

The Chocolate Industry:

Abusive Child Labor and Poverty Behind the Sweetness

While chocolate is sweet for us, it is heartbreaking for cocoa producers and their families. Most cocoa farmers are trapped in poverty and forced to rely on child labor and even child slavery against their heartfelt wishes to do otherwise. Meanwhile, the chocolate companies that have exacerbated these problems - and profit from them - refuse to offer the Fair Trade alternative farmers need to make ends meet. The six largest cocoa producing countries are the Ivory Coast, Ghana, Indonesia, Nigeria, Brazil, and Cameroon. Cocoa has especially significant effects on the economy and the population in these countries. For example, in Ghana, cocoa accounts for 40% of total export revenues, and two million farmers are employed in cocoa production. The Ivory Coast is the world's largest cocoa producer, providing 43% of the world's cocoa.

In 2000, a report by the US State Department concluded that in recent years approximately 15,000 children aged 9 to 12 have been sold into forced labor on cotton, coffee and cocoa plantations in the north of the country. A June 15, 2001 document released by the Geneva, Switzerland-based International Labor Organization (ILO) reported that trafficking in children is widespread in West Africa. (For ILO definitions of these labor violations, see ILO Convention 182 on Child Labor ILO Convention 29 on Forced Labor.)

The International Institute of Tropical Agriculture (IITA) followed up these reports with an extensive study of cocoa farms in the Ivory Coast, Ghana, Nigeria and Cameroon, directly involving over 4,500 producers. The results, released in August 2002, indicated that child slavery is thankfully very limited, other egregious forms of child labor are unfortunately widespread. An estimated 284,000 children are working on cocoa farms in hazardous tasks such as using machetes and applying pesticides and insecticides without the necessary protective equipment. Many of these children work on family farms, the children of cocoa farmers who are so trapped in poverty they have to make the hard choice to keep their children out of school to work. The IITA also reported that about 12,500 children working on cocoa farms had no relatives in the area, a warning sign for trafficking.

These child laborers face arduous work, as cacao pods must be cut from high branches with long-handled machetes, split open, and their beans scooped out. Children who are involved in the worst labor abuses come from countries such as Mali, Burkina Faso, and Togo -- nations that are even more destitute than the impoverished Ivory Coast. Parents in these countries sell their children to traffickers believing that they will find honest work once they arrive in Ivory Coast and then send their earnings home. But as soon as they are separated from their families, the young boys are made to work for little or nothing. The children work long and hard -- they head into the fields at 6:00 in the morning and often do not finish until 6:30 at night.

" Though he had worked countless days harvesting cocoa pods -- 400 of which are needed to make a pound of chocolate -- Diabate has never tasted the finished product. "I don't know what chocolate is," he told the press.

It is unbelievable and unacceptable that, in the beginning of the 21st century, the children of West Africa are trapped in such desperation and even slave labor.

These children typically lack the opportunity for education, leaving them with no way out of their cycle of despair. The IITA noted that 66% of child cocoa workers in the Ivory Coast did not

attend school. About 64% of children on cocoa farms are under age 14, meaning that the loss of an education comes at an early age for the majority of children on cocoa farms.

The cause: "Free trade," structural adjustment, and corporate control

These problems are largely tied to insufficient income for cocoa producers and their communities. The IITA found that annual West African cocoa revenues average \$30 to \$110 per household member, making "it difficult for families to have sufficient income to meet their needs." Mana Osei Yawu III, Chief of Niveneso Village in Ghana has said, "We had no water in the village, we just had dirty water from rivers and streams. People spent a lot of time collecting water and there was always someone who was sick. Many people in the village were wondering how much longer they could stay in the village without water, because they were getting sick. The money we used to get from selling our cocoa beans to the government didn't give us enough to buy materials or a pump for our own water supply."

