

A Case Study: Comparison of Rubber Producers in Liberia

ARCH BUSINESS STUDY

Winrock International
ARCH PROJECT | SEPTEMBER 2013

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Acronyms

ANPPCAN	African Network for the Protection and Prevention of Child Abuse and Neglect
ARCH	Actions to Reduce Child Labor in Liberia
BWI	Booker Washington Institute
CBA	Collective Bargaining Agreement
CLFZ	Child Labor Free Zone
FAWE	Forum for African Women Educationalists
FAWUL	Firestone Allied Workers Union of Liberia
GAAWUL	General Agriculture and Allied Worker's Union
GoL	Government of Liberia
LIBCO	Liberia Company
MARCO	Morris American Rubber Company
MFS	Model Farm School
M&E	Monitoring and Evaluation
OSH	Occupational Health and Safety
USDOL	United States Department of Labor

Introduction

In September 2013, Winrock International conducted an exploratory case study to assess the status of labor practices and working conditions in the rubber growing areas of Liberia. Winrock visited nine rubber producers and interviewed rubber plantation managers – both at large companies and small to medium sized plantations. The qualitative assessment was carried out in ARCH's two Child Labor Free Zones (CLFZs) – in Margibi, Montserrado, and Nimba Counties. The study explores labor practices throughout the supply chain of rubber production within Liberia, employee compensation and benefit structures, community engagement and relations, and policies and practices on child labor and occupational health and safety.

Winrock International began implementing the Actions to Reduce Child Labor in Liberia Project (ARCH) in early 2013 which is a three and half year project funded by the U.S. Department of Labor. The ARCH project aims to reduce exploitative child labor and promote education in Liberia, particularly in Nimba, Margibi, and Montserrado counties, which are located within the rubber belt of Liberia. ARCH will create Child Labor Free Zones, which holistically address child labor within specific geographical boundaries. In CLFZs, ARCH combats child labor in all sectors, including rubber, and works to raise awareness, build community monitoring structures, and strengthen education systems. The overarching aim of this study is to gather information and gain understanding of the gaps and challenges faced by the labor force, with special attention to children and youth in Liberia. Information gathered and recommendations made from this study will inform ARCH program planning and implementation.

ARCH will enroll 10,100 children into the project and provide them with educational opportunities, both formal and non-formal, and will provide at least 3,700 members of their households with livelihoods services. During the initial stage of the project, ARCH identified 15 communities, which are located near rubber farms and plantations, and ARCH will soon expand to additional communities. While all children whose households rely on rubber production for their livelihoods could be at risk of exploitative child labor, children who live on the periphery of large rubber plantations or on/near medium or small farms are highly vulnerable to entering into child labor. ARCH intends to work closely with rubber producers – both large and small – and workers' unions to improve policies, monitoring, and trainings on child labor and occupational safety.

Background on rubber in Liberia

Rubber remains one of Liberia's most important sectors as it contributes 61% of all export earnings in Liberia¹ and is the largest employer in the country, providing jobs to approximately 80,000 people, (around 20,000 on concessions and large commercial farms, and 60,000 on

¹ Trading Economics: Liberia (2013). <http://www.tradingeconomics.com/liberia/exports>

smallholder farms)². Trade relations between the United States and Liberia are strong as evidenced by the quantity of Liberian Rubber imported to the United States. Of all rubber imported into the U.S., approximately 64% originates from Liberia³. Firestone began working in Liberia in 1926, and has since developed the largest single natural rubber plantation in the



Photo by: Mark Darrough

world. Since then, several other major companies have developed rubber plantations, and hundreds of smallholder rubber producers have emerged to source Firestone and handful of other companies. This study did not interview Firestone management, but rather focused on two other major producers: MARCO and LIBCO, as well as several other medium or small holders. Over the past several years, there has been a global decrease in the price of rubber, which may be linked to the automobile industry in the US and EU, which has seen a dramatic downturn in the past years.

History of labor practices

Labor practices in the Liberian rubber sector have been controversial since the industry's inception in the country. When Firestone began operations in 1926, a large workforce was needed immediately. Under the Government of Liberia and the "Hut Tax" system, citizens were drafted by village chiefs into the Firestone workforce. For decades, Liberians were forced to work on the Firestone plantation, and by 1954, 80%

of the workforce, or 16,000 workers, had been 'forcibly recruited' by local leaders.² In 1929 the League of Nations accused Liberia of using slavery within the rubber industry, and in 1930 an investigation was conducted, found that indeed, forced recruitment was taking place in the Liberian rubber sector.

More recently, Firestone has received international pressure to eliminate child labor on the plantation after a lawsuit against Firestone in 2005. Through work done by FAWUL, the Firestone workers' union and Firestone, child labor has reduced significantly in the recent years

² Verité, Rubber Production in Liberia: An Exploratory Assessment of Living and Working Conditions with Special Attention to Forced Labor, http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector__9.16.pdf

³ Verité, Commodities Atlas: Rubber, <http://www.verite.org/Commodities/Rubber>

on the Firestone plantation. In fact, in 2011, USDOL awarded FAWUL with the Iqbal Masih Award, for their efforts to eliminate child labor within the Firestone plantation. While Firestone has made strides to eliminate child labor, such efforts have not yet trickled down to many rubber medium and small holders, where many children are still found working.

Liberian Laws and Policies

Under the current Liberian Labor Law, Section 74, it is stated that children can work during non-school hours. Any employer that hires a child under the age of 16 must keep a register and school certificates to demonstrate that the child is going to school regularly and is able to 'read at sight and write simple sentences legibly'⁴. Liberia has ratified ILO Convention 182 on the Worst Forms of Child Labor, but has yet to ratify ILO Convention 138 on minimum working age.

There has been momentum to pass the Decent Work Bill, which would raise minimum wage to 75 cents per hour, or \$6/day. On July 2, 2013 the Senate reached its decision to pass the Decent Work Bill after a comprehensive report and recommendation from its Committee on Labor. The Senate voted to pass the bill, but the Lower House rejected the bill and called for review of the bill in its entirety. This bill is now under revision, and it unclear when it may be passed.

