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The Impact of Global Supply Chains on Child Labor Practices

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ABSTRACT

Child labour continues to be an enduring obstacle within supply chains. This paper investigates the diverse actors—corporations, governments, societies, and external organizations—engaged in the fight against this issue. This situation complicates efforts to address the issue of child enslavement in supply chains due to its intricate and extensive scope. Additionally, limitations in current research on the subject are acknowledged.

This study examines the diverse mechanisms through which global supply networks either facilitate or alleviate child labour practices. The incidence of child labour in these situations is influenced by various factors, including demand dynamics, economic incentives, and legal frameworks. Furthermore, this study delves into case studies and exemplifications in order to elucidate the pragmatic ramifications of supply chain dynamics on the issue of child labour.

The results indicate that global supply chains can worsen child labour due to variables like subcontracting and inadequate supervision, but they also offer possibilities for enhancement. Multinational firms can have a significant impact on addressing child labour by utilising their economic power to adopt ethical sourcing methods, encourage transparency, and cooperate with local stakeholders.

Keywords: *global chain, society, child labour.*

I. INTRODUCTION

That it affects our company practices is hard to deny. The supply chain management industry has been rocked by this storm, which has flipped everything on its head, sometimes for the better and other times for the worse. Not everything is terrible, unlike a real natural catastrophe. Actually, it has opened up completely new avenues of opportunity for companies that are open to change.

If globalisation is like putting together a huge jigsaw puzzle, then supply chain management is the component that connects everything. It is necessary to oversee and coordinate every step of the process, from obtaining raw materials to shipping completed goods. It's quite symphonic,

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with each instrument contributing to the overall beauty and harmony.

The symphony was already complicated before globalisation. This is similar to incorporating a brand-new instrument into the mix; this one has a distinct sound and demands a different set of abilities to play well. Companies that master this emerging technology and successfully integrate it into their overall strategy will emerge victorious in the competitive global market.

How then can you adjust to the current situation? As if picking up a new tongue were the analogy. Consider globalisation as a foreign language; supply chain management is the key that unlocks the language for enterprises. Being fluent requires time and practice, the same as any other language.

Globalisation is the process of increasing interdependence between individuals and economies worldwide. It enables international trade, the exchange of cultural practices and ideas, and global collaboration³. Globalisation is dynamic, constantly evolving to meet the demands of an interconnected world. It allows businesses to expand their reach, people to connect across different cultures, and economies to thrive.

Supply chains have evolved from decentralized to interconnected systems, driven by technological advancements like digitalization and automation. The future of supply chains will involve increased collaboration between humans and machines, leading to greater efficiency and innovation⁴.

Despite global efforts to eliminate it, child labour remains prevalent in many poor nations, partly due to the complex and often opaque nature of global supply chains. Factors such as poverty, limited education opportunities, competitive economies, and the demand for cheap labour contribute to this issue.

This article aims to explore how global supply networks impact the prevalence of child labour in underdeveloped countries, highlighting the need for comprehensive solutions to address this complex problem.

(A) Where does it occurs?

Although the frequency and forms of child labour may vary from country to country, the reality remains that child labour does exist, contrary to popular belief, even in wealthy nations. Employing children under the age of fifteen for any reason—paid or unpaid—that harms their

³ Benstead, A.V., Hendry, L.C. & Stevenson, M., 2018, 'Horizontal collaboration in response to modern slavery legislation', *International Journal of Operations & Production Management* 38(12), 2286–2312. <https://doi.org/10.1108/IJOPM-10-2017-0611>

⁴ Barrientos, S.W., 2005, 'Impact assessment and labour: Developing a learning approach', *Journal of International Development* 17(2), 259–270. <https://doi.org/10.1002/jid.1213>

physical, mental, or social development, robs them of their childhood, or interferes with their schooling is generally considered child labour in industrialised nations⁵.

Agricultural, industrial, mining, service, and domestic labour are just a few of the various forms that children in industrialised nations might take on while working⁶. There are a variety of social, psychological, and physiological dangers that children working in these fields face. For instance, kids who labour in the fields may come into contact with dangerous chemicals and pesticides, while those who work in factories run the danger of being hurt by heavy machinery or even poisoned by toxic substances.

