LUISS T

Degree Program in International Relations

Course of Global Trade

FIGHTING CHILD LABOR IN FAST FASHION SUPPLY CHAINS

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You are my LORD; Apart from you I have no good thing.

Psalm 16:2.

Abstract

The issue of child labor within fast fashion supply chains is a complex and pressing concern that demands attention. This research delves into the topic, examining various aspects related to child labor, international standards, globalization's impact on child labor, the intricacies of global supply chains in the fast fashion industry, and potential solutions to combat child labor.

The first chapter provides a general background, exploring the historical analysis of child labor, defining the concept, addressing religious and cultural beliefs surrounding child labor, and highlighting its prevalence within the fast fashion industry. Chapter two focuses on free trade and international standards for child labor. It examines international instruments related to child labor, the connection between globalization and trade openness, and significant free trade agreements. The chapter also analyzes how these agreements address child labor and explores the effects of trade openness on child labor through different models. In chapter three, the complexities of global supply chains in the fast fashion industry are discussed. This includes an overview of the industry itself, the causes of child labor within fast fashion (such as supply and demand dynamics, unauthorized subcontracting, lack of regulations, and transparency issues), supply chain management practices, and the extent of child labor in specific countries like Bangladesh, Vietnam, Turkey, and India.

Chapter four dives into possible solutions to combat child labor. It examines achievements and ongoing challenges in eliminating child labor, focuses on the supply side of child labor such as poverty and educational costs, and explores theories and strategies for eradicating child labor. This chapter examines the proposed measures to combat child labor along with their short comings and proceed to recommend ideal solutions. The final chapter concludes the research, summarizing the key findings and emphasizing the urgency of collaborative efforts to address child enslavement in fast fashion supply chains.

CHAPTER ONE

1.1 CHILD LABOR: HISTORICAL ANALYSIS

Throughout history, child labor, which involves employing children as workers, servants, or apprentices, has been a prevalent practice. Its roots date back centuries, with children often expected to assist families in earning income through agricultural work or by apprenticing under skilled tradespeople in the pre-industrial era. However, the Industrial Revolution marked a turning point for child labor, with a significant surge in its use in factories and mines during the 18th and 19th centuries. During the initial phases of the Industrial Revolution, it was common for factory owners to hire children as young as six or seven to work in hazardous conditions for extended periods. Working conditions were typically dismal, with overcrowded and unsanitary factories, inadequate safety regulations, and excessively long work hours. Children were highly sought-after employees as they could be paid less, their small stature allowed them to perform tasks in tight quarters, and they were less likely to form unions and protest against their appalling work conditions. Children who were employed in labor were often unable to receive an education, leading to a vicious cycle of poverty that was challenging to escape from.¹

The prevalence of child labor declined due to the rise of education, economic development, and labor regulations. Nevertheless, child labor remains a pervasive issue in numerous regions of the world, including both developed and developing countries.² The actual economic transformation that led to a significant decrease in industrial child labor has frequently been disregarded, resulting in the misconception that legislative measures were the main driving force behind the change. This lack of understanding contributes to our inability to provide effective solutions to the current problem of child exploitation. In reality, the policies proposed during the industrial revolution served merely to support the changes brought about by increased income, technological

¹ History.com. (2022) Child Labor. Retrieved from https://www.history.com/topics/industrial-revolution/child-labor.

² UNICEF. Child Labor, *Nearly 1 in 10 children are subjected to child labor worldwide, with some forced into hazardous work through trafficking*. Retrieved from https://www.unicef.org/protection/child-labour.

advancements, and other factors. The increase in income during that period allowed families to afford to send their children to school leading to a decrease in child employment.³

1.2 DEFINING CHILD LABOR

Child labor is a multifaceted problem that is both social and political, with a lengthy and everchanging history. Over the past few centuries, it has taken on new dimensions. The issue of children working is a global one and its effects vary greatly depending on factors such as poverty, economy, history, and position in the global social and economic systems. Children can work in a variety of contexts, including family or employer labor, and it can be either paid or unpaid. While poverty is the main cause of child labor, there are other contributing factors such as education, social and cultural roles, economic greed, family size, geography, and global economics. Child labor exists in both poor and wealthy countries.⁴

Child labor can have negative developmental, emotional, and physical effects as it can involve abuse and exploitation. Children are more vulnerable than adults, making them susceptible to dangerous conditions, abuse, and exploitation. The impact of child labor varies depending on the child's age and the nature of their employment. It can disrupt a child's education and even lead them to become enslaved or trafficked. In many parts of the world, child labor is associated with confinement, forced labor, and hazardous working conditions. Child labor often involves longer working hours and lower pay than adult labor. Tragically, some children are forced into labor against their will, either sold into it or abducted. In some cases, children as young as four or five years old are made to work in conditions of servitude with no hope of escaping.⁵

Although there is no definitive definition, child labor generally refers to work that hinders a child's education and negatively impacts their physical, mental, moral, developmental, and social well-being, and is categorized in terms of varying degrees of exploitation, ranging from oppressive to hazardous. Determining what constitutes child labor is central to this issue, and countries often

³ Felt, Jeremy P. 1970. "The Child Labor Provisions of the Fair Labor Standards Act." Labor History 11 (4): 467–81. https://doi.org/10.1080/00236567008584139.

⁴ Takyi, Baffour K. 2002. "SCHWARTZ-KENNEY, Beth M., Michelle McCAULEY and Michelle A. EPSTEIN, Eds., CHILD ABUSE: A Global View." Journal of Comparative Family Studies 33 (4): P-4. https://doi.org/10.3138/jcfs.33.4.590.

⁵ Ibid.

grapple with defining terms such as "child," "labor," and "work." While it is universally recognized that there is a specific period in a person's life when they are considered a child, there is ongoing debate about when childhood actually ends and what responsibilities and capacities children possess as they transition to adulthood.⁶

1.3 ADDRESSING RELIGIOUS AND CULTURAL BELIEFS IN CHILD LABOR

It is commonly acknowledged that parents have a basic right to nurture and educate their children, and that they typically strive to act in their child's best interest to the best of their understanding and beliefs. While raising and educating their children, parents are typically driven by a desire for their intellectual and social progress, and sometimes even spiritual well-being. Religion is often used as a guide for parents to shape their children's upbringing and promote their development. One of the important religious values that parents try to instill from an early age is the value of hard work, among others.⁷

Krolikowski's research revealed that Christian children exhibited the lowest likelihood of engaging in labor, whereas Muslim children, children with no religious affiliation, and children associated with traditional African religions demonstrated a higher propensity for working compared to Christians. The 40% greater prevalence of child labor among Indian Muslims, as opposed to Indian Hindus, could potentially be attributed to the economic hardships experienced by the Muslim community. Similarly, the Amish community adheres to religious principles that govern their way of life, with the belief that work, and faith bring individuals closer to God. Amish children are introduced to apprenticeships from a young age to learn a trade, and beyond the eighth grade, they are expected to contribute to the community as responsible adults. Continuing education beyond the eighth grade is viewed as a challenge to community values. In the United States, labor laws prohibit children under the age of 16 from working in hazardous environments such as sawmills or woodworking establishments. However, in 2004, the United States Department of Labor made

⁶ Supra note 4 at 3.

⁷ Filip, Irina, Amir Radfar, SeyedAhmad Ahmadi Asgharzadeh, and Fernando Quesada. 2018. "Challenges and Perspectives of Child Labor." Industrial Psychiatry Journal 27 (1): 18. https://doi.org/10.4103/ipj.ipj_105_14.

an exception by approving an amendment that permits Amish children between the ages of 14 and 18 to work. 8

Cultural beliefs also play a significant role in promoting child labor, especially in developing nations. Many people in these countries view work as a way to build character and develop skills in children. It is a tradition for children to learn and follow their parents' profession from a young age. Certain cultural beliefs can perpetuate the misconception that a girl's education is less significant than a boy's education. Consequently, girls may be pressured to engage in child labor, particularly in domestic roles. ⁹

The prevailing view of childhood is primarily influenced by Western culture and is based on both the biological makeup of children and cultural beliefs. This perspective shapes our understanding of children's play and the idea that childhood should be a time of carefree enjoyment. It portrays children as lacking the skills and abilities of adults. The Convention on the Rights of the Child defines a child as a person under 18 years old. However, some argue that this definition is rooted in Western concepts of childhood and political ideology.¹⁰

Different cultures have different criteria for determining childhood. The age at which childhood ends varies across cultures, and it can differ for boys and girls in the same culture. The concept of childhood can also be linked to performance, understanding, and capabilities in addition to age. Western cultures typically divide childhood into three developmentxal stages: infancy, childhood, and adolescence. Children's work can have positive effects on the child, their family, and their community. Paid or unpaid child labor can help support the family or provide income for the child. In certain cases, children can balance work and education while still benefiting economically and socially, as long as they are working reasonable hours and under safe conditions. Unequal availability of such optimal working conditions exists globally, dependent on factors such as a country's culture, political stability, social values, and its position in a developing global economy. Poor countries illustrate how children contribute more to family income through both paid and

⁸ Ibid.

⁹ Supra note 7 at 18.