Producer incomes remain low because major chocolate and cocoa processing companies have refused to take any steps to ensure stable and sufficient prices for cocoa producers. World cocoa prices fluctuate widely and have been well below production costs in the last decade. Though cocoa prices have shown moderate increases in the past few years, cocoa producers remain steeped in debt accumulated when prices were below production costs. Producers typically also get only half the world price, as they must use exploitative middlemen to sell their crop. The effects of insufficient cocoa income have been exacerbated by deregulation of agriculture in West Africa, which abolished commodity boards across the region, leaving small farmers at the mercy of the market. This economic crisis has forced farmers to cut their labor costs, and tragically that has meant relying on slave labor or pulling children out of school to work on family farms. These small farmers and their children remained trapped in a cycle of poverty, without hope for sufficient income or access to basic education or health care. As the IITA summarized, "Interviews with community leaders indicated that the greater employment of family labor was a common response to the recent drop in cocoa prices and the crisis in cocoa incomes. In addition to the substitution of family labor for paid labor, farmers have also reduced the use of purchased inputs. The net effect of both of these factors has led to lower productivity and incomes, and, perhaps most importantly, to reduced household investments in children's education."

For years, US chocolate manufacturers have said they are not responsible for the conditions on cocoa plantations since they don't own them. But the \$13 billion chocolate industry is heavily consolidated, with just two firms -- Hershey's and M&M/Mars -- controlling two-thirds of the US chocolate candy market. Surely, these global corporations have the power and the ability to reform problems in the supply chain. What they lack is the will.

After a string of media exposes and the threat of government action jeopardized their image, the chocolate industry finally agreed to take action in 2001. On November 30, 2001 the US chocolate industry released a Protocol and Joint Statement outlining their plans to work toward eliminating the worst forms of child labor (see ILO Convention 182) and forced labor (see ILO Convention 29) in cocoa production.

Unfortunately, the plan does not guarantee stable and sufficient prices for cocoa, or any guarantee that cocoa farmers will receive a fair income in the end. Without such a guarantee, there is now way to ensure that abusive child labor on cocoa farms will cease for good.

The solution: Fair Trade cocoa and chocolate

Fortunately, there is a way to correct the economic imbalances of the cocoa system: Fair Trade. Fair Trade chocolate and cocoa products are marked with the "Fair Trade Certified" and Fair Trade Federation labels. Fair Trade is an international monitoring and certification system that guarantees a minimum price under direct contracts, prohibits abusive child labor, and promoted environmental sustainability. The Fair Trade system guarantees that farmers receive a "floor price" of at least \$.80/pound for non-organic cocoa and \$.89/pound for organic cocoa. Producers receive \$150 per metric ton above the world price if the world price rises above the Fair Trade floor price. This gives farmers the stable and sufficient income they need to support their families with dignity. Fair Trade prohibits abusive child labor and forced labor. Farms are monitored once per year to ensure that all conditions are met. See the full criteria for Fair Trade (PDF 278kb). Fair Trade cocoa comes from Belize, Bolivia, Cameroon, Costa Rica, the Dominican Republic, Ecuador, Ghana, Nicaragua, and Peru. Read our cooperative profiles to learn more about these Fair Trade cocoa farmers.

Our Fair Trade Chocolate/cocoa Campaign is pressuring large companies like Mars, Inc. (maker of M&M's, Snickers, and Milky Way) and other members of the Chocolate Manufacturers Association of America to sell Fair Trade chocolate and cocoa products immediately. We also support a network of K-12 schools, campus groups and community activists advocating for Fair Trade chocolate and cocoa around the USA.

Despite growing demand, Mars, Inc. has refused to offer farmers the Fair Trade alternative they so desperately need. In June, more than 200 organizations signed a letter to M&M/Mars supporting Global Exchange's Campaign demands, - and asking the company to address the injustices in the cocoa fields by starting to offer Fair Trade chocolate. Through subsequent national consumer advocacy, M&M/Mars has received an outpouring of requests for Fair Trade--including more than 1,000 letters from schoolchildren, and over than 5,000 faxes and countless e-mails and phone calls from adults. In February of 2004, two coalitions of highly respected national organizations requested meetings with M&M/Mars to discuss Fair Trade purchasing, meetings which M&M/Mars unfortunately refused to hold.

Despite such overwhelming appeals, M&M/Mars continues to refuse to offer Fair Trade chocolate, and reiterates total faith in the industry Protocol and other development projects. Despite the good intentions behind these efforts, none ensures the minimum price producers need, and none involves the independent certification that consumers want. Fair Trade incorporates all these components, offering the best way for M&M/Mars to realize the goals of the Protocol and maintain consumer support.

Global Exchange. "The Chocolate Industry: Abusive Child Labor and Poverty Behind the Sweetness." 20 September 2005. (<http://www.globalexchange.org/campaigns/fairtrade/cocoa/background.html>) (Accessed on November 27, 2006).