Some companies, especially those in the shadow economy, continue to use child labour despite the fact that it is against the law in most industrialised nations. Children from disadvantaged backgrounds, such as indigenous communities, migrants, and refugees, are at a heightened risk of being exploited or abused. There needs to be more regulation and more accountability since many MNCs' worldwide supply chains are associated with child labour and other types of labour exploitation.

Because child labour is often informal and hard to quantify, accurate data on its prevalence in industrialised nations is not always easy to come by. Having said that, for context, here are some broad trends and statistics concerning child labour in industrialised nations:

- Nearly 7.4 million children in industrialised nations work as labourers, ranging in age from 5 to 17, as reported by the International Labour Organisation (ILO)⁷. Children engaged in informal and covert forms of child labour are likely not included in this figure, so it is likely an underestimate.
- Child labour is prevalent in the agricultural, construction, and household sectors, employing an estimated 2.4 million children in the EU between the ages of 5 and 17.
- The construction, farming, and manufacturing industries employ almost 1.5 million youngsters in the US who are exposed to dangerous work environments. Child labour is another issue that has people worried about the garment industry and other parts of the economy.

⁵ Busse, C., Schleper, M.C., Weilenmann, J. & Wagner, S.M., 2017, 'Extending the supply chain visibility boundary', *International Journal of Physical Distribution & Logistics Management* 47(1), 18–40. <https://doi.org/10.1108/IJPDLM-02-2015-0043>

⁶ Bhaskaran, R., Nathan, D., Phillips, N. & Upendranadh, C., 2010, 'Home-based child labour in Delhi's garments sector: Contemporary forms of unfree labour in global production', *Indian Journal of Labour Economics* 53(4), 607–624.

⁷ International Labour Organization, 2017, Global estimates of child labour: Results and trends, 2012–2016, ILO, Geneva.

- The bulk of Japan's estimated 1.3% of youngsters working as child labourers are involved in the agricultural and fishing industries.
- An estimated 2.7% of children in Australia who are 5–14 years old work as child labourers in the agricultural and horticultural sectors.

Due to the high rate of unreported or overlooked instances, child labour statistics may not reflect the true scope of the issue. Worldwide, some 152 million children work as labourers, with 72.5 million of those children working in dangerous occupations, according to the International Labour Organisation⁸. With 62 million, children in Asia and the Pacific are the largest child labour force, followed by 72 million in Sub-Saharan Africa. In terms of total child labour, the agricultural sector employs the most children (71%), followed by the service sector (17%), and finally the industrial sector (12%).

II. POLITICS AND LAW ENFORCEMENT

As a result of national slave governance, numerous nations have enacted policies and legislation concerning juvenile slaves. Due to the ramifications of globalization on the supply chain, it is imperative that both the country supplying the resources and the nation consuming them progressively enhance their legal frameworks to combat child enslavement. The United Kingdom's Modern Slavery Act of 2015 mandates that domestic businesses declare and guarantee the absence of human trafficking and slavery at every stage of the supply chain⁹. In 2011, California also implemented the California Transparency in Supply Chains Act¹⁰, which mandated that domestic businesses provide details regarding their endeavors to eradicate human trafficking and slavery across the entire supply chain. A comprehensive law was enacted in the Ivory Coast in response to the issue of cocoa child exploitation on the local level¹¹. Child slaves will be significantly suppressed in the short term by the enactment of these laws, but their implementation and suppression will be far from optimal in the long run.

The majority of production activities within supply chain corporations are influenced by transnational or interregional supply and demand. Therefore, the mere enactment of legislation

⁸ Cho, S.H., Fang, X., Tayur, S. & Xu, Y., 2019, 'Combating child labor: Incentives and information disclosure in global supply chains', *Manufacturing & Service Operations Management* 21(3), 692–711. <https://doi.org/10.1287/msom.2018.0733>

⁹ LeBaron, G. & Rühmkorf, A., 2017, 'Steering CSR through home state regulation: A comparison of the impact of the UK bribery act and modern slavery act on global supply chain governance', *Global Policy* 8(S3), 15–28. <https://doi.org/10.1111/1758-5899.12398>

¹⁰ Pickles, J. & Zhu, S., 2013, 'The California transparency in supply chains act', Capturing the Gains Working Paper 15, viewed n.d., from <https://ssrn.com/abstract=2237437> or <http://dx.doi.org/10.2139/ssrn.2237437>.