¹⁰ Supra note 4 at 3.

unpaid labor than their counterparts in wealthy countries. As opposed to wealthy countries, children in poor countries do not represent an economic burden.¹¹

1.3.1 CONSENSUS ON DEFINING CHILD LABOR?

Children are often made to engage in various exploitative occupations and work activities, including offering them for illicit activities such as drug production and trafficking as defined in international treaties, as well as work that is likely to jeopardize their health, safety, or moral standards. These situations usually arise from agreements made between parents and employers. Children can be employed in various types of work, including carpet weaving, cooking, and tailoring. They work in agriculture, entertainment, the hospitality industry, trading, and light industry. The tasks they perform range from hauling wood and water to brick making, wrapping cigarettes, domestic chores, and childcare. Some children are subjected to bonded labor as they have to repay their parents' or family loans, while others work as apprentices to learn a particular trade. There are children who are forced to live and work on the streets as a means of survival. These children are often exploited, engaging in the commercial sex industry and the drug trade. In certain cultures where child labor is prevalent, girls are obliged to handle household chores, leading to them dropping out of school as early as fifth grade. In some regions, girls are coerced into early marriage, where they continue to work for their husband's family. 12

The United Nations Convention on the Rights of the Child (1989), the International Labor Organization's minimum age conventions, and the Convention on the Worst Forms of Child Labor 182 (1999) are among the international agreements that guide national laws and policies on child labor. Recommendations 146 and 190 from the ILO offer additional suggestions to improve these instruments. It is noteworthy that these global regulations do not provide a specific explanation of child labor. Collectively, these agreements provide overall guidance for: a) establishing a minimum age for employment, defining "light work," setting limits on the number of hours worked at different ages, and outlining the parameters for economic exploitation; b) identifying the worst forms of child labor, including types of employment, work activities, work conditions, and employment arrangements that should be prohibited; and c) developing programs for child laborers, with special emphasis on the employment of girls. However, these agreements reflect a

¹¹ Ibid.

¹² Supra note 4 at 5.

Western view of childhood, raising concerns in other cultures about definitions of child work and child labor that are rooted in cultural perspectives.

The culture and the overall socio-economic context are a significant factors in defining child labor. Child labor is often seen as a means of preparing children for future careers, especially in countries where this practice is prevalent. However, due to economic instability and widespread poverty, many families rely on the income that children can provide, causing children to work long hours for low wages in terrible conditions, which can lead to economic and sexual exploitation.

Another way to define child labor is by using the age-based criterion. This approach establishes child labor as any form of work performed by individuals below a specific age threshold. The International Labor Organization's (ILO) Minimum Age Convention 138 establishes the minimum age for children to enter the workforce, which is defined as the completion of compulsory schooling or not less than 15 years of age, according to the ILO (1999)¹³. The International Labor Organization's Minimum Age Convention 138 permits fourteen years of age as the minimum work age in countries with underdeveloped economies and educational facilities. The convention also requires national laws and policies to allow children aged thirteen to fifteen to engage in 'light work,' which is work that does not jeopardize children's health or development and does not interfere with their schooling or training, according to the ILO (1999)¹⁴.

Furthermore, children face hazardous work conditions on a regular basis, as described in section II, part 3 of the ILO Recommendation 190 of 1999, titled "Hazardous Work." This definition is based on the exploitation level of the work performed by children. These conditions include physically, psychologically, or sexually abusive work, work performed under dangerous conditions such as underground, on water, at great heights, or in confined spaces, work involving dangerous or heavy machinery or equipment, work that is environmentally risky due to potentially hazardous substances, noise, vibrations, or temperatures, or work involving long or night hours. Children are still being forced to work unwillingly or without their permission. The most severe types of child labor occur in both rich and poor nations and are outlined in Article 3 of the ILO Convention 182. These include practices like slavery or those that resemble it, such as selling or trafficking children,

¹³ Article 2, International Labor Organization. Minimum Age Convention, 1973 (No. 138). Geneva: ILO, 1999.

¹⁴ Article 7, International Labor Organization. Minimum Age Convention, 1973 (No. 138). Geneva: ILO, 1999.

being bonded to pay off a debt, or being forced to work against one's will. Additionally, it includes the use or offering of a child for sexual exploitation or pornography.¹⁵

1.4 CHILD LABOR IN THE WORLD OF FAST FASHION

Individuals are motivated to communicate information about themselves and create distinct identities, which affects their purchasing behavior across various product categories, particularly clothing, as it is consistently visible. Clothing serves as a tool to reinforce or remove messages conveyed by the consumer to others. Consumers seek to express their unique identities through apparel that conforms to social norms and conventions. ¹⁶

Over the last twenty years, the clothing industry has undergone a significant transformation due to the rise of fast fashion. This shift is driven by changing consumer attitudes toward clothing consumption, combined with low-cost manufacturing and the import of materials from overseas industrial markets. This has created a culture of impulsive purchasing within the fashion industry, with new clothing styles introduced to the general public on a weekly basis.

The fast fashion industry recognizes the consumer's constant desire for new clothing and has responded by increasing the number of fashion seasons (beyond the traditional four) and creating an environment where design, sourcing, and manufacturing decisions prioritize speed over sustainability. This emphasis on speed has become the standard in the industry, catering to the consumer's insatiable demand for new and trendy clothing. As the pace of fashion cycles accelerates, certain parts of the fashion industry have started using production methods that are increasingly unsustainable to stay competitive and increase profits. Expectations of a rise in demand for ethical clothing options are backed by the shift in the fashion industry towards using responsibly sourced materials. However, recent studies reveal that there are still challenges to overcome when it comes to adopting ethical clothing practices, such as the limited availability and comparatively high cost of such products. This is termed "Fashion Paradox" by some researchers to describe how the worldwide economic significance of the fast fashion industry has shielded it to some extent from criticism of its built-in obsolescence and waste. As a result, this has hindered

¹⁵ Supra note 5.

¹⁶ McNeill, L. and Moore, R. (2015), Sustainable fashion consumption and the fast fashion conundrum: fashionable consumers and attitudes to sustainability in clothing choice. International Journal of Consumer Studies, 39: 212. https://doi.org/10.1111/ijcs.12169

the fashion industry's overall transition towards ethical practices and legitimized the place of unethical fast fashion in the market.¹⁷

Cotton is a crop that is grown extensively around the world and is the primary natural material used in the textile industry. The production of cotton and the textile and clothing sectors that use it are crucial for the economic development and job creation of many nations. The cotton, textile, and garment supply chains have a significant issue with child labor and instances of forced labor have also been discovered. These problems are connected to systemic issues that undermine the sustainability of the supply chain and violate the fundamental principles and rights of work. The presence of child labor and forced labor in the supply chain is deeply ingrained and concealed, making it challenging for businesses to implement sustainable solutions. The cotton production process is primarily controlled by small-scale farmers, tenancy arrangements, and sharecropping. Employees working in various stages of the cotton production process, such as ginning, spinning, weaving, and cotton seed oil factories, are often subjected to grueling working conditions. In some instances, children may be involved in tasks such as land preparation, crop protection, ginning, weeding, irrigation, hybridization, manual harvesting, weaving, and cotton seed oil production, depending on the situation. Signs of forced labor within the value chains of cotton, textile, and garment industries include bonded labor, wage withholding, limitations on mobility, extended working hours, abusive work and living conditions, and the use of adolescent labor. Numerous children involved in cotton-related work typically labor for extended periods, surpassing the limit outlined by national laws and may receive minimal or no compensation. These children might also handle hazardous pesticides and work in extreme temperatures and isolated conditions, with insufficient food and rest, causing severe damage to their physical and psychological growth. Their education often suffers as a result of this work. The use of child labor to meet labor demands is intensified by lack of legal enforcement, societal and cultural norms, and the difficulty of ensuring that children attend school. Furthermore, low-profit margins for small-scale producers pose obstacles to hiring adult workers or youth above the minimum age under favorable working

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¹⁷ Ibid.

conditions. Additionally, migration can contribute to the use of child labor, with children of migrant farm workers often working alongside their parents and moving with them during crop cycles.¹⁸

1.5 IMPORTANCE OF THE STUDY

The initial years of a child's life are incredibly significant from a biological standpoint. These years are the foundation of a child's life, and just like a stable building relies heavily on the care and expertise taken in laying its foundation, a child's life and character depend largely on the care given to them during their childhood. For many children, their entire life is shaped by the care they receive in the first few years. During the infancy stage, the child's development is highly malleable. Thus, adequate nourishment and care during this period are crucial because any negative effects from lack of attention, insufficient or inappropriate food, can have lasting consequences that are difficult to reverse. There is a growing understanding that the well-being of society depends on the well-being of children, and scientific research indicates that many physical, mental, and moral issues that arise later in life can be traced back to early childhood. The medical doctor links health problems and weakness in adulthood to inadequate nutrition during early childhood, while the penologist relates moral corruption to the same factor, and the educator connects this to academic underachievement.¹⁹

The negative impacts of child labor on the lives and well-being of children are widely acknowledged in literature. It is well-documented that engaging children in labor can have detrimental effects on their mental health and overall development. Child labor is also associated with various forms of abuse, including physical assault, sexual harassment, emotional abuse, and neglect. Nonetheless, child labor encompasses various types of child exploitation that deprive them of their fundamental needs, such as access to education and adequate shelter. These forms of exploitation may involve insufficient nutrition, substandard housing conditions, lack of medical attention, and exposure to dangerous work environments. Children who are engaged in child labor often experience isolation from their family and community, leading to lower self-esteem and participation in self-destructive behaviors such as drug use and alcohol consumption. Studies also suggest that child labor may contribute to impaired psychological development and various forms

¹⁸ CLEAR Cotton: Eliminating Child Labour and Forced Labour in the Cotton, Textile and Garment Value Chains: An Integrated Approach (IPEC)." n.d. Www.ilo.org. https://www.ilo.org/ipec/projects/global/clearcotton/lang---en/index.htm.