Rubber Production

Rubber production is extremely labor intensive and depends on a large skilled labor force to produce high quantity and quality of latex. Rubber production follows a cycle tied to the age of the tree. Rubber trees require a high level of attention and care, particular in their earlier years. During this stage of production, land must be cleared and prepared, trees are grown in nurseries and then transplanted to field that are regularly weeded and pruned. Rubber trees are usually not tapped during the first seven to eight years, at which point the tree reaches maturity and tapping may commence. Prime tapping years for a rubber tree are between 7 to 25 years, and during this period trees can be tapped year round, with lower production between the months of February to May.

Without well trained and skilled rubber tappers, the rubber trees are at-risk of damage and /or lower production rates. Tappers conduct their work during the morning hours, usually starting between 5:30 to 6am and working until the late morning or early afternoon. Productive trees have cups attached to where latex drips from freshly cut marks in the bark on the trunk of the tree. Tappers collect "cup-lumps" (i.e. latex that dropped during the night) and then clean the cups, make a new incision on the trunk, and collect liquid latex. Latex is heavy, and it is not uncommon for tappers to transport several loads of up to 70 pounds/load. The tappers transport the cup-lumps and the latex to a collection site. At the collection site, acid is often mixed with latex, to create a coagulated substance, which is then taken to a processing plant. With large daily quotas and the many jobs required to maintain the trees (tapping, brushing, cleaning cups, toting latex, mixing acid), some tappers seek assistance from family members,

⁴ Government of Liberia, Labor Practices Law (Title 18 and 18A), Section 74.

including children. Tappers and those who work alongside them are exposed to cuts from tapping knives and cutlasses used to brush around the trees, snakebites, and skin and eye injuries and illnesses due to exposure to acid.

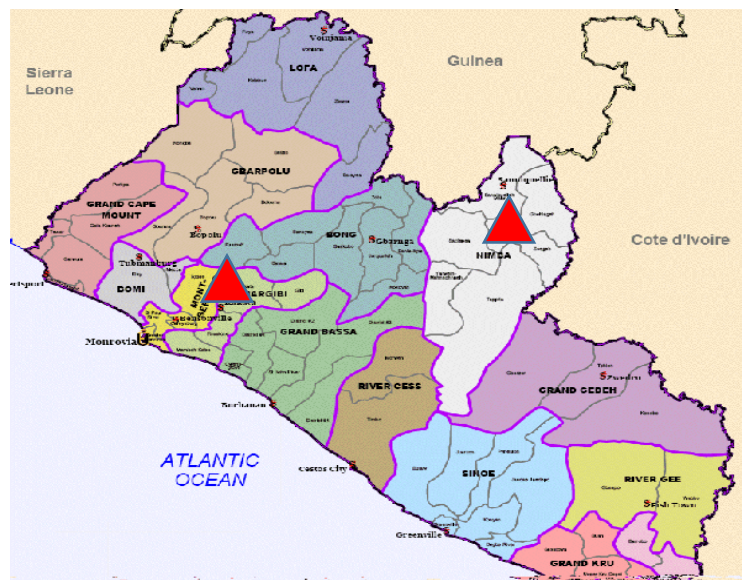
Currently, minimum processing of rubber takes place in Liberia and unprocessed rubber is exported mostly to America and Europe. Processing plants in Liberia are limited to cleaning the rubber and packing it into dense blocks for export. There is a growing demand among some stakeholders and the Liberian Government that rubber producers, particularly Firestone, need to begin processing rubber in-country for manufacturing purposes. Proponents argue that such processing would boost Liberian economy and promote job creation and development. In April 2013, President Ellen Johnson-Sirleaf issued a short-lived executive order to suspend exports of rubber, as a signal to companies that the Government of Liberia demands increased processing of rubber in-country⁵.

Methodology

This exploratory case study used participatory qualitative methods and relied on both secondary and primary information. A literature review was conducted to understand the history and context of the rubber industry in Liberia. Consultative meetings with GAAWUL aided in the study design and data collection planning. Semi-structured interviews were used to gather information from rubber management. Furthermore, since eight out of nine interviews took place on the rubber plantations, observations of living conditions, facilities, and general plantation upkeep were gathered. When possible, policy documents, including CBAs, were reviewed to verify interview responses, business policies and practices.

Sampling

Purposive, non-representative sampling was used to select nine plantations within the two CLFZs – five in CLFZ 1 and four in CLFZ 2. The criteria for selected plantations included that they must be located within the ARCH CLFZs and employ at least five people. The two largest plantations in the CLFZs, MARCO and LIBCO, were selected due to their size and influence within the CLFZs. GAAWUL was consulted by ARCH to identify other plantations which met the criteria. After GAAWUL provided



⁵ Toweh, Alphonso (2013). Liberia suspends exports of unprocessed rubber. Reuters <http://www.reuters.com/article/2013/04/19/liberia-rubber-idUSL5NOD62RV20130419>

names and contacts of several other producers, the ARCH Local Coordinators proceeded to visit the plantations to verify that the company met the criteria. The Local Coordinator informed the management of the upcoming study, and set the day and time of interviews.

The plantations selected were some of the largest plantations operating in the CLFZs, but are not the only plantations in the zones. Dozens of other small holders are operating in each CLFZ as well.

Study Design and Data Collection

Semi-structured interviews were used to gather information from plantation management (see Annex A) and an Opinion Survey was administered to all respondents at the end of the semi-structured interview (see Annex B). All interviews were conducted by an ARCH M&E staff, who was accompanied by ARCH Local Coordinators. ARCH Local Coordinators are known in the community and have met most rubber managers before the time of interview. All interviews were conducted in English, and each interview took between one to two hours, depending on the size of the plantation and the complexity of employee structure, payment systems, and policies/practices.

All interviews, with the exception of BWI, took place on the rubber plantation with at least one manager or supervisor. During each interview, questions were answered by between one and five management personnel. During some interviews, other employees, including rubber tappers, were listening in on the interviews and interjected on various issues, which served to validate some responses from managers.

The opinion survey was developed for rubber production managers and government officials. It provides statements and respondents answered to their level of agreement or disagreement using a five point Likert scale. The opinion survey includes both knowledge and attitude related statements. Two additional multiple choice questions are included on the survey, and one open-ended question which asks the respondent to define child labor in their own words. The opinion survey takes less than five minutes to complete, and will be used with the same individuals, to the extent possible, at the end of the ARCH project to determine any change in attitudes and beliefs.