¹¹ Fair Labour Association, 2012, *Sustainable management of Nestlé's cocoa supply chain in the Ivory Coast—Focus on labor standards*, viewed n.d., from http://www.fairlabor.org/sites/default/files/documents/reports/cocoa-report-final_0.pdf.

in a single nation does not ensure the eradication of child labor, nor is it invariably the most effective approach¹². Additionally, checks and balances are required to guarantee applicability. In the production network of embellished and embroidery-based garments originating from North India, for instance, the assessment of domestic production conditions at the household level is seldom incorporated into the monitoring of international purchasers and their agents. In an effort to increase women's income and authority at work, the Indian government meticulously crafted Conditional Cash Transfers (CCT) in response to modifications to child labor legislation. In place of punitive measures, the regulatory framework has shifted toward solution-oriented approaches that incorporate CCT and mandatory education.

This transition has the potential to yield a viable and logical resolution to the issue of child labor in India¹³. Numerous scholarly articles have posited that the government encounters a significant challenge not only in preventing child labor due to disparities in government support but also in effectively implementing standards and regulations¹⁴. Child labor in the cocoa trade affects a minimum of 300,000 children in West Africa¹⁵. As a result of the local government's corrupt and regressive practices, supply chain enterprises cannot be managed or intervened in effectively, resulting in an increase in the number of child slave victims. This illustrates the criticality of surveillance and auditing functions for the government's internal and external concerns¹⁶. While ensuring an equitable and competitive market environment, the government should mandate that businesses conduct due diligence on contacts in the supply chain through policies that examine the balance of resources between corporate oversight and market understanding.

The government must not only endeavor to improve its own implementation projects, but also facilitate opportunities for collaboration between non-governmental organizations (NGOs) and businesses that are capable of implementing the measures required to combat child labor.

III. THE INTENDED PURPOSE OF THE GOVERNMENT

The global campaigns have brought attention to the issue of child enslavement, instilling

¹² Grootaert, C. & Kanbur, R., 1995, 'Child labour: An economic perspective', *International Labour Review* 134(2), 187.

¹³ Bhaskaran, R., Nathan, D., Phillips, N. & Upendranadh, C., 2010, 'Home-based child labour in Delhi's garments sector: Contemporary forms of unfree labour in global production', *Indian Journal of Labour Economics* 53(4), 607–624.

¹⁴ LeBaron, G. & Rühmkorf, A., 2017, 'Steering CSR through home state regulation: A comparison of the impact of the UK bribery act and modern slavery act on global supply chain governance', *Global Policy* 8(S3), 15–28. <https://doi.org/10.1111/1758-5899.12398>

¹⁵ McKinney, S.J., Hill, R.J. & Hania, H., 2015, 'Child slavery and child labour', *Pastoral Review* 11(2), 54–60.

¹⁶ Manza, K., 2014, 'Making chocolate sweeter: How to encourage Hershey Company to clean up its supply chain and eliminate child labour', *Boston College International and Comparative Law Review* 37(2), 389.

governments worldwide with concern and vigilance. Governments' intentions and perspectives regarding the issue of child enslavement differ substantially between regions. Certain regions may prioritize maintaining competitiveness in the global economy over the eradication of child labor when striving to establish improved working conditions.

As an illustration, the anti-child labor movement is frequently portrayed by trade unions in India as a factor undermining the competitiveness of developing nations¹⁷. Education is frequently neglected in the national budgets of numerous developing nations due to economic considerations. Certain nations persist in implementing limitations on academic advancement as a means to postpone the eradication of the most egregious types of child labor. Consequently, in order to advance their broader initiatives, the government must manifest tangible results of their dedication to the eradication of child labor and exhibit the political will to do so.

(A) Society

Child labor is detrimental to social morality and a breach of corporate repute. Regardless of the type of child labor that occurs within the supply chain, it is unavoidable to engage in discourse and consideration of social human rights concerns. Because child labor and society are ensnared in a virulent and cyclical relationship, ending the cycle is an objective that all parties should strive to achieve. Frequently, these factors are multifaceted and cannot be resolved by a single entity; rather, the entirety of society must unite and be enlightened to the issue of child labor in a responsible manner. This section constructs subthemes that have an impact on juvenile labor from a social standpoint and examines a range of subthemes or concepts.