¹⁹ Spargo, John. 1907. The Bitter Cry of the Children: 3.

of antisocial behavior. It is believed that children from poor families often grow up to become unskilled laborers and earn low wages as adults. This means that poverty persists from childhood to adulthood, and parents are forced to send their children to work at an early age in order to make ends meet. This creates a vicious cycle of child labor that continues.²⁰

Various stakeholders, including governments, workers, employers, civil society organizations, and others involved in the supply chain, have collaborated to create a more sustainable supply chain that is free from child labor and forced labor. Over the past decade, several relevant initiatives have been established. Although governments have the primary responsibility for implementing International Labor Standards and enforcing laws, some businesses have taken action to address child labor and forced labor. These efforts include adopting internal policies and codes of conduct that address sourcing, costing, and procurement, as well as sharing information with relevant stakeholders.²¹

However, child labor is still persisting regardless of these initiatives. This is because the initiatives taken do not examine and tackle the economic causes of child labor. A successful policy should aim to eradicate child labor, which would benefit individuals, countries, and the global community as a whole. Policies such as international agreements, bans, or penalties that focus solely on labor standards that do not address the underlying economic issues will worsen the problem of child labor. Analyzing the economic consequences of child labor reveals that eradicating extreme poverty and income instability is the only way to eliminate it. A successful policy to tackle child labor must focus on addressing the root causes. This paper examines various theories and approaches aimed at eliminating child labor within the fast fashion industry. It examines the efficacy and limitations of each proposed method and presents recommendations based on these findings.

²⁰ Momen, Md Nurul. 2020. "Child Labor: History, Process, and Consequences." Encyclopedia of the UN Sustainable Development Goals: 5. https://doi.org/10.1007/978-3-319-69625-6 30-1.

²¹ Supra note 17.

CHAPTER TWO

INTERNATIONAL STANDARDS FOR CHILD LABOR AND FREE TRADE

This chapter shifts the focus towards the relationship between free trade, international standards, and child labor. It begins by exploring the international instruments designed to combat child labor and foster global cooperation. Then delves into the history of globalization and trade openness, emphasizing their profound impact on global economic systems. It examines significant free trade agreements such as the European Union, Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), United States-Mexico-Canada Agreement (USMCA), and ASEAN Free Trade Area (AFTA), and elucidates the measures taken within these agreements to address child labor. Finally, the chapter investigates the concept of global value chains and their role in perpetuating or alleviating child labor. It analyzes the effects of trade openness on child labor through various models, including the impact of trade on parental preferences and financial constraints, the elasticity of substitution between child and adult labor, shifts in labor demand, and the role of skilled and unskilled labor. This chapter aims to bring light to the intricate dynamics between trade and child labor.

2.1 International Instruments on Child Labor

Most countries have domestic laws that define the minimum working age and oversee the working conditions of children. Additionally, many states have formally accepted one or more International Labor Organization (ILO) conventions and the United Nations (UN) Convention on the Rights of the Child (1989), which mandates that states adhering to these conventions are obligated to comply with them. Furthermore, children are safeguarded against child labor by absolute principles of international law that apply to all entities governed by these laws, such as states and international organizations. These principles consist of regulations that forbid slave trading and slavery. Since 1919, the International Labor Organization (ILO) has prohibited individuals under the age of 14 from working in industrial establishments through the implementation of Convention No. 5²². Following this, nine conventions pertaining to the minimum working age were established, culminating in the enforcement of the Minimum Age Convention No. 138 in 1976, which was accompanied by Recommendation No. 146. At present, 90 nations are required to comply with one or more of these conventions. Additionally, 175 countries have ratified Convention No. 138.

Overall, 175 of the 187 member states of the ILO have now ratified at least one of the organization's conventions that concern the minimum working age. The Convention on the Rights of the Child was adopted by the United Nations General Assembly in 1989. This convention has been ratified by 196 nations, encompassing more than 97% of the world's children. As an international treaty, the convention's provisions, including those concerning child labor, are binding upon its parties. Given that the child's right to protection against economic exploitation is determined with reference to "the relevant provisions of other international instruments," it may be inferred that any work undertaken by children under substandard conditions, as stipulated by UN or ILO conventions, may be regarded as economic exploitation (ILO 1996b). The Forced Labor Convention (1930), which has been ratified by 180 countries, partly covers intolerable forms of child labor. This convention defines forced labor as any work or service that is extracted from a

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²² Article 2- Children under the age of fourteen years shall not be employed or work in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed.

²³ Fallon, Peter*Tzannatos. 1998. "Child Labor: Issues and Directions for the World Bank." Documents.worldbank.org. 1998. 5-9. http://documents.worldbank.org/curated/en/822881468764092813/Child-labor-issues-and-directions-for-the-World-Bank.

person under the threat of penalty and without their voluntary consent²⁴. Bonded labor and trafficking of children for employment or prostitution are covered by the convention, but other forms of harmful child labor are not.

Nonetheless, it is expected that international law regarding child labor will continue to evolve as it has in the past. The ILO's Governing Body has made the decision to address child labor in the agenda for the 1998 International Labor Conference, with the intention of creating new international standards. The aim is to establish a legally binding instrument that prohibits the most severe forms of child labor, including slavery, forced or bonded labor, prostitution, illegal sexual practices, drug trafficking, and pornography production. Additionally, certain types of work that put children in danger or prevent them from attending school regularly will also be targeted. National laws often exempt agriculture and domestic work and are typically more effectively enforced in formal sectors. This accounts for the relatively small percentage of working children found in formal employment. Though the implementation and enforcement of laws can be impactful, extending enforcement to the informal sector is often not practical and may not be the most cost-effective method for protecting the most vulnerable working children.²⁵

There is a growing consensus worldwide regarding child labor. The World Development Report of 1995 tackled child labor and pointed out the limitations of legislation while emphasizing the crucial role of poverty as a driving force behind it. The report called for a comprehensive approach involving income security programs, reduced education costs, and better quality of education. It concluded that the decline of child labor would result from a reduction in poverty and an improvement in education, thus making it easier to enforce legislation banning universally abhorred forms of child labor such as prostitution and hazardous work. Poverty is the primary cause of children entering the workforce. Families in extreme poverty find it challenging to invest in their children's education, as the cost of education can be prohibitively expensive, despite being advertised as "free" in public schools. Poor families often have larger households, which has been proven to increase the chances of children working instead of attending school, resulting in lower school attendance and completion rates. There is a widespread agreement regarding why children

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²⁴ Article 2 (1) For the purposes of this Convention the term forced or compulsory labor shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

²⁵ Supra note 23.

are employed, and it is generally accepted that child labor is inseparable from poverty, education and population matters.²⁶

The positive impact of economic growth and poverty reduction expanded education, and population control on reducing child labor is widely recognized. Enhancing the quality and accessibility of education is considered to be the most effective strategy in preventing school-age children from being subjected to abusive forms of employment. Research indicates that making education more relevant can enhance children's employment opportunities and increase their motivation to attend school. Although attending school may not always prevent children from working, studies show that children who attend school are less likely to be involved in harmful and exploitative forms of work such as bonded labor, and that regular school attendance is generally incompatible with such work.²⁷

In a similar manner, the DAC's Development Cooperation Report advocates for a comprehensive approach to combat child labor, with a primary focus on reducing poverty, increasing investment in education, promoting women's involvement in economic development, developing the private sector, and encouraging civil society participation. UNICEF has also created a checklist of strategic options to ensure the best interests of the child, including expanding education opportunities through school attendance or workplace education, providing support services to parents, enforcing laws against child labor and trafficking, providing services to street-working children, increasing the minimum age for marriage, and changing cultural and social norms that tolerate child labor. The ILO suggests implementing actions at the country level and enhancing international cooperation. Regarding national action, the ILO proposes the development of a national strategy with specific measures to address child labor. Such a strategy should include various elements such as improving data collection on child labor to gain better insight into the issue, creating a plan of action to combat child labor, raising awareness of the problem, building a coalition against child labor, and establishing institutional capacity to tackle the problem.²⁸

Moreover, during its ministerial conference in December 1996, the World Trade Organization (WTO) deliberated on whether core labor standards, including those concerning child labor, should

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

be included in its considerations. After much discussion, it was agreed that all WTO members should oppose abusive workplace practices in line with the UN's Universal Declaration of Human Rights, and that the ILO is the primary authority on labor issues. It was also agreed that trade sanctions should not be employed to address disputes related to labor standards, and that member states should ensure that the comparative advantages of low-wage countries are not compromised.²⁹

2.2 GLOBALIZATION AND TRADE OPENNESS

2.2.1 Brief History

Throughout the course of history, the majority of individuals have resided, worked, and passed away in close proximity to their birthplace, with households and small communities operating autonomously on a localized scale. While limited amounts of international trade did exist among the Greeks and Romans, goods produced in distant lands were largely inaccessible due to the inherent complexities of transportation and high costs. However, in the last 200 years, advancements in transportation technology, such as the introduction of railways and steamships, facilitated easier and more cost-effective travel in the nineteenth century. Furthermore, modern engineering made significant strides in reducing the distances between disparate regions of the world, with mountain tunnels, wide-spanning bridges, and cross-continental canals making interconnectivity feasible. Most notably, the nineteenth century bore witness to the ascension of classical-liberal concepts, prioritizing the importance of individual liberty, private enterprise, minimal government intervention, and unimpeded trade. The removal of political barriers between regions and peoples facilitated technological and engineering advancements that brought the world closer together, allowing individuals on all five inhabited continents to trade resources and raw materials that were once geographically and financially inaccessible. Furthermore, the proliferation of diverse finished goods manufactured with those resources could now be sold to millions of people globally. Despite the presence of collectivist forces in the twentieth century that

