



Bonn, Germany 30.4.2010

**Statement of Tuulia Syvänen, Chief Operating Officer,
Fairtrade Labelling Organizations International**

Fairtrade Labelling Organization International FLO unites 24 national Fairtrade organizations across Europe, Japan, USA, Canada, Mexico, South Africa, Australia and New Zealand, as well as producer networks representing Fairtrade Certified producer organizations in Central and South America, Africa and Asia. TransFair USA is the USA-based member organization of Fairtrade Labelling Organizations International.

We are honored to be participating in this hearing on such an important topic. Thank you to for convening this opportunity for a public comment.

Today, more than five million people - farmers, workers and their families - across 59 developing countries benefit from the international Fairtrade system.

The FAIRTRADE Certification Mark is a registered trademark of Fairtrade Labelling Organizations International. It signifies that products and processes have been independently audited against agreed Fairtrade standards, including those that prohibit child labour. Our growing presence gives us a unique opportunity to influence the conditions under which products are grown, harvested, processed and traded, and with our Fairtrade Certified Trademark on products, we inform the world that these products have been independently checked against our standards. The TransFair USA Certification Mark is used within the US market to represent these standards and principles.

Fairtrade regards child labour, including trafficked and forced child labour as a major non-compliance with the Fairtrade Standards. Fairtrade standards on child labour are based on the International Labour Organization ILO Convention 138 (1973) concerning minimum working ages and on ILO Convention 182 (1999) concerning the worst forms of child labour.

Fairtrade has developed its standards, compliance criteria and audit tools in accordance with these ILO conventions, and independent certification company FLO-CERT conducts regularly scheduled annual audits as well as unannounced audits to ensure that these requirements are met. FLO-CERT is ISO65 accredited certification body which ensures that all procedures are followed and certification is conducted in transparent and consistent manner. Independent third party, an accreditation body, controls FLO-CERT to ensure that ISO rules are followed.

Fairtrade standards for Small Producers' Organizations, Hired Labour Situations and Contract Production regulate the use of child labour.



Standards are set by an expert committee, representing all Fairtrade stakeholder groups, and supported by a technical unit that coordinates regular reviews of standards through extensive dialogue and consultation.

Fairtrade standards distinguish between minimum requirements, which producers must meet to be certified, and progress requirements that encourage producers to continuously improve and to invest in the development of their organizations and their workers. Standards that prohibit child labour are minimum requirements.

If child labour or unacceptable child work is detected in our system, Fairtrade takes immediate action based on clear compliance criteria, timelines and priorities for fulfilling the requirements.

When non-compliance are found, Fairtrade's certification body will impose appropriate sanctions, ranging from corrective actions to decertification. While immediate action follows child labour findings in an audit, the exact consequence is assessed on a case-by-case basis according to the established criteria (e.g. the numbers of underage workers found, whether the child labour found was unconditional worse forms or hazardous worse forms, the condition of labour, impact on health and education, and so forth).

More specifically, in the case of children employed under unconditional and/or hazardous worse forms of labour or under the age of 15 years by the producer organization or its members in Small Farmers, Hired Labour or Contract Production situations, there is a suspension of the certificate to that organization and a corrective action plan decided upon and agreed to by the certification body and the producer organization. In the case of a suspension the producer is not able to enter into new trade relationships under Fairtrade conditions until the suspension is lifted. The decision to lift a suspension is based on corrective actions and results of follow-up audits. If child labour is still detected the producer could be decertified.

To ensure that children found in worse forms of child labour do not end up in even worse forms when removed or punished for informing Fairtrade of their labour conditions, Fairtrade has developed a Child Protection Policy and Procedures and all those who are involved with Fairtrade have a duty to strictly abide by this policy. This includes FLO and FLO-CERT staff and consultants, including persons providing producer support and the auditors.

While we respect different cultures and values in countries where Fairtrade producer organizations operate, we do so in a way that does not compromise the basic requirements regarding the rights and dignities of children as enshrined in the United Nation Convention on the Rights of the Child.

We work with democratically organized cooperatives and relevant civil society organizations, and in full consultation with farmers and local communities, to support the development of appropriate remediation responses to the detection of child labour in the Fairtrade system.

Child labour is a very complex and intractable issue however and while Fairtrade adopts a zero



tolerance approach through its standards and compliance criteria, this principle is the starting point for a series of interventions through our own resources or in collaboration with others to help tackle the problem.

No person or organization can guarantee that child labour does not occur in a supply chain, but Fairtrade can provide assurance that its standards, certification, and producer support services are building the capacity of agricultural producers and workers to control the problem through their own organizations through the positive incentive of maintaining access to beneficial markets.. Most importantly, Fairtrade is unique in tackling the fundamental causes of child labour through its minimum price guarantee that ensures producers can afford to work ethically and sustainably, and the Fairtrade premium that provides resources for further investment in social, economic and environmental improvements.

Fairtrade's approach to development is based on the principle of empowering organizations of small-scale farmers and workers to take more control over their work and their lives. While onsite auditing is necessary to check for compliance with standards, it is also important that standards and certification provide a tool for producers to set their own goals and measure their own progress in achieving them.

The fact that Fairtrade works was demonstrated recently when an audit found evidence of the worst form of child labour in a small number of individual farms in one Fairtrade cooperative. Without auditing against the Fairtrade standards, this instance of worst forms of child labour would not have been discovered, and nothing may have been done to help alleviate the situation in the short term. As is standard procedure, the cooperative was temporarily suspended. The cooperative then worked with local partners to develop its child labour policy, provide child labour training to its members and build its internal control system in order to support regular internal checks for child labour occurrences. As a result of the changes that were implemented the suspension was lifted and the coop is now back in compliance and accessing the markets that can support raising poor farmers out of poverty.. Instead of administering harsh punitive measures like trade sanctions that could push children and their families into deeper poverty, the goal of Fairtrade is to assist in solving the problem. Through FLO's Producer Services and Relations Team, FLO assists cooperatives to overcome breaches of the standards through advice, and by enabling them to access skills and resources from other experts as needed.

People everywhere want to work and produce sustainably – it is, after all their future that is most at risk by not doing so. This is particularly true in the case of child labour. Parents everywhere want the best for their children and strive to provide the next generation with more and better opportunities than they themselves enjoyed. Consumers can be assured that by choosing products certified with the Fairtrade Mark that they are forming a partnership with producers who are committed to eliminating child labor by creating greater economic opportunities, investing in social programs like ensuring access to schooling, and educating themselves and others on the negative impacts of child labour.



We thank you for this opportunity to present Fairtrade's position on child labour and how it works to correct it through a development driven approach. We strongly believe that companies who trade in goods must be asked to scale up their efforts to trade through certification systems which regard child labour as a major non-compliance and undertake rigorous audits to ensure they are not part of the trading reality. We believe that Fairtrade offers such a system.

As attachment we include

Fairtrade Position on Child labour

Fairtrade Producer standards for small-scale producers

Fairtrade Producer standards for Hired Labour

Fairtrade Contract Productions Standards

Child protection policy and Procedures

All Fairtrade Standards and further information can be found at www.fairtrade.net