In contrast to the intervention of governments and corporations regarding child captives, it is simpler to disregard the influence of social norms on child labor. Within the realm of global supply chains, the majority of a business's resource requirements are met by labor sources and multinational suppliers. Enterprises base their source of supply selection on examinations of the social consciousness, cultural heritage, and social benchmarks of the resource countries¹⁸.

In the majority of regions where juvenile labor is prevalent, poverty and inadequate education are the leading causes¹⁹. A survey of 24% of child labor cases conducted by Faber et al. (2017) revealed that local social norms and practices hold that child labor and its associated income

¹⁷ Bhaskaran, R., Nathan, D., Phillips, N. & Upendranadh, C., 2010, 'Home-based child labour in Delhi's garments sector: Contemporary forms of unfree labour in global production', *Indian Journal of Labour Economics* 53(4), 607–624.

¹⁸ Leonard, M. & Berlan, A., 2009, 'Child labour and cocoa: Whose voices prevail?', *International Journal of Sociology and Social Policy* 29(3/4), 141–151. <https://doi.org/10.1108/01443330910947516>

¹⁹ Burra, N., 2009, Child labour in rural areas with a special focus on migration, agriculture, mining and brick kilns, National Commission for Protection of Child Rights.

are beneficial to the family and the community. This factor contributes to the pervasiveness of the Democratic Republic of the Congo's cobalt supply chain. Consequently, the presence of lax regulatory frameworks and societal norms regarding ethical labor practices contribute to the increased vulnerability of local businesses to labor exploitation.

Consumer and market-oriented environments in consumer countries must also be cognizant of the presence of child labor issues, apart from the countries of origin. With respect to this matter, certain nations have a legal requirement to collaborate with business, government, and media advocacy in order to cultivate a dynamic societal consciousness regarding the origin of the product²⁰. As an illustration, consider Adidas. In addition to promoting the Children's Paid Education Program, the contractor factory of Solomon effectively coordinated the execution of its social initiatives and activities²¹. Through an examination of local benchmarking, these cases demonstrated that society has the capacity to serve as a watchdog over child labor in the supply chain. A well-executed public voice has the potential to benefit and better the welfare of children.

IV. CHILD LABOUR IN DEVELOPING COUNTRIES AND THE COMPLEX INTERPLAY OF GLOBAL SUPPLY CHAINS

Child labour practices in developing countries are intricately intertwined with global supply chains, which are intricate networks that link producers and consumers worldwide. This relationship is occasionally problematic.

The International Labour Organisation (ILO) estimates that 160 million children, ranging in age from 5 to 17, are involved in child labour in some capacity on a global scale. This amounts to one out of ten children. Just under half put their own well-being, safety, or moral growth at jeopardy on the job. Particularly susceptible to exploitation are migrant children, who are frequently impoverished and separated from their homes.

Companies worldwide, regardless of size or location, have a responsibility to identify potential sources of child labour in their own operations and supply chains, and to implement measures to mitigate such risks. Governments have the primary responsibility for drafting and implementing such laws. In order to prevent the exploitation or injury of children in their agricultural and manufacturing operations worldwide, this Alert outlines the measures that firms

²⁰ Dessy, S.E. & Pallage, S., 2005, 'A theory of the worst forms of child labour', *The Economic Journal* 115(500), 68–87. <https://doi.org/10.1111/j.1468-0297.2004.00960.x>

²¹ Park-Poaps, H. & Rees, K., 2010, 'Stakeholder forces of socially responsible supply chain management orientation', *Journal of Business Ethics* 92(2), 305–322. <https://doi.org/10.1007/s10551-009-0156-3>

can take.

(A) The Law Regarding Child Labour

Definitions of child labour, whether on a family farm or in the after-school hours, can be murky due to the lack of clarity surrounding international norms and local legislation pertaining to child labour. Any employment of a person under the age of thirteen is considered child labour according to the International Labour Organisation (ILO). However, age is only one consideration; the ILO agreements (refer to the Annex below) specify not only the minimum and maximum ages at which people may legally work, but also give extensive guidance on what constitutes suitable work conditions.

No one under the age of fifteen or older than the legal age of completion of compulsory schooling may be employed by a FLA employer, according to the FLA's Fair Labour Code. Through targeted sourcing initiatives and thorough involvement with local stakeholders, our programmes assist businesses in ending the use of child labour in agricultural and industrial settings.