²⁹ Ibid.

reintroduced political barriers to trade through central planning, regulation, and protectionism, the drive towards internationalization of production and trade persisted. ³⁰

However, the two world wars and attempts to forcefully establish socialist systems across several continents resulted in inequitable imbalances in economic development across countries. Due to the absence of direct physical destruction from war and less pervasive implementation of socialist and interventionist ideas, the US witnessed unparalleled economic development and growth compared to other countries after 1945. This gave America an absolute and comparative advantage in various agricultural and manufactured goods, leading to a substantial consumption of the world's output. Nevertheless, over the last six decades, several countries worldwide have begun catching up, with European and Japanese reconstruction in the 1940s and 1950s, East Asian countries adopting more market-oriented economies in the 1970s and 1980s, and the lifting of socialist central planning from various countries in the 1990s, resulting in rapid industrialization, enhanced agricultural production and productivity, and improved "human capital" quality through better education for millions.³¹

2.2.2 FREE TRADE AGREEMENTS

Free Trade Agreements (FTA) have become increasingly important in today's global economy, and for good reason. According to the European Commission (2019), free trade agreements (FTAs) are agreements between two or more participating countries that aim to eliminate or reduce customs duties, quotas, and other trade barriers for commerce in goods and services. The main objective of the free trade agreement is to boost the domestic economy and create job opportunities within the participating countries. By increasing the volume of trade in goods and services, the free trade agreements can also enhance the trade revenue of countries. Free trade agreements can take various forms, such as regional trade agreements (RTAs), customs unions (CUs), economic integration agreements (EIAs), and preferential trade agreements (PTAs). Such agreements do not require countries to eliminate import tariffs immediately. Instead, tariffs typically decrease gradually over time, which leads to increased trade.³²

³⁰ Richard M. Ebeling, (2004), "Globalization and Free Trade". The freeman Ideas on Liberty. https://admin.fee.org/files/docLib/2004_03.pdf
³¹ Ibid.

³² Gurtu, A., Johny, J., & Chowdhary, R. (2022). Effects of Free Trade Agreements on Trade Activities of Signatory Countries. *The Indian Economic Journal*, 70(3). 490. https://doi.org/10.1177/00194662221104750

Following the Bretton Woods conference in 1944, three global organizations emerged and began to play a significant role in international economic relations and integration: the International Monetary Fund (IMF) established in 1945, the World Bank also established in 1945, and the World Trade Organization (WTO) established in 1945. In the post-war era, the process of global integration was initiated through multilateral trade negotiations of the General Agreement on Tariffs and Trade (GATT), liberalization of trade and investment, deregulation and privatization of national industries, and advancements in information and communication technologies and transportation systems which resulted in a decrease in the costs associated with foreign trade. ³³

The rise of globalization was accompanied by the development of regional integration, commonly known as regionalism. An example of this is the European Economic Community (EEC), established in 1958, which demonstrated the concept of regionalism in Western Europe. Similar initiatives were also attempted in Africa, Central and South America, but these were often more aspirational than actual processes of regional integration. By the end of 2001, around 239 regional trade agreements (RTAs) had been reported to the General Agreement on Tariffs and Trade (GATT), now known as the World Trade Organization (WTO). However, many of these RTAs were short-lived and by 2002, only 162 agreements remained in effect. ³⁴

The fundamental principles underpinning all agreements made by the World Trade Organization (WTO) and General Agreement on Tariffs and Trade (GATT) are national treatment and non-discrimination. National treatment stipulates that foreign goods must be treated similarly to equivalent domestic goods once they enter a country's market. Non-discrimination is embodied in the concept of most-favored nation (MFN) status, which requires all WTO members to treat each other and their most-favored trading partner equally, prohibiting any form of discrimination. The various trade agreements and blocs established after WWII that exhibited regional integration made significant contributions to global integration. ³⁵

Between the 1980s and 2000, industrial production was primarily concentrated in developed countries such as the USA and EU, which shifted their production to Eastern countries in order to take advantage of incentives such as cheap labor and improved production opportunities. With the

³³Tejedor Estupiñán, Joan Miguel. (2017) "Theories and Methods of Regional Integration and Free Trade Agreements." P. 228-229.

³⁴ Ibid.

³⁵ Ibid.

growing competitive advantage of developing countries in both domestic and international markets, developed nations began adopting technology- and innovation-intensive production models and trade policies. Simultaneously, the industrialization process in Far East countries was linked to increased investment by developed nations in innovation and technology.³⁶

2.2.3 OVERVIEW OF SIGNIFICANT FREE TRADE AGREEMENTS (FTAS)

When discussing Free Trade Agreements (FTAs) the EU, CPTPP, USMCA, and ASEAN are often cited as significant examples of regional trade blocs and agreements due to their large membership, economic influence, and impact on global trade. These FTAs share common goals and principles in promoting free trade and cooperation among their member countries, although they differ in their regional focus and membership. This commonality is reflected in the provisions of these FTAs, which aim to reduce trade barriers, eliminate discriminatory practices, and establish rules and regulations to govern trade among member countries. While each FTA has its unique characteristics, they all contribute to the broader objective of promoting global economic growth and development through free and fair trade. The overview of these FTA's is discussed below.

1- EUROPEAN UNION (EU)

The European Union (EU) is a unique political and economic partnership that encompasses 27 member states, working together to achieve common goals. The European Union has a consolidated market within its member states, which enables free trade of goods, services, capital, and people. The EU has entered into broad trade deals with various nations and areas globally, including South Korea, Canada, and Japan, that strive to remove trade obstacles and promote regulatory cooperation by removing tariffs and non-tariff barriers.³⁷

By acting together as one, the EU countries benefit from increased negotiating power when making trade deals with other countries. This collaborative approach allows for more effective negotiations and better outcomes for EU businesses, consumers, and economies. Through trade agreements, European businesses can access the raw materials and other inputs they need more easily and at lower prices, which helps them to stay competitive in the global marketplace.

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³⁶ Ibid.

³⁷ European Commission. Making trade policy. May 3, 2023. Retrieved from https://policy.trade.ec.europa.eu/eutrade-relationships-country-and-region/making-trade-policy en

Furthermore, EU trade agreements enable European businesses to compete more effectively abroad and export more to countries and regions outside the EU. The EU has negotiated numerous trade agreements with various countries and regions around the world, such as Canada, Japan, and South Korea, to eliminate tariffs and non-tariff barriers to trade and promote regulatory cooperation. These comprehensive agreements are of high-standard and promote rules-based trade, strengthening the multilateral trading system.

2- COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

The CPTPP is an FTA involving Canada and 10 other countries in the Asia-Pacific region, including Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The agreement came into force on December 30, 2018, in six countries that ratified it first, including Canada, Australia, Japan, Mexico, New Zealand, and Singapore. Canada and Vietnam began implementing the agreement on January 14, 2019, and Peru joined on September 19, 2021. For the remaining countries, the agreement will come into effect 60 days after they ratify it.³⁸

The CPTPP comprises 30 chapters that address almost all aspects of trade between Canada and the 10 other CPTPP members. The Agreement includes ambitious commitments to provide access to markets in goods, services, investment, labor mobility, and government procurement. It also sets out explicit regulations that promote a uniform, open and equitable business environment in CPTPP markets, with separate chapters addressing important matters such as technical trade barriers, health and safety regulations for plants and animals, customs administration, transparency, and state-owned companies.

The CPTPP is a trade agreement that covers the Asia-Pacific region and encompasses 13.5% of the world's GDP and 500 million consumers. Canadian industries and sectors benefit from the agreement, as it provides new opportunities to access raw materials and other inputs necessary for competition, and increases the ease of exporting to seven markets in the Asia-Pacific region without existing FTAs with Canada. The agreement also provides Canadians with improved access

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³⁸ Government of Canada. About the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. May 3, 2023. Retrieved from https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/backgrounder-document information.aspx?lang=eng

to current FTA partners, such as Chile, Mexico, and Peru, and a level playing field with competitors in the region. There are strong provisions in the agreement that aim to protect and advance Canadian interests while promoting a fair and competitive business environment. The CPTPP sets a new standard for trade and investment rules in the Asia-Pacific region and reinforces Canada's commitment to global free trade. Moreover, the agreement's accession process allows for potential expansion of membership in the future, which could provide Canada with access to additional markets in the region. ³⁹

3- UNITED STATES-MEXICO-CANADA AGREEMENT (USMCA)

On July 1, 2020, the United States-Mexico-Canada Agreement (USMCA) officially came into effect, replacing the previously established North America Free Trade Agreement (NAFTA). The USMCA is considered a positive outcome for workers, farmers, ranchers, and businesses across North America, offering benefits to all parties involved. The Agreement prioritizes balanced and reciprocal trade. One of the main objectives of the USMCA is to support American farmers, ranchers, and agribusinesses. The agreement modernizes and strengthens food and agriculture trade in North America by removing barriers to trade and implementing new measures to address unfair trade practices. This provides more opportunities for American farmers and ranchers to sell their products in Mexico and Canada, which are the two largest markets for U.S. agricultural exports.