Analysis

Qualitative methods were used to analyze the data from nine interviews, taking into consideration the variations between plantations and disaggregating information based on variables such as CLFZs and size of plantations. The findings are descriptive and observational in nature, and are intended to provide a comparison between different plantation's labor and business practices, as well as identify and provide context to areas of potential collaboration that the ARCH project may pursue during the project's lifespan.

Limitations

This study relies on the responses of plantation managers, without supplementing additional information from interviews from employees, community members, or labor unions. The information gathered in this study is meant to provide insight to manager's perspectives on business and labor practices and policies. Interview responses were compared to available policies, including CBAs, to validate information provided to the extent possible. Some managers allowed employees to sit in on interviews, which led to more reliable information, and at times employees would voice their opinion if they felt that a manager's response was inaccurate. However, in general, the information presented in this study is directly from managers, and therefore key struggles and challenges that employees face may not be accurately captured. For a deeper understanding of child labor issues from the perspectives of communities, households, and children, further information can be found in the ARCH Baseline Study.

Labor practices in the rubber industry are a highly sensitive topic, and companies are cautious of being perceived as mistreating employees or employing children. During conversations about child labor, many managers immediately claimed that there was no child labor on their plantation, when in reality, it is likely that some children are working on their farms in some capacity. With recent international pressure at Firestone to eliminate child labor, many plantation managers are aware that the use of child labor is prohibited, and may be fearful of negative publicity. Therefore, it is difficult to understand the extent of child labor on the plantations through this survey.

Findings

General Rubber Plantation Information

Rubber producers in Liberia vary in size, from large commercial plantations such as MARCO and LIBCO, to medium sized operations like Bright Farm, down to small holder farmers who may or may not hire external employees to work on the farm. Of the nine plantations visited during the research, six are small holder farmers that hire employees, while three are large or medium sized commercial farms (MARCO, LIBCO, and Bright Farm). The workforce on each farm varies based on the number of rubber trees and the needs of the operation. The chart below shows the breakdown of total acres in production and the total number of employees on each farm interviewed. Most employees of smallholder rubber producers do not have written contracts, but rather verbal agreements. Larger plantations have written contracts with employees. For the purposes of this study, employees are those who the owners/managers have hired (either verbally or with a written contract) on a consistent and/or permanent basis to carry out the work. The largest plantation is LIBCO with 7,000 acres of rubber in production and 1,074 employees, while the smallest farm is Booker Washington Institute's rubber farm with only 15 acres of producing rubber and eight employees.

Figure 1: Plantation size

Plantation Name	Acres in Production	Total # of employees
Bright Farm	250	196
Brooks Farm	75	7
BWI	15	8
David Queeglay Farm	300	32
Gono Farm	165	35
LIBCO (COCOPA)	7,000	1,074
MARCO	2,507	952
Samuel Dahn Farm	800	40
Sorsor Farm	25	17

Many rubber growers are not fully utilizing their plantation land due to resource constraints or to the production cycle of rubber trees. During the Liberian civil wars, thousands of acres of rubber trees were damaged, some beyond repair. Farmers were left with damaged trees, which are now aged and either non-productive or have low production rates. Replanting and growing rubber nurseries has been and remains a focus for many rubber producers. Currently Bright Farm has productive rubber on 250 acres and newly planted trees that are too young to tap on another 750 acres, while MARCO has 2,507 productive acres and 1,293 acres of newly planted trees. Both Bright Farm and MARCO have a long road ahead to fully utilize all plantation land – with a total of 1,700 acres and 9,000 acres respectively.

Out of the nine plantations interviewed, MARCO is the only producer with an operational processing plant. LIBCO's processing plant was destroyed during the civil wars; however LIBCO plans to renovate the plant facilities in the future. Bright Farm is currently constructing a processing plant which they expect to complete in the next year, although at the time of visit, the construction progress appeared minimal.



Photo by: Mark Darrough

Rubber Production, Prices and Sales

The current price of rubber/wet ton at the time of interviews was \$1,023 at Firestone. After taxes, including \$2/ton for RPAL and 4%/ton for GoL, those selling directly to Firestone receive \$980/wet ton. Those selling to brokers, or buyers in CLFZ 2 (Nimba), received \$749/wet ton. In general, those in CLFZ 1 (comprised of Margibi and Montserrado) were more informed and certain of current prices at Firestone than those in CLFZ 2. Some managers in CLFZ 2 were uncertain of prices, and gave rough estimates or referred to others for the answers. A general lack of understanding of how rubber prices are set in Liberia by Firestone was a recurring theme during the interviews. Many managers feel frustrated by the falling prices, and suspect they are being taken advantage of. One manager expressed concern that rubber producers in neighboring Cote d'Ivoire are selling rubber around \$1,700/wet ton. This study did not verify actual price of rubber in other countries, but this sentiment was raised by several rubber managers during the surveys. This concern may or may not be valid, as prices are expected to vary from country to country based on various factors such as governmental taxes, duties, cost of transportation, number and scale of competitors, and level of risk involved.

As of September 2013, Firestone is no longer providing transportation from rubber stations to the processing plant in either CLFZs. Now plantation managers must sell to independent brokers, or buyers, nearby their farm or they must transport their rubber to a processing plant – either at Firestone or MARCO – which requires additional expenses such as vehicle rental and fuel. Firestone's halting of the transportation services translates to a rise in brokers, particularly in CLFZ 2, which is located far from any processing plant. Of the nine plantations, four sell exclusively and directly to Firestone, two sell to brokers which then sell to Firestone, two sell to both Firestone and MARCO, and one exports to American and European companies. Figure 2 below provides further details of sales from plantations.

Figure 2 also shows the estimates of annual production in wet tons. These are estimates that were provided by management during interviews, and do not always reflect exact amounts. Some plantations also purchase rubber from surrounding small holders. Of the nine plantations, only two purchased rubber from other smaller farms located near their plantations: MARCO and David Queeglay Farm.