Members of the Fair Labour Association (FLA) rely on FLA standards to safeguard children in the official and informal sectors of the economy against harmful work environments and the most extreme types of child labour. Our efforts to end child labour are detailed here.

One in ten youngsters, or 160 million youths between the ages of 5 and 17, are working as child labourers, says the International Labour Organisation (ILO). Roughly half of these people engage in dangerous occupations that jeopardise their well-being, safety, or moral growth. Particularly susceptible to exploitation are migrant children, who are frequently impoverished and separated from their homes.

Companies worldwide, regardless of size or location, have a responsibility to identify potential sources of child labour in their own operations and supply chains, and to take measures to prevent it. Governments have the primary responsibility for drafting and implementing laws meant to protect children.

(B) How Child Labor Enters Supply Chains²²

1. Poverty: The presence of poverty is a major driver of child labor in global supply chains due to several interconnected reasons. Impoverished families often face the tough choice between

²² Good Practice Note (2002), "Good practice note: addressing child labor in the workplace and supply chain", Report produced by the International Finance Corporation, Environment and Social Development Department, Washington, DC, June, No. 1, available at: [www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_childlabor/\\$FILE/ChildLabor.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_childlabor/$FILE/ChildLabor.pdf) (accessed 6 April 2008), pp.1-20.

immediate survival and long-term opportunities like education. The need to meet basic needs such as food, shelter, and healthcare forces families to rely on all available resources, including child labor, to supplement their income. This reliance can force children into work at a young age, limiting their access to education. Families may also get trapped in a cycle of debt bondage, borrowing money with the promise of repaying through labor, including that of their children. This creates a pattern of financial obligation, keeping children in exploitative work environments. Additionally, in poverty-stricken areas, job opportunities for adults are limited, making children a crucial source of income for families. Predatory practices, such as traffickers luring children with false promises, exacerbate the issue. In societies where child labor is normalized, children may see it as a customary practice, unaware of the dangers associated with it. This normalization hinders efforts to eradicate child labor without addressing underlying poverty and limited opportunities.

2. Demand for cheap labour

Global competitiveness pressures companies to reduce production costs, potentially leading to the exploitation of child labor in countries with weak regulations. Seeking affordable labor, businesses often target nations with lax rules and a cheap, unregulated workforce, including children, to minimize manufacturing costs. Some companies may overlook or disregard child labor issues in their supply chains due to the complexities of monitoring practices in developing countries. This lack of oversight or indifference sustains exploitative practices. Additionally, subcontracting to smaller, unregulated firms can obscure labor practices, making it challenging to detect and address child labor. Moreover, to meet consumer demands for low prices, companies may cut labor costs, increasing the demand for cheap labor and contributing to child labor incidence.

3. Weak Enforcement

Despite national and international efforts to combat child labor, the system is flawed due to weak labor regulations and inadequate enforcement. In many developing nations, children are not sufficiently protected from exploitation, as laws are often outdated and contain loopholes that allow child labor to persist. Labor inspectorates, essential for enforcement, are often understaffed and underfunded, limiting their ability to conduct regular inspections and investigate suspected cases. Corruption further hampers enforcement, as inspectors may overlook child labor practices in exchange for bribes or political favors. Additionally, the remote locations of many industrial facilities, particularly in rural areas, make it difficult for inspectors to reach and monitor for child labor violations. Furthermore, societal norms in some

cultures normalize child labor, creating resistance to legislative measures aimed at eradicating it. Addressing child labor requires more than just legal prohibitions; it necessitates comprehensive strategies that tackle the root causes and societal acceptance of child labor.

(C) How Global Supply Chains Mitigate Child Labor

1. Ethical Sourcing Practices:

To encourage ethical sourcing practices²³, companies should set zero tolerance for child labour, have a transparent code of conduct, regularly audit suppliers to ensure compliance, invest in supplier training programmes, and form long-term partnerships to encourage good labour practices.

2. Consumer Awareness:

By being open and honest about their methods, companies may help consumers make educated decisions and support ethical sourcing. Consumers can demand ethical practices when they are informed about the issue of child labour through educational initiatives. Consumers can be directed towards products created with ethical labour practices by supporting certification programmes.