In addition to supporting American farmers and ranchers, the USMCA also aims to create a 21st-century economy. The agreement includes new protections for U.S. intellectual property and ensures opportunities for trade in U.S. services. Another significant aspect of the USMCA is the inclusion of new chapters covering digital trade, anticorruption, and good regulatory practices. These chapters provide modern rules for trade in the digital age, promoting cross-border data flows and prohibiting data localization requirements. The anti-corruption chapter requires the three countries to implement measures to combat corruption, including those related to transparency, enforcement, and international cooperation. The good regulatory practices chapter encourages the adoption of transparent and science-based regulatory measures that avoid unnecessary trade barriers. Additionally, the USMCA includes a chapter devoted to ensuring that small and medium-

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³⁹ Ibid.

sized enterprises (SMEs) benefit from the agreement. This chapter provides for the establishment of a committee to oversee the implementation of SME-related provisions and provide technical assistance to SMEs to help them take advantage of the opportunities provided by the USMCA.⁴⁰

4- ASEAN FREE TRADE AREA (AFTA)

ASEAN is a group of ten Southeast Asian nations formed in 1967, consisting of Thailand, Indonesia, Philippines, Singapore, and Malaysia as founding members, with Brunei, Vietnam, Laos, Myanmar, and Cambodia joining in the 1990s. The ASEAN Free Trade Agreement (AFTA) is a trade agreement among all ASEAN member states aimed at strengthening and developing the ASEAN economy. Due to the region's young and technology-driven population with a proactive approach to the Asian work style, there was a need to capitalize on their capabilities and strengths for the greater benefit of the region. The overarching goal of the ASEAN Free Trade Agreement (AFTA) is to enhance the economic landscape within the ASEAN region through the implementation of regulatory frameworks that promote good practices and facilitate efficient and seamless trade. This is achieved through the establishment of agreements that reduce tariffs and promote ease of doing business, which in turn increases opportunities for foreign investment. The benefits of AFTA are not limited to manufacturers alone, as consumers within the region also stand to gain from reduced trade tariffs. Lower tariffs lead to increased purchasing power for consumers, who can then take advantage of a more extensive and competitive market offering. 41

On the contrary, manufacturers can benefit from reduced tariffs, which allows them to procure raw materials or production inputs at a more competitive price. Furthermore, they have the opportunity to import and export goods to other ASEAN countries at a lower rate, in contrast to countries outside the region. In terms of transportation and commerce, AFTA effectively diminishes trade obstacles among its member nations, encouraging fair competition and simplifying business transactions. The economies are integrated, the labor force is amplified, and this could potentially lead to a mutually beneficial outcome for all parties involved in the ASEAN region.⁴²

⁴² Ibid.

⁴⁰ Office of the United States Trade Representative. 2020. "United States-Mexico-Canada Agreement." Ustr.gov. 2020. https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement.

⁴¹ Gerrit Poel. ASEAN Free Trade Agreement (AFTA) and All Related Forms for Import/Export. Freight Course. May 3, 2023 https://www.freightcourse.com/asean-afta-forms/

2.2.4 HOW FREE TRADE AGREEMENTS ADDRESS CHILD LABOR

1- USMCA

The USMCA possesses the most robust and extensive labor provisions compared to any other trade agreement. These provisions are embedded within the core of the agreement and are fully enforceable, signifying their prioritization. In addition to these advanced labor provisions, the agreement introduces a pioneering enforcement mechanism. Known as the Rapid Response Labor Mechanism, it enables the United States to undertake enforcement actions targeting specific factories that violate domestic laws concerning freedom of association and collective bargaining. The USMCA Labor Chapter requires the adoption and enforcement of labor rights as recognized by the International Labor Organization (ILO), prohibits importation of goods produced by forced labor, addresses violence against workers and sex-based discrimination, and ensures that migrant workers are protected under labor laws. Mexico has committed to legislative actions to recognize the right to collective bargaining, enact labor reforms, and establish new institutions and labor courts to adjudicate disputes. The USMCA will allow for workers to engage in real collective bargaining and ensure that companies in Mexico abide by the same basic labor principles as those in the U.S.⁴³

The USMCA Labor Chapter includes a provision that requires the Parties to take measures to prohibit the importation of goods produced by forced labor, including forced or compulsory child labor. The parties must also take measures to eliminate child labor and prevent the use of forced or compulsory labor in their respective territories. The agreement aims to ensure that workers, including children, are not subjected to exploitation or forced labor in any part of the production process.

Mexico has developed a National Program to Prevent and Eliminate Child Labor and Protect Adolescents Working in Non-Prohibited Activities, which is designed to prevent, detect, and eliminate child labor. The program includes strategies for identifying child labor and raising awareness of the issue among parents, children, and employers. Mexico has also increased the

⁴³ Bureau of International Labor Affairs. n.d. "Labor Rights and the United States-Mexico-Canada Agreement (USMCA) | U.S. Department of Labor." Www.dol.gov. https://www.dol.gov/agencies/ilab/our-work/trade/labor-rights-usmca.

number of labor inspectors, established a hotline for reporting child labor, and created a database of child labor cases to monitor progress.⁴⁴

The USMCA also includes an Annex on Worker Representation in Collective Bargaining in Mexico. Under this Annex, Mexico commits to specific legislative actions to provide for the effective recognition of the right to collective bargaining. The Annex aims to ensure that Mexican workers have the right to form and join a union of their choice, to bargain collectively, and to engage in peaceful assembly and protest.⁴⁵

The USMCA's provisions on child labor and labor rights more broadly have the potential to significantly improve working conditions for workers across North America, including vulnerable populations such as children. While Mexico has taken significant steps to combat child labor, there is still work to be done. The USMCA provides a framework for ongoing cooperation and collaboration among the Parties to address these issues and ensure that workers across North America are treated fairly and with dignity.⁴⁶

2- EUROPEAN UNION-VIETNAM FREE TRADE AGREEMENT (EVFTA)

The FTA between the European Union (EU) and Vietnam, is the agreement which commits both parties to implement International Labor Organization (ILO) conventions they have ratified, and for Vietnam to ratify ILO conventions on fundamental rights it has not yet signed.

The European Union's trade agreement with Vietnam includes a strong, legally binding commitment to fundamental human and labor rights and environmental protection.⁴⁷ Implementing ILO conventions is critical in ensuring that workers' fundamental rights and principles are protected. The ILO Declaration on Fundamental Principles and Rights at Work sets out the four fundamental principles that all members of the ILO must respect and promote, which are freedom of association and the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in respect of employment and occupation. By committing to these principles, countries can ensure that their

⁴⁶ Supra note 44.

⁴⁴ "Child Labor and Forced Labor Reports - Mexico | U.S. Department of Labor." n.d. Www.dol.gov. https://www.dol.gov/agencies/ilab/resources/reports/child-labor/mexico.

⁴⁵ Supra note 43.

⁴⁷ "STANDARDS and VALUES Promoting Human and Labour Rights -Protecting the Environment." n.d. Accessed May 25, 2023. https://trade.ec.europa.eu/access-to-markets/en/country-assets/tradoc_157446.pdf.

citizens are working in fair and safe conditions, and that they are not subjected to any form of exploitation or abuse.

The EU and Vietnam have pledged to implement the ILO conventions that they have already ratified, and Vietnam has additionally promised to ratify the ILO conventions regarding fundamental rights that it has not yet agreed to, including the 2006 Ministerial Declaration of the United Nations Economic and Social Council on Creating Full and Productive Employment and Decent Work for All, the ILO Declaration on Fundamental Principles and Rights at Work, and the basic ILO conventions.⁴⁸

3- THE TRANS-PACIFIC PARTNERSHIP (TPP)

The Trans-Pacific Partnership (TPP) is an FTA that has been proposed to include the United States and eleven countries in the Asia-Pacific region. The agreement aims to reduce and remove tariff and non-tariff barriers on goods, services, and agriculture while also establishing trade rules and regulations that build upon the commitments made at the World Trade Organization (WTO).⁴⁹

The Trans-Pacific Partnership (TPP) includes worker rights provisions that resemble those found in the most recent four FTAs that the United States has negotiated. These provisions are enforceable through the same dispute settlement processes as other aspects of the FTA, and any violations are subject to the same potential trade penalties. Under the TPP, the parties have agreed to adopt and uphold laws and practices that align with the ILO Declaration. They have also agreed to maintain laws and practices regulating acceptable working conditions, such as minimum wage, working hours, and occupational safety and health. Furthermore, parties are not permitted to weaken or ignore the aforementioned labor laws and practices in a manner that impacts trade or investment. Lastly, the parties have agreed to enforce their labor laws in a sustained or recurring manner. ⁵⁰

In addition to the aforementioned labor rights obligations, the TPP also contains provisions that oblige each party to use appropriate initiatives to discourage the import of goods produced through forced labor or child labor. Moreover, for the first time in a U.S. FTA, parties have explicitly agreed to prevent the degradation of fundamental worker rights or working conditions in free trade zones

⁴⁸ Ibid.

⁴⁹ "TPP: Overview and Current Status." n.d. https://crsreports.congress.gov/product/pdf/IF/IF10000.

