commitment to the Good Inside Cocoa Program which intended to provide greater traceability within cocoa supply chains (Nestlecritics 2009).

Mars' recent road map for sustainability shows that it tries to promise that its workers are not exploited in the company's global supply chain. Although their efforts are far away from the requirement come public, government and international organizations, their performance lead their competitors to follow their steps. And Mars pledged to sustainably source 100,000 metric tonnes of cocoa annually by 2020 which could limit the expansion of child labour in West Africa (Partos, L 2009).

To prevent possible hazardous consequences might happen on children, there are several international organizations which concern the child labour issue in western Africa. The International Labor Rights Forum (ILRF), Global Exchange, and International Labour Organization are working toward the same goal of eliminating the use of child labour in workplace because children involved are too young and should be in school. In some parts of the world, children are victims of the worst forms of child labour, such as bonded labour, slavery or practices similar to slavery, production which is likely to affect children's mentally, physically, socially and morally development. Therefore, anti-child labour organisations work to advocate to increase consumer awareness of child labour issue and actions of eliminating child labour campaign as well as to promote the passage of important legislation.

Several U.S. competing companies have made efforts to combat poor conditions in cocoa production in West Africa, such as Cadbury / Kraft, Mars and Nestle. Hershey, however, does not fully embraced Fair Trade certification to acquire chocolate material (Boaz 2010).

Global Exchange, Green America, ILRF, and Oasis USA criticises that Hershey lags quite behind other companies to initiate adequate measures against abuses in West Africa. Hershey continues to refuse to identify cocoa suppliers, which makes it impossible for outside observers to verify the conditions on the farms. Moreover, unlike its competitors, Hershey even does not have any third-party verification, such as the Fair Trade label. There are only one Hershey chocolate bar has the certification which leaves all the other popular products unaccountable (Boaz 2010).

Therefore, S'mores action is launched by ILRF to cope with Hershey's reluctant attitude. This campaign is calling on Hershey and the rest of the chocolate industry to END poverty and abusive child labour in the cocoa industry. Additionally, they believe that Fair Trade certification labelling is the only way to eliminate abusive child labour (ILRF 2010).

The ILO cooperated with the Chocolate Manufacturers Association to launch the Worst Forms of Child Labour Convention (ILO 1999), the guiding principles of this protocol is that cocoa beans and their derivative products should be grown and processed in a manner that complies with ILO Convention 182 Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor (CMA 1989) to embrace the “ethical cocoa sourcing” movement.

Participating manufactures are including industry leaders Mars, Cadbury and Nestle. Meanwhile, a multi-stakeholder group, the International Cocoa Initiative (ICI) was established in 2002 under the protocol and represents a partnership among NGOs, trade unions, cocoa processors, such as US firm Cargill, and major chocolate brands that include Nestle and Cadbury, as a human rights and labor watchdogs to eliminate the worst forms of child labor from cocoa supply chains (Partos 2009).

A joint statement titled “Commitment to Ethical Cocoa Sourcing” was established by nearly 60 organizations and fair trade chocolate companies to help stop the worst forms of child labor and trafficked labor in West Africa. For instance, organizations such as Global Exchange, Green America, ILRF and Oasis USA have been campaigning to convince major chocolate companies, especially Nestle, to commit to sourcing Fair Trade Certified cocoa. A lawsuit filed in 2005 in US courts against Nestle on behalf of Malian children who were trafficked to Cote d’Ivoire to harvest cocoa is still ongoing (Newman et al. 2009).

Several organizations are established to prevent the use of child labour in cocoa industry. However, considering the magnitude and extent of the problem and that it is essentially a socio-economic problem inextricably linked to poverty and illiteracy, it requires concerted efforts from all sections of the society to make a dent in the problem.

4. Conclusion

Although there is no doubt that the child labour should be eliminated, it is unlikely to achieve this in a short period of time. Stakeholders involved in this issue confront different difficulties respectively.

Children are the most important stakeholder in this issue. Before the elimination of child labour, reasonable alternatives are required. In some cases, bans on child labour further impoverished poor households and drove children into crime and prostitution (Queensland Government, 2006). Therefore the question is, is there any reasonable alternative? People fighting for the elimination of child labour believe that those poor children should get the chance to be educated like most children in other parts of the world. However, the truth is most of the cocoa farms are located in the very remote area in West Africa and due to the poor level of facilities, there are hardly any schools for those children to go to. Merely terminating the use of child labour in cocoa farms without providing reasonable alternative does not make any sense. “We have to be realistic that it's not a problem that is only specific to cocoa. If children don't work in cocoa anymore, you might see them popping up in other sectors, so we have to be realistic” said Daan de Vries, the manager of UTZ Certificate Program (VOANEWS, 2010).

The attitudes of the parents of those child labours are also need to be concerned. Most of the families involved in cocoa production in West Africa are living in the very remote areas; they are the poorest portion in the poorest continent. They not only cannot afford sending their children to school but also need their children's help to fight against economic exigencies. A 1999 Child Labour Survey undertook by the ILO in Zimbabwe, found that about 88 per cent of economically active children aged 5-17 came from households with incomes below Z\$2,000 (US\$36) per month; as family incomes rose above Z\$3,000, the participation rate dropped to less than 1%. Parents and guardians of child labours responded, when asking about their motivation, that they let their children work to supplement household income (Africa Recovery, 2001).

Planters of cocoa beans argued that they use child labour because the price of cocoa bean is so low that they can hardly survive without using child labours. The power to set the cocoa price is held by the major chocolate companies. Although those major corporations, when threatened with the U.S government regulations in 2001, promised to take steps stop child labour in their supply chain and signed the so-called 'Chocolate Protocol', nothing meaningful has been done by them, showing a lack of commitment (Chidiebere, 2007). The executive director for the International Labour Rights Forum said more needs to be done by those major cocoa beans purchasers. However, they are unwilling to act. "There's been a real unwillingness to act that I think is driven by the business proposition of getting cheap child labour to produce the cocoa for quite some time," she said. "And that is a major challenge" (VOANEWS, 2010).

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