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# Evaluating the Success of Market-Based Incentives against Child Labor: the Case of the Harkin- Engel Protocol and GoodWeave

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# Evaluating the Success of Market-Based Incentives against Child Labor: the Case of the Harkin- Engel Protocol and GoodWeave



**BY: EMILY LAFFERRANDRE**  
**UNIVERSITY OF DENVER**

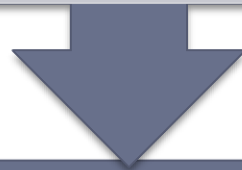
Knight Ridder Publisher exposes child and forced labor in  
cocoa industry

**Threat of national chocolate boycotts**



Congressional discussion of “slave-free” label

CMA lobbies against label



**Bill dies in the Senate**

Harkin Engel Protocol signed in 2001

# Harkin- Engel Protocol

- 1 Publicly commit to end child labor
2. Advising committee to investigate and consulting group for remedies
2. Sign a joint statement on child labor

**“Voluntary,  
non-  
binding,  
non-  
legislative  
document”**

# Harkin- Engel Protocol Cont.



4. Establish joint action program: independent monitoring system by May 2002
5. Form a joint international foundation by July 2002
6. Develop a certification system by July 2005: assures consumers no child labor in cocoa

# Estimating the Scope of Child Labour

- **109,000** children working in hazardous conditions (WFCL) on cocoa farms  
(USDOS, 2007)

- Up to **10,000** children are trafficked  
(USDOS, 2007)

- **89%** of interviewed children worked in cocoa agriculture  
(Payson Center Certification Survey, 2007)

- **98%** of children do not report exposure to any intervention project  
(Payson Center Certification Survey, 2007)



- Voluntary nature of protocol
- Flawed ITTA research methodology
- Lack of certification system



## **Criticism of the Harkin Engel Protocol**

# Child Labour in India's Carpet Industry

- ILO, 2010: 115 million children in India subject to the WFCL
- ILO, 2010: Child Labor declined by 10.2% since 2004





# Child Labour Estimates Cont.



- NCAER, 1992: 3.6% of carpet weavers are illegally hired children
- NCAER, 1997: 1.2% illegally hired children

# Rugmark- GoodWeave Model

- Voluntary social label
- Funded by donations and license fees
  - Fees equivalent to 1.25-2% of export value of shipments
- Funds inspections, rehabilitation, and campaign efforts





## 2009, Annual Report

- Certified **7.5** million child-labor free rugs
- Freed more than **3,600** children from weaving looms



Faces of Freedom exhibit, GoodWeave

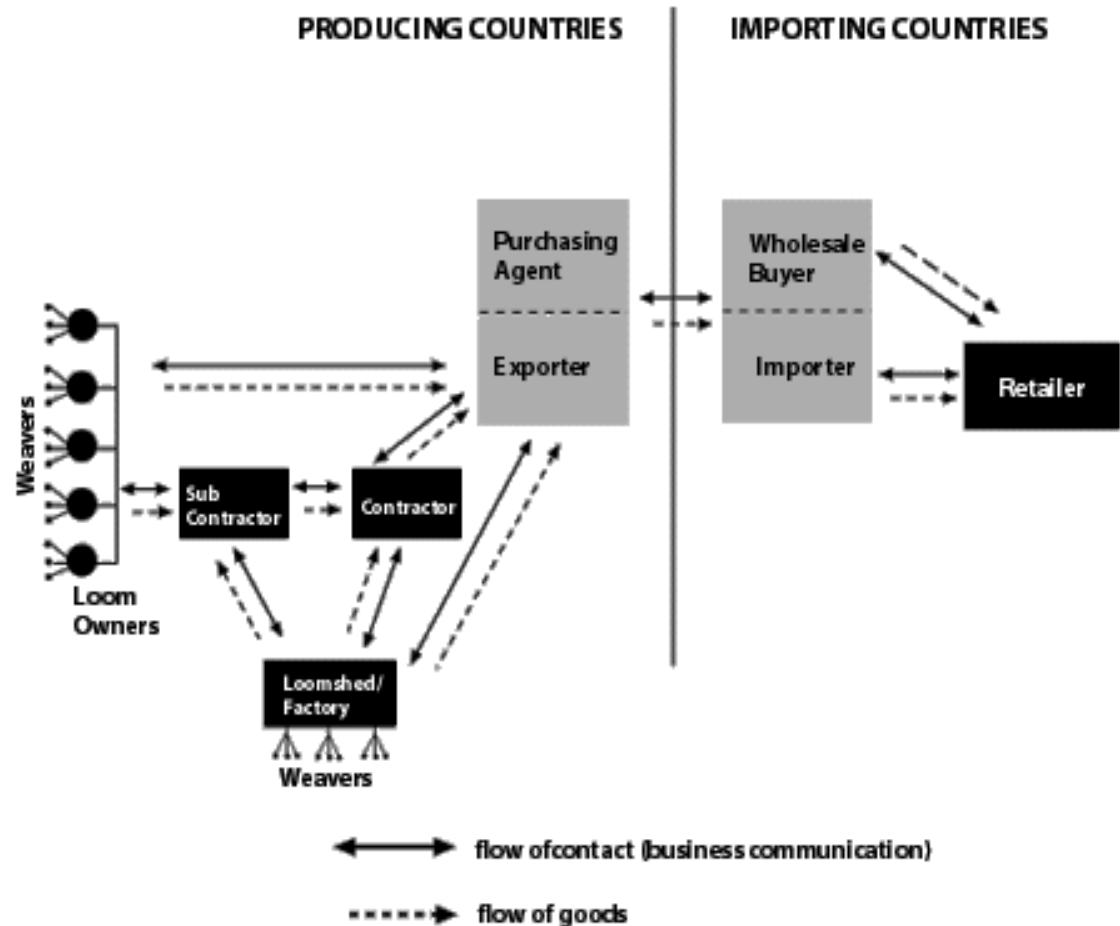
**Goodweave  
Accomplishments**

# Goodweave Criticism

- Loopholes:
  - Inspections
  - Decentralized industry
- Redistributes child labor
- Voluntary participants

FIGURE II-2

*Hand-Knotted Carpet Chain of Production and Distribution*



# Effectiveness of Voluntary Social Labels

## CON

- Duplication of Efforts
- Voluntary nature
- Fickle Consumer Demand/ Awareness
- Endless Demand for Cheap Pliable Labour

## PRO

- Enforcement Mechanisms
- Educational Services
- Industry imposed standards
- Carrot and Stick Method



- Advocate for Fair Trade goods

- Creative Solution

(CA Supply Chain Act, Slavery Footprint)

- Raise Awareness of the issue

(Change.org)



# Personal Demand

*Nobody made a greater mistake  
than he who did nothing because he could  
only do a little.  
~Edmund Burke*



**Unless someone like you cares a  
whole awful lot, nothing is going to  
get better. It's not. ~Dr. Seuss**