MARCO purchases a small percentage of rubber from a limited number of surrounding smallholders, including Cooper Farm, Gono Farm, and William Sirleaf Farm. MARCO also regularly purchases rubber from LIBCO. Gono Farm management (located very near to MARCO) noted that MARCO is the preferred buyer, due to free transport of rubber provided by the company. However, Gono Farm has experienced delays in pay from MARCO in the past, and therefore sells some rubber at Firestone, but hopes to sell exclusively to MARCO in the upcoming months. Gono Farm is fortunate in that they are located close to two major rubber producers, MARCO and Firestone, and therefore have the choice of where to sell. Many other producers have more limited access to the market and are forced to sell to brokers, due to geographical position and lack of transportation options.

David Queeglay Farm, in Nimba, purchases more rubber from surrounding smallholder than is produced on his own plantation. Management shared that rubber is sourced from over 80 surrounding smallholders. Management arranges pick up of the rubber at collection centers and delivers both rubber from small holders and rubber from its own plantation land to Firestone. David Queeglay Farm is both producing rubber and serving as a broker, or buyer, to many surrounding small farms.

Figure 2: Production and Sales

Name of Plantation	To whom do you sell?	Estimated wet tons produced per year	% grown on plantation vs. purchased from smallholders
Bright Farm	Firestone	162	100% grown on plantation
Brooks Farm	Brokers	36	100% grown on plantation
BWI	Firestone	36	100% grown on plantation
David Queeglay Farm	Firestone	54	over 50% bought from approx. 80 small holders
Gono Farm	Firestone and MARCO	96	100% grown on plantation
LIBCO	Firestone and MARCO	1,836	100% grown on plantation
MARCO	Export	4000	85% grown on plantation; 15% from other farms
Samuel Dahn Farm	Brokers	unknown	100% grown on plantation
Sorsor Farm	Firestone	36	100% grown on plantation

Employee Compensation

Rubber tappers

Compensation for rubber tappers varies in amount and structure across farms. Some plantations pay a daily wage while others pay a commission based on the amount of rubber tapped. All smallholders and LIBCO pay tappers based on production, the commission ranging from 30% - 50% of the sale on their production. Bright Farm and MARCO pay tappers a daily wage, \$3/day and \$5/day respectively.

At Bright Farm, tappers have the opportunity to do other jobs for additional pay, called “afternoon jobs”. These tasks include applying chemicals to trees, loading tracks, placing dye in the rubber cups, among other jobs. Tappers are paid additionally for extra work, and pay varies. For example, a tapper receives \$5 per tile (approximately 500 trees) for applying chemicals at Bright Farm.

At MARCO, tappers may carry out tasks that are outside their normal scope of work (tapping trees and transporting the harvest to the collection site), for which they are compensated. These tasks include laying panels (\$2.80/day), applying fungicide and stimulant on the groove (\$2.80/day), and round weeding (\$14.00/task). To complete round weeding on a tile of trees

(usually 500-750 trees) it usually takes approximately one week, which would result in \$14.00 additional pay. At MARCO, additional payment usually ranges from between \$1.00 – \$2.85 per task, depending on the task. Tasks usually take one day, with the exception of round weeding. Tappers are also eligible for tapping incentive-above target, which they receive 13 US cents/dry lb. Production targets are set by management are determined by age of rubber trees, time of year, and averages from previous months and seasons. The payment schemes and details on calculating production targets are detailed in MARCO’s CBA.

With the complex pay structure of tappers, it becomes difficult to understand the actual monthly amount earned. When respondents were asked what tappers make on average per month, answers ranged between \$60/mo - \$300/mo, depending on their place of work and productivity levels. Generally, tappers working on small farms earn less money than those working on larger farms. Bright Farm estimated that tappers earn \$115 - \$125/mo, MARCO estimated \$100 - \$300, and LIBCO estimated \$150-\$300. Most other smallholders estimated between \$60 - \$80/month.

Some plantations require that tappers are responsible for a certain quota of trees, while other small farms do not use the quota system. Quotas vary from plantation to plantation and often depend on the age of the trees. The older the trees are, the more difficult and time consuming tapping rubber becomes. Tappers must exhaust all surface area of the bark of old trees, including high up on the trunk and branches to extract remaining latex. Tappers at MARCO are required to tap between 300 –550 –trees/day, depending on the age of the tree and production rates. Those tapping only 300-350 work in the “slaughter tapping fields”, where trees planted between 1958 and 1965 are being cycled out. Due to many old trees at LIBCO, tappers are required to tap 300 trees/day. Small holder who have quotas also vary, Gono Farm requires that tappers tap 450 trees per day, while BWI requires 550 trees per day. Figure 3 provides further details on compensation for tappers across plantations.

Figure 3: Rubber Tapper Compensation Comparison

Plantation	Number of tappers	Type of Pay	Estimated range of pay/mo	Quota
Bright Farm	47	\$3/day plus incentive jobs - applying chemicals (\$5/tile) and slashing (\$10/tile)	\$115-125	2 tiles - rotate every other day
Brooks Farm	7	50% of sales after tax deductions	unknown	no quota
BWI	5	30% of sales after tax deductions	\$65-105	550-600 trees/day
David Queeglay Farm	22	50% of sales after tax deductions	unknown	no quota
Gono Farm	19	old trees - 50% of sales; new trees - 9 cents/lbs of wet rubber	unknown	450 trees/day

LIBCO	509	13 cents/lbs of wet rubber	\$150-\$300	300 trees/day
MARCO	294	\$5/day, plus 12 cents/lbs of wet rubber for over poundage, plus afternoon jobs	\$100-\$300	Between 550 - 300 trees/day
Samual Dahn Farm	39	50% of sales after tax deductions (approximately 12.5 Liberian Dollars/lbs at time of interview)	\$60-\$75	no quota
Sorsor Farm	10	Commission based pay, percentage unclear during interview	\$60-80	no quota

Non-tapper employees

Most other plantations hire employees other than tappers. Brooks Farm is the only plantation that hires only tappers. All other jobs are carried out by the family members of the owner. Other plantations or farms hire security, supervisors/headman/administration, nursery/new development workers, school staff, clinic staff, and/or factory staff as needed. Most farms have hired security due to high and rising rates of rubber theft. Security personnel's salary varies from \$5/day at MARCO, \$100/month at Bright Farm, \$50/month at BWI, \$40/month at Sorsor Farm, down to \$1.25/day at Gono Farm.