⁵⁰ Ibid.

or export processing zones. Parties have also committed to encouraging companies to adopt corporate social responsibility initiatives voluntarily regarding labor issues. If a party suspects that another TPP member is not fulfilling its labor obligations, the agreement provides a means for the public to raise concerns with TPP governments through various commitments on transparency and procedural guarantees. The agreement also allows for collaboration and coordination, including opportunities for stakeholder input in identifying areas of cooperation. Each party retains its discretion in allocating enforcement and prosecutorial resources, and the agreement does not empower the authorities of one party to carry out labor law enforcement activities in another country. The agreement creates a mechanism for labor dialogue that can be employed to promptly address labor issues and assist parties in reaching a mutually agreed-upon solution. This mechanism could entail implementing action plans with concrete and verifiable measures, such as labor inspection, investigation, or compliance action, as well as cooperative or capacity-building initiatives. Even if a party does not utilize the labor dialogue provisions, the TPP's dispute settlement provisions will still be accessible to TPP members.⁵¹

2.3 Free Trade and Global Value Chains

Global value chains (GVCs) are characterized by the division of labor across different countries where production is segmented into different activities and tasks.⁵² Multinational corporations are often the driving force behind GVCs as they aim to exploit lower costs, specialized expertise, and other advantages available in different countries. The relationship between GVCs and free trade policies is significant, as free trade policies can ease the expansion and integration of GVCs across borders. The decreasing trade costs that result from free trade agreements are the primary reason why companies are able to break their production processes into smaller pieces. Trade costs are comprised of various expenses that companies face from the production location to the end consumer, including costs of land transport, port usage, freight and insurance, tariffs and duties, and other expenses related to non-tariff measures. It is also possible to add mark-ups from importers, wholesalers, and retailers to the trade cost list, particularly for goods. Regarding services, the cost of transport is replaced by communication costs, although there may be instances

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⁵¹ Ibid.

⁵² Seric, Adnan, and Yee Siong Tong. 2019. "What Are Global Value Chains and Why Do They Matter? | Industrial Analytics Platform." Industrial Analytics Platform. August 2019. https://iap.unido.org/articles/what-are-global-value-chains-and-why-do-they-matter.

where personnel need to travel to the location where the consumer is based. Trade barriers for services typically take the form of non-tariff measures. Another significant cost associated with global value chains is coordination costs, as activities that are geographically dispersed require consistent management. Advances in technology, such as the container and the Internet, have been primarily responsible for the reduction in transport and communication costs. Progress has been made along the entire logistics chain to ensure that goods and services flow smoothly and at a coordinated and affordable rate. Trade costs reduction is not only attributable to technological advancements but also to trade and investment liberalization and regulatory reforms in crucial transport and infrastructure sectors. Policies have also been vital in enhancing efficiency and have contributed to the fragmentation of production as much as transport and communication technologies.⁵³

2.4 EFFECTS OF TRADE OPENNESS ON CHILD LABOR

Numerous distinguished scholars, such as Basu and Van (1998), Basu et al. (2010), Ranjan (2001), Baland and Robinson (2000), Jafarey and Lahiri (2002), and Dessy and Pallage (2005), have extensively researched the relationship between trade openness and child labor, a long-standing concern, particularly in developing countries.⁵⁴ When discussing the effect of trade on child labor, it is crucial to consider the following highly influential models.

2.4.1 MODEL 1- IMPACT OF TRADE ON PARENTAL PREFERENCES AND

FINANCIAL CONSTRAINTS

Household income affects child labor depending on how parents value it and their financial situation. When parents are forced to send their children to work because of poverty, increased income can help them withdraw their children from the labor market. Even if parents don't view child labor as bad, increased income can reduce child labor by overcoming financial constraints if the returns from not working in the future are higher than the returns from working currently. So,

⁵³ René A. Hernández, Jorge Mario Martínez-Piva, and Nanno Mulder. 2014. *Global Value Chains and World Trade Prospects and Challenges for Latin America*. https://hdl.handle.net/11362/37041.

⁵⁴ Doepke, M, & Zilibotti, F. (2010). Do international labor standards contribute to the persistence of the child-labor problem? Journal of Economic Growth.

higher income can decrease child labor by overcoming financial constraints or by changing parental preferences.⁵⁵

2.4.2 MODEL 2- THE ELASTICITY OF SUBSTITUTION BETWEEN CHILD AND

ADULT LABOR

Academic discussions on trade's impact on child labor focus on how it affects household incomes and, therefore, child labor supply. Some scholars, like Brown (2000) and Dixit (2000), argue that trade's effect on child labor depends on the slope of the labor demand curve, trade's impact on labor demand, and the elasticity of substitution between child and adult labor. When the economy is fully integrated into the world market, trade liberalization or increased access to the global market can reduce child labor by increasing the price of a product exported by developing countries and decreasing the demand for child labor.⁵⁶

2.4.3 MODEL 3- IMPACT OF TRADE ON SHIFTS IN LABOR DEMAND

Models based on the Ben-Porath type model of child labor supply place more emphasis on how trade changes the relative return to child labor through shifts in labor demand. Maskus (1997) models an economy that produces an export and an import-competing good, where the export sector subcontracts inputs from the informal sector that employs children. The demand for child labor is thus determined by the product demand for the exported goods. The expansion of the export sector following trade liberalization increases the demand for child labor and equilibrium child wages. However, the expansion of the export sector also increases adult wages, reducing the supply of child labor given child wages. If child labor supply is highly elastic with respect to adult wage, trade may reduce the equilibrium child labor.⁵⁷

https://www.nber.org/system/files/working_papers/w10317/w10317.pdf

⁵⁵ Eric Edmonds & Nina Pavcnik. 2004. International Trade and Child Labor: Cross-Country Evidence. The National Bureau of Economic research.

⁵⁶ Ibid.

⁵⁷ Ibid.

2.4.4 MODEL 4- IMPACT OF TRADE ON SKILLED AND UNSKILLED LABOR

Ranjan (2001) highlights that credit constraints also impact whether the effects of increased income on child labor outweigh the rise in labor demand that accompanies trade growth. In his model, the economy produces high-skill and low-skill intensive goods and has a relatively abundant unskilled labor force. Child labor is not a perfect substitute for adult labor. Household well-being is determined by current consumption and future welfare of children. The model assumes that the discounted value of the returns to education exceeds the present value of returns to child labor. Each period, a parent decides whether to send their child to school or work. Ranjan examines the effects of trade liberalization on child labor in an unskilled labor abundant country. According to his model, trade increases the wages of unskilled workers and reduces the returns to educated workers, which may lead to more child labor. However, households endowed with unskilled labor also become better off and less credit constrained, making it less likely for parents to send children to work.⁵⁸

The impact of trade on child labor will vary based on which of the two channels is more dominant and will depend on a country's factor endowments. If a country has a scarcity of skilled labor or capital, it is likely to experience greater increases or smaller decreases in child labor due to trade. The level of child labor regulation in a country's institutional environment is also be relevant, as countries with fewer regulations may increase their use of child labor in industries after trade liberalization. When countries that lack child labor regulations specialize in industries that use child labor more intensively following trade liberalization, the demand for child labor increases. Assuming that child labor is undesirable, poorer countries are less likely to have regulations to prevent it, and therefore more likely to see an increase in child labor with trade. This means that child labor may potentially decrease less or increase more in poorer countries than in richer countries.⁵⁹

⁵⁸ Ibid.

⁵⁹ Ibid.

2.4.5 EMPIRICAL FINDING

According to Doepke and Ziliboti's empirical study, in developing economies, where trade liberalization has occurred, there is typically an overabundance of disorganized and inefficient labor, resulting in higher returns for unskilled labor, which, in turn, reduces the incentive to invest in education and skill development. The increased incidence of child labor could lower costs and give a competitive advantage to the country, leading to a rise in child labor around the world. Developing countries with lenient labor regulations, low wages, and an ample supply of unskilled labor, including child laborers, are often viewed as a haven for foreign investors. Consequently, child labor becomes more attractive due to its cost-effectiveness, resulting in an increase in its prevalence. Although trade openness has an impact on child labor, it does not affect all industries or sectors in the same way. If children work mainly in industries that do not compete with imported goods or in sectors that are not affected by trade, liberalizing trade does not result in an increased need for child labor. Conversely, if the export industry employs expensive adult labor, trade openness may increase the demand for child labor, leading to a higher prevalence of child labor in both formal and informal sectors.⁶⁰

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⁶⁰ Doepke, M, & Zilibotti, F. (2010). Do international labor standards contribute to the persistence of the child-labor problem? Journal of Economic Growth.

CHAPTER THREE

GLOBALIZATION IN FASHION INDUSTRY

This chapter turns to the intricate complexities of global supply chains within the fast fashion industry. As fast fashion is one of the most dynamic and rapidly evolving sectors, it has garnered attention for its impact on labor practices and social responsibility. This chapter explores the multifaceted nature of the industry, shedding light on various aspects beginning with the overview of fast fashion to set the stage for a deeper understanding of the subsequent discussions on labor issues within the industry. It then focuses on the causes of child labor in the fast fashion industry pointing out the supply and demand of child labor driven by poverty and the demand for cheap labor, unauthorized subcontracting by manufacturers, the lack of regulations and enforcement, and the overall lack of transparency within the industry. It then moves on to discuss the challenges faced by companies in managing complex and global supply chains, as well as the strategies employed to ensure ethical practices and sustainability.

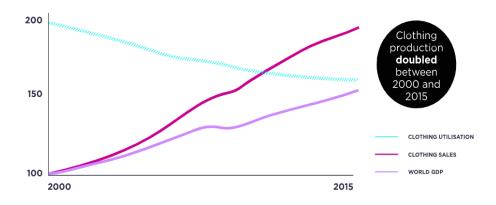
3- THE COMPLEXITIES OF GLOBAL SUPPLY CHAINS IN FAST FASHION

Retailers are facing increasing pressure from consumers who are highly aware of fashion trends and want to quickly access the latest styles. This demand from consumers is putting pressure on retailers to meet their needs, which in turn is leading retailers to put pressure on suppliers to provide fashion products with shorter lead times. Due to the fast-paced nature of the fashion industry and the growing demand from consumers, the time frame for responding to new trends has decreased. This has had an impact on the apparel buying cycle and the ability of major fashion retailers, particularly those who follow the fast fashion business model, to accurately forecast and plan for future trends. The apparel industry's supply chain is known for its long and complex structures.⁶¹

3.1 OVERVIEW OF THE FAST FASHION INDUSTRY

Figure 1- Clothing production has doubled - Garment usage lifetime has decreased





Source: Rethinking business models for a thriving fashion industry. Ellen MaCarthur foundation.