3. International Labor Standards:

International Labour Organisation (ILO) accords establishing minimum labour standards can be incorporated into national laws by governments as a means to eliminate child labour. One further thing that can be done to stop child labour is to push for strict labour rules that are in line with global practices. On top of that, cross-border child labour issues can be better addressed through international cooperation between organisations and governments.

4. NGO Advocacy:

Investigative reporting by NGOs reveals violations, holds institutions responsible, and generates public pressure for reform, making them vital in the fight against child labour. A second critical component is policy advocacy, which NGOs engage in by seeking to increase international collaboration and tighten laws. Efforts to mobilise communities also help spread information and give people the tools they need to fight for improved children's living conditions and educational opportunities. In order to advance the battle against child labour, NGOs can work with businesses and consumers to help educate consumers about responsible purchasing and coach enterprises on best practices.

²³ Gilbert, D., Rasche, A. (2007), "Discourse ethics and social accountability: the ethics of SA8000", *Business Ethics Quarterly*, Vol. 17 No.2, pp.187-216.

(D) Industries that uses most child labour

Child labor is a significant issue across various industries, with some sectors employing more children than others. The agriculture sector, for instance, employs a large number of child laborers, with children working in fields, farms, and plantations. Similarly, the fishing industry utilizes child labor, with children working on boats, processing fish, and selling seafood. Additionally, the mining and quarrying sector often employs children in hazardous conditions in mines and quarries²⁴.

Many multinational companies have been implicated in child labor practices within their supply chains. Nestle, for example, faced a lawsuit in 2016 in the United States for allegedly using child labor in its chocolate supply chain in West Africa. H&M was accused in 2020 of using forced labor, including child labor, in its supply chain in China's Xinjiang region, leading to a boycott and store closures in China. Apple admitted in 2013 to using child labor in its supply chain in China and pledged to improve working conditions. Primark, Nike²⁵, Samsung, Unilever, Gap, Cargill, and Walmart are among the other companies that have faced similar allegations and have pledged to address the issue and improve monitoring of suppliers. These cases underscore the need for robust monitoring and enforcement mechanisms to uphold labor standards throughout supply chains.

V. RESPONSIBILITY OF CORPORATE

A ethical organization within the global supply chain network must not only address the issue of child labor but also strive to prevent its recurrence. Despite this, the proposition of CSR is a contentious matter, and its performance and definition are contingent on the perspectives of various stakeholders. Concurrently, enterprises that choose to adopt CSR encounter challenges such as inadequate resources and skills, stakeholder expectations, and production technology barriers²⁶. Additionally, businesses cannot guarantee that their social responsibilities and economic interests will be treated equally. There are numerous constraints on voluntary CSR initiatives²⁷.

²⁴ Kolk, A., van Tulder, R. (2002a), "Child labor and multinational conduct: a comparison of international business and stakeholder codes", *Journal of Business Ethics*, Vol. 36 No.3.

²⁵ Boje, D.M. & Khan, F.R., 2009, 'Story-branding by empire entrepreneurs: Nike, child labour, and Pakistan's soccer ball industry', *Journal of Small Business & Entrepreneurship* 22(1), 9–24. <https://doi.org/10.1080/08276331.2009.10593439>

²⁶ Welford, R. & Frost, S., 2006, 'Corporate social responsibility in Asian supply chains', *Corporate Social Responsibility and Environmental Management* 13(3), 166–176. <https://doi.org/10.1002/csr.121>

²⁷ Delaney, A., Burchielli, R., Tate, J. & Worldwide, H., 2016, 'Corporate CSR responses to homework and child labour in the Indian and Pakistan leather sector', in K. Grosser, L. McCarthy & M.A. Kilgour (eds.), *Gender equality and responsible business*, Routledge, London.

Corporate social responsibility (CSR) entails a more robust social contract wherein society has higher expectations of the corporation as a powerful institution with social influence²⁸. However, due to the fact that CSR is not enforceable, it marginalizes employees instead of involving them. CSR must be replaced with Worker-Driven Social Responsibility (WSR)²⁹.

Business enterprises prioritize the protection of children's rights due to the irreversible and long-lasting consequences that result from their excessive exploitation³⁰. In order to effectively address and eradicate the issue of child labor, businesses must establish and maintain a positive public image. Reputation is an exceptionally correlative assurance when suppliers depend on future collaboration³¹. Disclosure of modern slavery could pose a significant reputational risk³², with child slavery disclosure being an even greater concern. Labor and human rights violations have the potential to significantly harm the reputation of companies, cause operational disruptions, require the allocation of management and board resources, and may even result in expensive legal consequences that endure over time³³.