All non-managerial employees at MARCO and LIBCO are members of GAAWUL and its Local #8 and GAAWUL and its Local #5, respectively. MARCO and LIBCO each have active collective bargaining agreements (CBAs) with GAAWUL. Each CBA lasts for three years, and is renegotiated after each cycle. LIBCO's most recent CBA was finalized in late 2012 and MARCO's in 2013. Both CBAs include details on compensation requirements and structures for tappers and non-tappers.

Employee Benefits

Employee benefits vary across plantations. Larger companies, in this case Bright Farm, LIBCO, and MARCO maintain camps, school(s), and clinic(s), which are available for employees and their families. Small farms often have camps for some or all employees, but generally do not provide education or medical services. At the time of interview, Bright Farm had 278 children enrolled in the plantation school, LIBCO had 2,001 children, and MARCO did not have an enrollment figure, but have many children enrolled in their three schools. Plantations which cover medical expenses provide referrals for other clinics if the patient cannot be treated at the plantation clinic, and pay all expenses incurred. When benefits are provided, they generally extend to spouses and up to six children of the employee on large plantations. Living conditions in smallholder farms are often extremely rudimentary, many live in crowded rooms and some have no access to clean water.

Some plantation managers provide rice for employees, some at subsidized prices, some at wholesale cost and some at market price. Each plantation deducts the price of rice from the

employees' monthly salaries. Bright Farm provides rice at wholesale cost, David Queeglay Farm, Gono Farm, and Samuel Dahn Farm provides rice at market cost, and Brooks Farm and BWI provide no rice. LIBCO, MARCO, and Sorsor Farm provide rice at subsidized costs to employees. LIBCO provided 100lbs of rice to employees who work at least 21 days per month at \$14.00 (market cost is between \$30-35/100lbs bag). MARCO sells 100lbs of rice to employees at 43% of market price for those who work 25 days or more, and sells the same amount of rice at 57% of market price for those who work less than 25 days per month. Both LIBCO and MARCO are required to provide these subsidies under their CBAs with GAAWUL.

Only two plantations provide retirement plans for employees: Bright Farm and LIBCO. Both companies provide plans in line with GoL labor law. LIBCO's CBA specifies,

*"The employee is entitled to retirement from undertaking at the age (60) sixty year if such an employee has completed twenty five (25) years. The amount of pension paid annually to the employee shall be 40% of his/her average earning for the last five years immediately preceding his/her retirement. This amount shall be paid to the retired employee every month during his/her lifetime. Also an employee can be pensioned at the age of 60 and have worked up to 15 years and above"*⁶

MARCO's CBA also includes a clause requiring pension be provided to retirees in line with the GoL's labor laws. However, at the time of interview, management stated that they have not yet begun providing retirement benefits.

Two of the nine plantations provide financial services for employees. LIBCO has an active credit union for employees and Gono Farm employees have organized a Susu Organization, which is a village savings revolving fund, which only Gono Farm employees are members. Figure 4 provides a comparison of employee benefits across plantations.

Figure 4: Benefit Comparison

	# of camps	# of schools	# of clinics	Accommodation	Medical care	Education services	Retirement plan
Bright Farm	2	1	1	none	free	Free	yes
Brooks Farm	0	0	0	none	none	none	none
BWI	1	0	0	Provided for all employees	none	none	none
David Queeglay Farm	3	0	0	Provided for all employees	none	none	none
Gono Farm	1	0	0	Provided for some employees	none	none	none

⁶ LIBCO, Nimba County, Liberia (2012). Collective Bargaining Agreement between The Liberian Company (LIBCO) and the General Agriculture and Allied Worker's Union of Liberia (GAAWUL) and its Local #5. Page 8.

LIBCO	8	5	1	Provided for 823 staff and their families, 251 not provided housing	free	Free	yes
MARCO	4	3	1	Some provided in camps, some receive \$12-17/mo housing allowance	free	Free	none
Samual Dahn Farm	1	0	0	Provided for all tappers	50% covered	none	none
Sorsor Farm	1	0	0	Provided for 4 employees only	none	none	none

Community Engagement

With the long history of conflicts and tension between community members and commercial groups, some companies in Liberia are working to improve Corporate Social Responsibility programs by providing increased services and programs to surrounding communities. The three larger plantations visited: Bright Farm, MARCO, and LIBCO each support communities to a certain degree but recognize the need to improve community relations further. Bright Farm contributes to the police, road construction and has donated rice to the Blind Association in Kakata. Recently, LIBCO has paid for the repair of a Saclepea based radio station, has built a school in a village adjacent to the plantation land, and assisted a women's group in Flumpa by providing 10 bundles of zinc for the construction of a Women Center. MARCO allows residents of surrounding communities to access plantation schools and clinic, has provided 2 hand pumps in non-plantation communities, and has begun to construct pit latrines which were unfinished during the time of interview. Contributions from all three companies in terms of amounts of money were not available.

One plantation admitted that 8 to 10 local authorities (clan chiefs and paramount chiefs) were on the plantation's payroll and receive "supplementary income". The respondents view this practice as a means to maintain strong community relations. The practice of paying local authorities to "keep the peace" is not an isolated practice in Liberia and it is believed that many companies allow for certain incentives for local authorities.

None of the interviewed plantations reported providing any monetary or in-kind support toward child labor elimination or prevention in the past year. However, LIBCO and MARCO have a child labor clauses within the CBA and MARCO has a written company policy on child labor, although this policy has not been made available.

Interactions with local authorities such as labor inspectors are rare or non-existent in most plantations. Six plantations interviewed noted that no government official has come to monitor their activities. Since Bright Farm is a newly opened plantation, it has been visited by the Ministry of Labor, Ministry of Education, and the Ministry of Health. LIBCO noted that Labor

Inspector provide assistance only when employees raise grievances, and MARCO noted that immigration and/or labor inspectors visit the facilities one to two times per year.