The term "fast fashion" typically refers to a business strategy that prioritizes the creation of an efficient and accelerated supply chain for the production of fashionable merchandise in response to consumer demand. Fast fashion has emerged as a significant trend in the fashion industry over the past few years. The unique characteristics of fast fashion products, such as their short lifespan, wide range of trendy styles, and low cost and disposable, have had a significant impact not only

⁶¹ Camargo, L.R., Pereira, S.C.F. and Scarpin, M.R.S. (2020), "Fast and ultra-fast fashion supply chain management: an exploratory research", *International Journal of Retail & Distribution Management*.: 538. https://doi.org/10.1108/IJRDM-04-2019-0133

on the market structure, but also on the associated supply chain operations. The rapidly changing habits of fashion consumers are transforming the retail market, particularly in the fast fashion sector. As fashion consumers become increasingly engaged, some fashion retailers find it difficult to keep up with their customers. In order for a fast fashion supply chain to remain competitive, it must possess traits such as flexibility, agility, cost-effectiveness, and responsiveness. These qualities are largely dependent on the effective orchestration and management of the different parties involved in the supply chain.⁶²

Fast fashion companies depend on supply chains that are able to quickly respond to customer demand and offer trendy products with short lifecycles or "enhanced" designs. According to Tokatli (2008)⁶³, fast fashion retailers share several characteristics, including a high level of responsiveness to customer demand based on product, sales, and customer data, as well as short lead times, rapid sample making, the creation of a sense of scarcity through frequent changes in products offered in limited quantities, and the use of "super-responsive" or "rapid fire" supply chains. Companies have adopted a "leagile" approach to supply chain management, which involves the development of both lean and agile supply chains. This allows for the efficient and frequent production of small batches of products, which can be quickly introduced to stores. This approach creates a sense of scarcity and exclusivity among customers, leading them to visit stores more frequently. Fast fashion has had a significant impact on the fashion industry, not only in terms of supply chain innovation, but also in the way consumers engage with products that are perceived as "perishable" and scarce.⁶⁴

3.2 Causes of Child Labor in The Fast Fashion Industry

Child labor is present in the fast fashion industry right from the initial stages of production, which involves creating textiles used to make clothes. Young children are frequently employed for various tasks such as producing cotton seeds, picking cotton, spinning yarns, and even cutting and constructing final garments. The reason for using child labor is that they have small fingers that do not damage the crops, and they are often the least expensive form of labor, which reduces the

⁶² Ibid.

⁶³ Tokatli, N. (2008), "Global sourcing: insights from the global clothing industry the case of Zara, a fast fashion retailer", *Journal of Economic Geography*.

⁶⁴ Payne, A. (2016), "Inspiration sources for Australian fast fashion design: tapping into consumer desire", *Journal of Fashion Marketing and Management*: 192. https://doi.org/10.1108/JFMM-12-2014-0092

cost of the final product. Child labor is prevalent in the fast fashion industry because it is cheap and easily available in impoverished countries. Fast fashion companies use child labor to provide trendy clothing to consumers at the lowest possible prices, which helps them to stay competitive in the market. Employing children as a cheap labor source helps companies to lower the cost of production, which, in turn, allows them to sell their products at a lower price than their competitors. This strategy incentivizes competitors to adopt similar practices and hire cheap labor to remain competitive. Countries such as Benin, Uzbekistan, India, and Bangladesh are known to be the sources of child labor in the fast fashion industry.⁶⁵

3.2.1 POVERTY AND DEMAND FOR CHEAP LABOR

The demand for cheap and unskilled labor is met by children who are employed in the labor force. Physical attributes, such as small size and agility, also make them desirable for certain types of labor. Poverty is a significant factor that drives the supply of child labor, as adults often earn wages that are insufficient to meet their family's basic needs. In such situations, children are forced to work to supplement the family income. The connection between child labor and low wages for adult workers is apparent in both cotton production and garment factories. Children are exploited and used as cheap laborers due to their vulnerability and low cost. As a consequence, children are often chosen over adults for employment. Banning child labor would reduce the availability of labor, resulting in increased bargaining power for adult workers, leading to improved labor conditions and wages. Child labor does not provide a way out of poverty but rather perpetuates it. It leads to reduced wages and increased unemployment for adults. Children who work instead of attending school are likely to end up in low-paying jobs in the future, which perpetuates the cycle of poverty for them and their children. These underlying factors of supply and demand are often exacerbated by inadequate access to education, limited employment opportunities for those who do receive an education, discrimination based on caste, ethnicity, and gender, and cultural attitudes towards education and work.⁶⁶

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⁶⁵ James, M. A. (2022). Child labor in your closet: Efficacy of disclosure legislation and a new way forward to fight child labor in fast fashion supply chains. *The Journal of Gender, Race, and Justice, 25*(1) Retrieved from https://www.proquest.com/scholarly-journals/child-labor-your-closet-efficacy-disclosure/docview/2682503768/se-2

⁶⁶ Overeem, Pauline, and Martje Theuws. 2014. "Fact Sheet Child Labour Focus on the Role of Buying Companies." https://www.somo.nl/wp-content/uploads/2014/03/Fact-Sheet-child-labour-Focus-on-the-role-of-buying-companies.pdf.

3.2.2 Unauthorized Subcontracting by Manufacturers

In order to meet deadlines or handle unexpected orders, garment manufacturers sometimes contract out production tasks or even entire orders to other factories or workplaces without informing the buyer. This can include tasks such as sewing that require manual labor. These subcontracted factories, stitching centers, small workshops, or home-based workshops often operate in the informal sector and are not subject to labor regulations. Furthermore, since they are not part of the buyer's supply chain, they are rarely inspected by corporate inspections. Workers in the industry are frequently exposed to violations of their labor rights, as they do not receive adequate legal protection and often work under casual and temporary contracts. These workers are typically paid less than the minimum wage and must endure poor working conditions that disregard their health and safety. It is not uncommon for entire families, including young children, to work long hours in home-based workshops to fulfill orders from garment factories.⁶⁷

3.2.3 LACK OF TRANSPARENCY

The fashion and apparel industry has gained attention recently because of its harmful effects on the environment and concerns about exploitative working conditions, prompting a need for sustainability management. Currently, the industry operates within intricate and constantly changing supply chains with numerous production stages, which limit the ability to see beyond immediate suppliers. This shift in visibility has transferred the responsibility for managing sustainability risks from corporations to the supply chain level. These complications make it difficult to first trace and solve child labor and harsh working conditions within the supply chains.⁶⁸

3.2.4 LACK OF REGULATIONS AND ENFORCEMENT

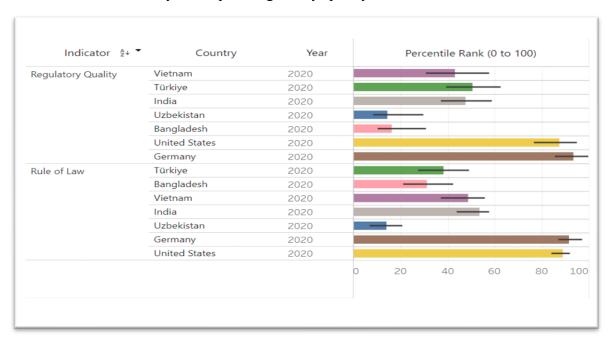
The insufficiency of national laws and regulations to deal with child labor in the global supply chain has been acknowledged for a long time. When it comes to governance and enforcement gaps in a transnational setting, private regulation and corporate social responsibility (CSR) strategies can serve as an alternative to protect human rights, particularly when national legal frameworks are inadequate or local enforcement is inadequate. Private regulation and CSR strategies have

⁶⁷ Ibid.

⁶⁸ Garcia-Torres, S., Rey-Garcia, M., Sáenz, J. and Seuring, S. (2022), "Traceability and transparency for sustainable fashion-apparel supply chains", *Journal of Fashion Marketing and Management*, Vol. 26 No. 2, pp. 344-364. https://doi.org/10.1108/JFMM-07-2020-0125

traditionally been employed by companies to regulate child labor through corporate codes of conduct and social auditing. Although codes of conduct have a limited scope and apply to only a small portion of child laborers in global supply chains because most children work in the informal and illegal economy, companies can still take the lead and set an example for governments and other businesses. companies are both at risk and responsible due to the inadequacy of legal frameworks in a global context, and the emphasis on self-regulation. If companies do not address the issue of child labor correctly, they may face reputational and financial damage. However, they also have a moral responsibility to act as an agent for positive change. Although many companies have implemented self-regulation and CSR strategies, there are significant variations in approaches and commitments to social and environmental issues among them. Moreover, there are criticisms of corporate self-regulation and CSR, as these approaches may prioritize corporate interests and lead to symbolic rather than tangible outcomes for stakeholders.⁶⁹

Figure 2- The data depicted in this graph indicates that nations with a greater likelihood of child labor are characterized by inadequate regulatory quality and weak adherence to the rule of law.