Therefore, the primary objective of CSR is to ensure that child labor occurs in a regulated, sustainable, and healthy environment. The 'Children's Rights and Business Principle', published by the United Nations Children's Fund (UNICEF), offers a comprehensive structure to assist organizations in comprehending and implementing the rights and well-being of children in their commercial activities. The framework emphasizes the imperative for corporations to uphold and demonstrate regard for the rights of children, as well as pledge their support to initiatives that aim to eradicate child labor in business dealings and partnerships.

Companies should not only strive to eradicate child labor exploitation but also guarantee the safety and protection of children in all business operations and facilities. Furthermore, they should collaborate with governments and communities to advocate for children's rights and restructure their operations to fulfill corporate social responsibility (CSR) obligations or

²⁸ Byerly, R.T., 2012, 'Combating modern slavery: What can business do?', *Journal of Leadership, Accountability and Ethics* 9(5), 25–34.

²⁹ LeBaron, G., 2020, *Combatting modern slavery: Why labour governance is failing and what we can do about it*, p. 41, Polity Press, Cambridge.

³⁰ Saputri, T.P., 2018, 'Corporate social responsibility to eliminate child labour', in R.B. Budi Prastowo (ed.), *Percikan Gagasan Tentang Hukum V: Hak Asasi Manusia*, p. 363, Unpar Press, Bandung.

³¹ Pedersen, E.R. & Andersen, M., 2006, 'Safeguarding corporate social responsibility (CSR) in global supply chains: How codes of conduct are managed in buyer-supplier relationships', *Journal of Public Affairs: An International Journal* 6(3–4), 228–240. <https://doi.org/10.1002/pa.232>

³² Stevenson, M. & Cole, R., 2018, 'Modern slavery in supply chains: A secondary data analysis of detection, remediation and disclosure', *Supply Chain Management: An International Journal* 12(3), 81–99. <https://doi.org/10.1108/SCM-11-2017-0382>

³³ ACSI, 2020, *Modern slavery, risks, rights and responsibilities*, viewed 20 March 2019, from <https://assets.kpmg/content/dam/kpmg/au/pdf/2019/modern-slavery-guide-for-companies-investors-feb-2019.pdf>.

establish new enterprises that assist underprivileged segments of society. In addition, the implementation of CSR must incorporate inspection and auditing procedures. Enterprise auditing systems typically rely heavily on third-party audits, while enterprise evaluations are carried out by professional auditing and inspection firms.

However, it is unavoidable that the implementation of auditing will incur supplementary costs for the organization. Audit quality is unconvincing due to the market's high employment turnover and low quality³⁴. Concerning the more severe matter, illicit activities, including insider trading in audits and bribery, are consistently exposed in low-income nations. Undoubtedly, rigorous auditing can serve as a symbolic power maneuver to validate and fortify regional challenges within the supply chain³⁵. Risks have been effectively mitigated, supply chain performance has been enhanced, and defined standards for suppliers can be progressively upgraded or improved due to the existence of effective corporate internal audit and supervision systems³⁶.

(A) Organizational initiatives

Numerous organizations are moving to eradicate child labor after recognizing the contribution of their supply chains to its prevalence.

The Dutch chocolate manufacturer Tony's Chocolonely is committed to establishing "100% slave free chocolate as the standard." Dutch journalist Teun van de Keuken established the organization in 2005 after uncovering the pervasiveness of child labor in the cocoa industry of West Africa, where the industry's intense demand for cocoa has facilitated its widespread employment. A Child Labor Monitoring and Remediation System has been implemented by Tony's Chocolonely in order to acquire data, monitor the children of cocoa farmers, and develop strategies to eradicate child labor.

The fashion brand ASOS released their "Child Labour, Remediation and Young Worker Policy" in 2017, which provides a comprehensive account of their approaches and measures to address the issue of child labor. Furthermore, ASOS has maintained transparency regarding previous occurrences in which forced labor and child labor were uncovered in their supply chain. In their Modern Slavery Statement 2018-2019, the company openly addresses these cases and the measures they have implemented to rectify the situation.