Child Labor and Occupational Health and Safety

Child Labor

Both MARCO and LIBCO each have policies on child labor, although the policies do not provide plans for implementation or monitoring. LIBCO's CBA includes Article 40: Child Labor which reads,

*"The corporation [LIBCO] shall not encourage child labor. Any employee found using his/her child who is under the age of 18 years doing Corporation's work shall be summarily dismissed."*⁷

MARCO's CBA Article XXXIII, Section F reads,

*"Child labor and human trafficking are absolutely prohibited on the plantation and anywhere else the company may operate."*⁸

Even though both companies have child labor policies in place, the policies provide no detail on implementation or monitoring of the policies. LIBCO and MARCO do not provide formal training on monitoring and identifying child labor or how to handle such cases, but headman and supervisors are instructed that no employee should allow children to work. LIBCO recently observed a case of an employee using his child to assist in his work. The employee was issued a letter of warning, and proceeded to disseminate a memo to all headman and supervisor that reminds them and their staff members of the no-child labor policy.

No medium or small holder plantations have written policies on child labor. While Bright Farm does not have written policies, management noted that they have suspended employees for bringing children below the age of 20 to work, although at the time of interview, several young men were seen toting latex on the plantation, but were not asked their specific ages. Some small holders noted that they do employ children between the aged of 15-17. Four plantations currently have 16-17 year old employee(s) for various jobs including tapping and brushing under the trees. A total of ten 16-17 year old employees were reported, all working in small holder plantations.

One smallholder plantation manager stated that he does not permit his own children to work, but has no control over his employees' children and their work activities. Another manager stated that there are no children working on the plantation or near the plantations. He believes child labor could occur "far away", but not in his area.

⁷ LIBCO, Nimba County, Liberia (2012). Collective Bargaining Agreement between The Liberian Company (LIBCO) and the General Agriculture and Allied Worker's Union of Liberia (GAAWUL) and its Local #5. Page 14.

⁸ MARCO Union Agreement: 2013-2016 (2013). Article XXXIII, Section F. Page 11.

Occupational Health and Safety

Some companies provide certain protective gear, while most smallholders do not provide any protective gear. Bright Farm, BWI, MARCO, and LIBCO provide masks and gloves for all employees dealing with chemicals, including acid, fungicide, and pesticides. Bright Farm and MARCO provide boots and a raincoat for all employees. LIBCO provides gloves and boots for employees loading trucks and MARCO provides other various protective gear depending on the job. For example, those working in the factory receive ear protectors, helmets, and goggles. MARCO management noted that despite providing protective gear, enforcing the use of the protective gear is an ongoing challenge. Aside from LIBCO, none of the plantations interviewed have written OSH policies or provide any OSH training. In LIBCO's CBA, Article 11: Safety Equipment reads,

*"The Corporation agreed to provide safety equipment to employees consistent with the Government of Liberia Safety Standards such as eye protector, mask, hand gloves, safety boots, raincoats, helmets, etc. for the relevant categories of employees consistent with the acceptable practices and protocols of the National Rubber Industry. Within one (1) year, due to wear and tear, employees will return the old safety equipment to Management for immediate replacement."*⁹

All plantation management respondents noted that they are interested in providing child labor and/or OSH training for employees and management. Figure 5 details child labor and OSH policies and provision of protection gear across plantations.

Figure 5: Policies on Child Labor and OSH

	Does the plantation have a CBA?	Does the plantation have written policies to address CL?	Provided protective gear	Does the plantation have written policies to address OSH?
Bright Farm	No	No	boots and raincoat (for all employees); gloves and masks (for employees working with chemicals)	No
Brooks Farm	No	No	None	No
BWI	No	No	Masks and gloves (for employees working with chemicals)	No
David Queeglay Farm	No	No	None	No
Gono Farm	No	No	None	No

⁹ LIBCO, Nimba County, Liberia (2012). Collective Bargaining Agreement between The Liberian Company (LIBCO) and the General Agriculture and Allied Worker's Union of Liberia (GAAWUL) and its Local #5. Page 4.

LIBCO	Yes (included child labor clause)	Yes, only in CBA	Gloves and boots (for employees loading trucks); masks and gloves (for employees working with chemicals)	Yes, only in CBA
MARCO	Yes (does not include child labor clause)	Yes	Rain-boots and raincoats (for all employees); other receive gloves, face masks, helmets, goggles, aprons, ear plugs depending on the job type	No
Samual Dahn Farm	No	No	None	No
Sorsor Farm	No	No	None	No

Perceptions, Attitudes, and Knowledge on Child Labor

During the interviews with the nine rubber plantations, 19 managers (10 from CLFZ 1, and nine from CLFZ 2) participated in the Opinion Survey. The Opinion Survey presented eight statements, including statements on attitudes and knowledge, regarding child labor (see Annex 2). Respondents selected their answer on a five point Likert scale: strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree. Additionally, three other non-Likert scaled questions were asked including two multiple choice questions and an open ended question requesting that the respondents define child labor in their own words.

Attitudes and Knowledge on Child Labor

Approximately half of the respondents believe that it is common for primary aged children to go to school and work for pay, often doing both activities in the same day. While the other half of the respondents believe that going to school and working for pay at the same time is uncommon in Liberia. Interestingly, managers from CLFZ 1 believe this practice is more common than managers in CLFZ 2. Seven out of 10 managers either agreed or agreed strongly that primary school aged children are combining school and work for pay in CLFZ 1, while seven out of nine managers in CLFZ 2 disagreed or strongly disagreed. This may indicate that more children are combining school and work for pay in CLFZ 1, or that managers in CLFZ 2 are not as aware of the issue, and therefore do not believe this is a common practice.

84%, or 16 respondents, believe it is unacceptable for parents to bring their children to work so the children can assist the parents in completing their work. All respondents believe that it is unacceptable for children of any age to apply chemicals to crops during the weekend hours. This indicates a high level of awareness that chemicals, including pesticides and acid, are dangerous to children. 84%, or 16 respondents believe it is unacceptable for children to work even if it does not negatively affect his/her schooling, while 16%, or 3 respondents all from CLFZ 2, believe a child working is acceptable so long as it does not negatively affect his/her schooling. All respondents believe that it is unacceptable for a child aged 12 to tap rubber in order to contribute to the household's income while also going to school.

Most respondents (14 out of 19) believe that the government of Liberia has laws and policies governing child labor issues, while three respondents believe such laws and policies do not exist and two respondents do not know. All respondents who believe there are no laws or policies or do not know are from CLFZ 2. 68%, or 13 respondents, believe that rubber companies in Liberia have policies in place regarding child labor, while 32%, or 6 respondents, do not believe policies are in place. Fewer respondents believe that companies implement their child labor policies by regularly monitoring their plantation and train management on child labor. 58%, or 11 respondents, believe that companies regularly monitor and provide trainings, while 26%, or five respondents believe companies do not monitor or train, while 16%, or 3 respondents, do not know. Most respondents (74%) believe that boys face the worst forms of child labor more often than girls (11% respondents). 16% believe girls and boys face the worst forms of child labor equally.

Definitions of child labor

Managers were asked who has the main responsibility to ensure children are not engaged in child labor, and the following options were provided: parents, government, companies/plantations, unions, or children themselves. Managers had the option to pick the top two choices, but many circled only one. Out of 23 responses, 10 answered that parents have the main responsibility and 10 answered that government holds the responsibility. Two respondents believe companies/plantations have a main responsibility and one believes that unions have responsibility. Interestingly, most respondents in CLFZ 1 believe it is the parents' main responsibility, while in CLFZ 2, most believe it's mainly the government's responsibility. When asked to define child labor in their own words, the most common answers included:

- Child Labor is any work done by a child under the age of 18 years old
- Child Labor is work that prevents children from attending school
- Child labor is work done by a child for purpose of earning money
- Child Labor is work done by a child that is meant for adults

Other, less common answers included, work that requires children to carry heavy loads, work that requires children to work during sleeping hours, and work that is forced or uses trafficked children from the interior of the country. A few definition responses suggest attitudes that support and look favorably on child, such as child labor serves as training for jobs which will lead to a better life, and just one manager responded that child labor does not exist in his area at all.

Hazards and Risks

When asked what kinds of risks or hazards children are faced with in the rubber sector, almost all managers included the use of acid, carrying heavy loads, handling pesticides/fungicides, and not going to school. Other answers included injuries due to knives, exposure to snakes and spiders, exposure to criminals attempting to steal rubber, and young children mistaking latex for milk and ingesting the latex. One manager also noted that children are at risk of being

cheated out of their wages. Only one plantation manager answered that no hazards exist for children working in rubber.

Recommendations and Conclusion

This report provided context and a comparison of nine plantations in the Liberian rubber sector and their labor practices, and business policies and practices. This qualitative, exploratory case study is not generalizable to all rubber plantations in Liberia, but provides pertinent information which may shape ARCH's business engagement strategies. The following are recommendations for future work in the rubber industry, particularly in CLFZs 1 and 2.

- Currently, MARCO is the only plantation in the two CLFZs with a processing plant. According to management, protective gear is provided to those working in the factory, but management also conveyed that employees do not always use the gear. This was evident during a previous visit to the processing plant, when ARCH staff noticed a lack of gloves when mixing chemicals, and lack of boots and helmets when operating heavy machinery. Now, as Bright Farm and LIBCO plan to establish processing plants of their own, there is growing need to ensure workers in factory settings are protected with adequate gear and provided OSH training and monitoring.
- Coordination between smallholder growers, particularly in CLFZ 2, is lacking. Small holders interviewed do not meet with other smallholders to discuss business matters such as prices, transportation challenges, tapping methods, or other technical issues. In CLFZ 1, the Todee Rubber Association is active and members meet on a regular basis, in fact the owner of Gono Farm is the Chairman for the group. The Todee Rubber Association is good platform for ARCH to spread messages related to child labor and OSH, but such a group does not exist in CLFZ 2. It is recommended that coordination among small holders in CLFZ 2 be established. Management at Brooks Farm expressed interest in such a group, particularly to address the lack of access to market and high broker and transport fees and expenses in CLFZ 2.
- Safe and decent work opportunities within the rubber sector should be identified for youth aged 16-17. This age group is legally allowed to work, but should do so under non-hazardous conditions. One potential area for youth engagement is in rubber nurseries, bio-graphing, and planting. There is a growing need for more nurseries and replanting projects in Liberia, a niche which could be safe, profitable and build the skills of working-aged youth. Other safe and decent activities and jobs within the rubber sector should be identified, particularly for working aged youth.
- According to management at small holder farms, labor inspectors do not typically visit rubber smallholders. It is recommended that labor inspectors conduct child labor inspections within small holder farmers.
- Labor unions such as FAWUL and GAAWUL may consider expanding membership to medium and smallholders, as currently none of the small or medium farmers or employees are members of the unions.

- While both MARCO and LIBCO’s CBAs mention the prohibition of child labor, neither CBA details guidelines for monitoring, training and raising awareness, or penalties for the use of children. Through collaboration with GAAWUL, it is recommended that the child labor policies of large and medium plantations be strengthened in the CBAs and in practice.
- Potential collaboration with farms to implement Model Farm Schools (MFS) exist and could be explored. Identified opportunities include:
 - Brooks Farm – On the plantation, 25 acres of low-land have been developed in collaboration with the Ministry of Agriculture’s “Swamp Program”. The land is currently under-utilized, and management would like to develop the land further.
 - BWI – BWI is a technical school, specializing in agriculture. Each semester a course on rubber production is offered, taught by Mr. William Barrolle. The course focuses on bio-graphing and rubber culture. One student of this course provided a training on biography at Gono Farm. There could be potential collaboration with these students. Furthermore, BWI provides extension services to small holder rubber growers, an initiative led by Mr. Jerry Yini.
 - Samuel Dahn Farm – During the visit, the research team was approached by a rubber tapper, Mr. Mark Valamah, who wanted to discuss training. Mr. Valamah has worked at Firestone before and received training at Firestone. He may have the potential to training others.
 - Bright Farm – According to management, formal training is provided to tappers, using a curriculum development in Sri Lanka. Follow-up is needed to determine the level of quality and potential for extended use of the training.
- All plantation managers expressed interest in additional trainings related to child labor and OSH. It is recommended to increase training in these areas, particularly in CLFZ 2, which demonstrated a generally lower level of awareness on child labor.