³⁴ Welford, R. & Frost, S., 2006, 'Corporate social responsibility in Asian supply chains', *Corporate Social Responsibility and Environmental Management* 13(3), 166–176. <https://doi.org/10.1002/csr.121>

³⁵ LeBaron, G. & Lister, J., 2015, 'Benchmarking global supply chains: The power of the "ethical audit" regime', *Review of International Studies* 41(5), 905–924. <https://doi.org/10.1017/S0260210515000388>

³⁶ Turker, D. & Altuntas, C., 2014, 'Sustainable supply chain management in the fast fashion industry: An analysis of corporate reports', *European Management Journal* 32(5), 837–849. <https://doi.org/10.1016/j.emj.2014.02.001>

An additional organization that is making efforts to eradicate child labor is The Coca-Cola Company. Mars Wrigley Confectionary, on the other hand, has pledged to responsibly source all cocoa by 2025. With the growing consumer support for purpose-driven brands, it is probable that an increasing number of companies will initiate global initiatives aimed at combating child labor.

(B) Optimal Approaches to Preventing Child Labor

Supply chain management can effectively prevent and eliminate child labor through best practices. Here are key steps:

1. Establish Clear Policies: Firms must have explicit policies and standards prohibiting the employment of minors, communicated to suppliers and stakeholders through legally binding contracts.

2. Conduct Risk Assessments: Routine assessments should be conducted to identify potential sources of child labor, utilizing supplier data, on-site inspections, and local stakeholder engagement.

3. Promote Supplier Transparency: Businesses can ensure transparency by requiring suppliers to disclose labor practices, aiding in identifying risks and ensuring accountability.

4. Implement Monitoring and Auditing: Robust monitoring programs, including on-site inspections and employee interviews, ensure suppliers adhere to child labor policies.

5. Provide Training: Offer training to suppliers on child labor policies, labor management, human rights, and relevant laws.

6. Advocate for Responsible Sourcing: Encourage responsible sourcing practices, purchasing from suppliers committed to eradicating child labor and upholding ethical labor standards.

7. Collaborate with Stakeholders: Work with government agencies, trade unions, and civil society to share information, promote best practices, and collaborate on initiatives.

8. Support Community Development: Invest in initiatives addressing poverty, education, and social inequality to reduce underlying factors contributing to child labor.

9. Utilize Technology: Employ technology and data analytics to monitor and trace supply chains for child labor risks, including monitoring social media and online sources.

10. Remediation and Mitigation: Establish strategies to address instances of child labor, including removing minors from labor, providing education and training, and supporting their families.

11. Public Reporting: Publicly report efforts to combat child labor, demonstrating a commitment to ethical and accountable business practices.

By implementing these measures, companies can effectively prevent child labor in their supply chains and promote the welfare and rights of children.

VI. CONCLUSION

To eliminate child labour from supply chains, a multifaceted strategy involving numerous actors is required. Corporations wield considerable influence by virtue of their social responsibility endeavours and procurement practices. It is imperative to establish and enforce rigorous monitoring systems and ethical sourcing policies. A crucial function of governments is to enact and enforce laws that strictly prohibit the use of juvenile labour. Furthermore, it is critical to promote international collaboration and the exchange of knowledge.

In advocating for reform, raising awareness, and holding corporations and governments accountable, civil society plays a crucial role. Expertise is contributed by external organisations, such as the ILO and NGOs, which advocate for global change.

Additional research is required due to the intricate nature of child labour within supply chains³⁷. Challenges encompass the oversight of extensive and complex supply chains, restricted availability of information, and the dynamic nature of the issue. Enhancing research endeavours will facilitate the creation of preventative and remedial strategies that are more efficacious.

Forces of external organisations, governments, corporations, and civil society can combat child labour in supply chains through collaborative efforts. Consistent dedication, all-encompassing approaches, and ongoing scholarly investigation are necessary to eradicate this problem and guarantee a future devoid of child exploitation.

³⁷ Faber, B., Krause, B. & Sánchez De la Sierra, R., 2017, *Artisanal mining, livelihoods, and child labor in the cobalt supply chain of the Democratic Republic of Congo*, Center for Effective Global Action, UC Berkeley, viewed 03 October 2020, from <https://escholarship.org/uc/item/17m9g4wm>.