ANNEX A: Business Survey Questions

Name of the company _____

Name of Interviewee _____ Job Title _____

County _____ Community _____

General Plantation Information

1. How many hectares or acres is rubber grown on the plantation/farm?
2. How many contracted employees do you have working on the farm?
3. Can you describe the different hiring mechanisms and types of staff (full-time, part-time, subcontracted, etc)? How many seasonal/temporary workers does the farm hire each year?
4. How many employees are aged 16-17?
5. What percentage of workers are union members?
6. To which union do the employees belong?
7. Have you experienced any challenges while working with the union(s)?
8. Can you describe the process to establish CBAs, and what are the benefits or drawbacks to the agreements? (get copy if possible)
9. What percentage of rubber is grown on your plantation land and what percentage is sourced from other small holder farms?
10. If your company purchases rubber from smallholders, how is it purchased (are there formal agreements and how is the rubber collected)?
11. Does your company have a rubber processing plant/factory?

Employee Compensation and Benefits

12. How do you paid the different types of employees for their work (directly to workers? To intermediaries? To trade union?), (daily rate? Based on production quota? Monthly salary?)
13. What is the average salary for various jobs? (rubber tapper, other positions?)
14. Do you make any in-kind or cash payment other than plain wages? (transport costs? Food? Shelter? Current? Water?)
15. Do you provide health insurance to employees? If yes, all employees?
16. Do you provide medical care to employees? If yes, all employees?
17. Do you provide education services to children of employees? If yes, what types of services are provided?
18. Do your employees have a retirement fund (or social security)?
19. Do your employees received training services to gain improved or new labor skills or basic numeracy/literacy? If yes, who conducts these trainings? If yes, describe training content, duration, frequency, etc).
20. Are any of the above types of services extended to others who are not directly contracted and working on the company land (i.e. surrounding rubber smallholders)?
21. Does the company provide loans for employees? At what rate?

Rubber Information

22. What is the price of rubber last year?
23. What is the price of rubber this year?
24. To whom do you sell your rubber (export, firestone, government, etc?)
25. How much rubber did your company/plantation produce last year?
26. How much rubber did your company sell last year? (ie what they produced plus what they bought from smallholders)
27. What do you think about certification? Is it something your company has explored or attained?

Community Engagement

28. Last year how much money did you spend on providing community services? What types of services did you fund/provide?
29. If not, does your company have available funding to support communities within your area of operation (both on the company owned land and in small holder areas outside the plantations) – ie. Education, health services, other services?
30. Is your company willing to provide increased support to small holders surrounding the plantation?
31. What interactions do you have with local authorities, particularly with labor inspectors?

Child Labor and Occupational Health and Safety

1. How much money or in-kind support did the company invest last year on the issue of child labor prevention/elimination? What was the money/in-kind support used for?
2. Does the company currently have written policies and/or procedures in place to address the issue of child labor?
3. If yes, what policies has the company established (get copy if possible) and how are they enforced and monitored?
4. In your opinion, what kinds of risks or hazards do children face in rubber growing areas? (leave question open-ended, but some answers may include use of chemicals, missing opportunities for education, work/living environments are unsafe, dangers posed by irrigation canals, risk of malnutrition due to lack of land for non-rubber usage, etc).
5. Does the company provide protective gear to employees? If yes, what types?
6. Does the company have written OSH policies and/or procedures in place? If yes, get copy if possible.
7. Does the company provide any Occupational Health or Safety training to employees?
8. Would your company be interested in attending additional trainings related to child labor and/or OSH?

ANNEX B: Opinion Survey for Business and Government Representatives

Name :

Title:

Company/Institution:

Statements		Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1	It is common practice in Liberia for primary school aged children to combine school and work for pay.					
2	It is acceptable for parents to bring their children to work so the children can assist the parents in completing work.					
3	The Government of Liberia has laws and policies governing child labor issues.					
4	It is acceptable for children at any age to apply chemical (pesticides) to crops during the weekend hours.					
5	A child working is acceptable as far as it doesn't affect negatively his/her schooling.					
6	Rubber companies in Liberia have policies in place regarding child labor.					
7	Rubber companies in Liberia regularly monitor their plantation and train management on child labor.					
8	It is acceptable for child aged 12 to tap rubber in order to contribute to the household's income while also going to school.					
9	In Liberia, who has the main responsibility to ensure children are not engaged in child labor? (circle top two)	Parents	Government	Company/Plantation	Unions	Children themselves
10	In general, who faces the worst forms of child labor more often? (Circle one option)	Boys	Girls	Both equally		
11	Describe, in your own words, what you consider to be child labor					

ANNEX C: Awareness Raising Analysis Summary

		Strongly Agree	Agree	Neither Agree nor Disagree	Dis-agree	Strongly Disagree	Total (n)	Mean	SD
Q1 It is common practice in Liberia for primary school aged children to combine school and work for pay.	%	26.3%	21.1%	0.0%	26.3%	26.3%			
	n	5	4	0	5	5	19	3.053	1.649
Q2 It is acceptable for parents to bring their children to work so the children can assist the parents in completing work.	%	5.3%	10.5%	0.0%	57.9%	26.3%			
	n	1	2	0	11	5	19	3.895	1.100
Q3 The Government of Liberia has laws and policies governing child labor issues.	%	42%	32%	11%	11%	5%			
	n	8	6	2	2	1	19	2.053	1.224
Q4 It is acceptable for children at any age to apply chemical (pesticides) to crops during the weekend hours.	%	0.0%	0.0%	0.0%	36.8%	63.2%			
	n	0	0	0	7	12	19	4.632	0.496
Q5 A child working is acceptable as far as it doesn't affect negatively his/her schooling.	%	0.0%	15.8%	0.0%	57.9%	26.3%			
	n	0	3	0	11	5	19	3.947	0.970
Q6 Rubber companies in Liberia have policies in place regarding child labor.	%	21.1%	47.4%	0.0%	26.3%	5.3%			
	n	4	9	0	5	1	19	2.474	1.264
Q7 Rubber companies in Liberia regularly monitor their plantation and train management on child labor.	%	21.1%	36.8%	15.8%	10.5%	15.8%			
	n	4	7	3	2	3	19	2.632	1.383
Q8 It is acceptable for child aged 12 to tap rubber in order to contribute to the household's income while also going to school.	%	0%	0%	0%	37%	63%			
	n	0	0	0	7	12	19	4.632	0.496