Source: World Bank: Worldwide governance indicator

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⁶⁹ Martijn Boersma, "Changing Approaches to Child Labour in Global Supply Chains: Exploring the Influence of Multi-Stakeholder Partnerships and the United Nations Guiding Principles on Business and Human Rights," University of New South Wales Law Journal 40, no. 3

3.2.5 WEAK TRADE UNIONS

Workers' organizations aim to advance human and labor rights within the workplace. Trade unions play a crucial role in spreading awareness and actively influencing labor laws and practices. As organizations with vertical integration, they establish a vital connection between the global and national levels regarding social protection and children's rights. Trade unions are strategically positioned to act as vigilant guardians, intervening directly to combat child labor, eliminate the presence of children in workplaces, and facilitate access to alternative options such as quality education and adequate preparation for adulthood.⁷⁰

Child labor tends to be prevalent in environments where trade unions are weak, while workplaces with organized workers and a system of collective bargaining typically exhibit lower instances of child labor. Trade unions bring forth a significant advantage by advocating for both children's right to education and the rights of adult workers to fair compensation, which ultimately reduces families' reliance on child labor. With their ability to reach and engage with a large number of families, trade unions can effectively emphasize the importance of education for children, thus safeguarding them from work-related hazards and preventing their premature entry into the labor market. Collaborative efforts between trade unions and the International Labor Organization (ILO) serve as a crucial aspect of the global movement against child labor.⁷¹

3.3 SUPPLY CHAIN MANAGEMENT IN THE FAST FASHION INDUSTRY

Certainly, the world has undergone substantial changes in recent times due to the advancement of information technology, greater mobility, and improved access to information. These developments have also led to an increase in competitiveness. In the present day, technology is advancing swiftly, and competition is becoming more intense, extending beyond national borders and taking on a global scale. Meanwhile, consumers' demands and desires are constantly expanding and transforming, as they become more knowledgeable, sophisticated, and focused on having a wider range of choices. Companies need to be responsive and flexible to social and market changes, prioritizing creative outcomes that will ultimately give them a long-lasting competitive

⁷¹ Budhwani, Nadir, Belinda Wee, and Gary N. McLean. 2004. "Should Child Labor Be Eliminated? An HRD Perspective." Human Resource Development Quarterly 15 (1): 107–16. https://doi.org/10.1002/hrdq.1090.

⁷⁰ International Labour Organization. 2000. *Trade Unions and Child Labour*.

edge and enable them to expand their market share. In order for a fast fashion supply chain to remain competitive, it must possess traits such as flexibility, agility, cost-effectiveness, and responsiveness. These qualities are largely dependent on the effective orchestration and management of the different parties involved in the supply chain.⁷²

Having examined the challenges associated with global supply chains in the fast fashion industry, let us now explore the strategies implemented by companies to manage these issues. According to Mentzer⁷³, supply chain management involves the strategic coordination of the traditional business functions within a company and across businesses within the supply chain, with the aim of enhancing the long-term performance of the individual companies and the supply chain as a whole. In real-world scenarios, supply chain management encompasses the planning and management of all operational activities, including sourcing and procurement, production and conversion, and delivery and logistics. For it to be successful, different channel members, such as suppliers, manufacturers, intermediaries, third-party service providers, and customers, must cooperate and coordinate with each other. Supply chain management is a complex and multifaceted idea that involves several components, including but not limited to, supply chain advancement, supply chain streamlining, supply chain transparency, supply chain adaptability, supply chain partnership, and supply chain responsiveness.⁷⁴

In the fashion realm, a supply chain encompasses the entirety of the processes involved in manufacturing and distributing a product, spanning from the conversion of raw materials to the final production stage. It is a complex and interdependent system consisting of material suppliers, production facilities, logistics operations, and end consumers. In contemporary retailing, the supply chain has emerged as a vital strategic component, requiring efficient organization, coordination, and communication among its constituent parts, while also emphasizing the importance of agility and collaboration.⁷⁵

⁷² *Supra* note 61.

⁷³ Mentzer, J.T., DeWitt, W., Keebler, J.S., Min, S., Nix, N.W., Smith, C.D. and Zacharia, Z.G. (2001), "*Defining supply chain management*", Journal of Business Logistics. pp. 18

⁷⁴ Moon, K.-L.K., Lee, J.-y. and Lai, S.-y.C. (2017), "Key drivers of an agile, collaborative fast fashion supply chain: Dongdaemun fashion market", *Journal of Fashion Marketing and Management*. https://doi.org/10.1108/JFMM-07-2016-0060

⁷⁵ *Supra* note 61.

Supply chain agility and collaboration have been found to be advantageous for the fast fashion industry due to its highly competitive and volatile nature, and the extensive interdependence among the channel members. In the context of supply chain management, agility refers to the ability of a supply chain to adapt quickly to changing market demands and disruptions. The attribute of agility is crucial for a supply chain to respond efficiently and effectively in a fast-paced and unpredictable business environment. In order to gain a competitive advantage, fashion industry members often strive to improve their agility, which helps them tackle challenges, maintain uninterrupted customer service, and boost their overall performance. Supply chain agility is an outward-facing ability that empowers firms to respond rapidly to market fluctuations, thus enhancing the performance of the entire supply chain. Therefore, it can be inferred that supply chain agility has a beneficial effect on supply chain performance.

Supply chain collaboration involves joint decision-making, joint problem-solving, and shared responsibility for decisions made. The main reason for engaging in supply chain collaboration is that a single company cannot compete successfully on its own. When firms collaborate with each other, they can share risks and benefits. Many companies have started to work together and coordinate cross-firm activities in response to increasing customer demands and competition, allowing them to solve problems with limited resources and achieve better performance than they could on their own. Due to the intensely competitive and globalized nature of the fashion industry, supply chain members form networks with more collaboration and longer and wider structures, which are complex and interdependent. In order to survive in such an intensely competitive market, companies must possess the capability to establish, sustain, and administer an integrated supply chain system with their strategic trading partners, which should exhibit elevated levels of agility and extensive collaboration.⁷⁷

⁷⁶ Supra note 74.

⁷⁷ Ibid.

3.4 CHILD LABOR IN LEADING EXPORTING COUNTRIES OF CLOTHING

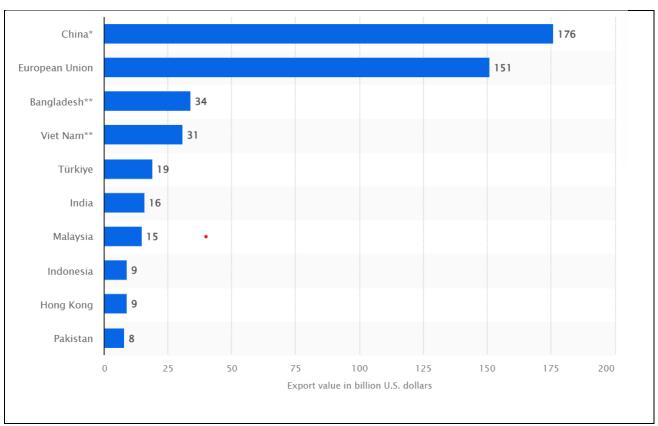


Figure 3: World biggest exporters of clothes

Source: - World Trade statistical review 2022.

https://www.wto.org/english/res_e/booksp_e/wtsr_2022_e.pdf

Child labor is a persistent issue in the fast fashion industry, with many children working long hours in unsafe and exploitative conditions to produce clothing for major brands. While child labor exists in many countries, there are several that stand out as particularly problematic in the context of fast fashion. Bangladesh, India, and Vietnam are three countries with large and growing garment industries that have been linked to child labor in recent years. Despite efforts to address the problem, child labor remains a significant issue in these countries, and examining their experiences can provide valuable insights into the challenges and potential solutions for combating child labor in fast fashion.

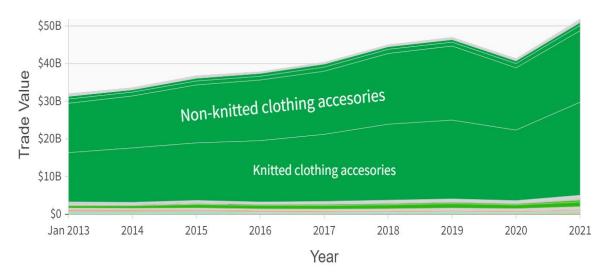
The countries that have been chosen for this case study are Bangladesh, India, Turkey and Vietnam. These countries are among the largest exporters of clothing in the world, with Bangladesh and Vietnam ranking second and third respectively. India, on the other hand, is the world's sixth-largest exporter of clothing. The fast fashion industry in these countries has been booming due to the low cost of labor, which has attracted many global fashion brands. However, the use of child labor has been a persistent issue in the textile and garment industry in these countries. Despite international regulations and national laws banning child labor, children are still employed in this industry due to poverty and other socio-economic factors. Therefore, examining the prevalence of child labor in these countries is essential to understand the complex challenges faced by the global fashion industry and the need for effective solutions.

3.4.1 BANGLADESH

Bangladesh is a suitable example for investigating the prevalence of child labor in the fast fashion sector. The ready-made garment industry is crucial for the country's economy, with the sector responsible for around 80% of the country's exports. Bangladesh is currently the second largest exporter of garments globally, with over US\$17 billion worth of clothing exported in 2011. The industry has experienced rapid growth in recent years, resulting in a significant increase in the number of factories involved in garment production. Bangladesh currently has approximately 4,000 to 5,000 garment factories, which range from large first-tier suppliers to small factories that mainly operate as subcontractors for larger clients. The majority of these factories are located around the capital city of Dhaka. The industry is known for its low-cost and rapid production, relying on inexpensive labor and production costs to compete with other companies. Despite employing over three million workers, the Bangladesh garment industry pays the lowest wages to its workers among all garment industries worldwide.⁷⁸

^{78 &}quot;Clean Clothes Campaign." n.d. Clean Clothes Campaign. http://www.cleanclothes.org/.

Figure 4- Illustrates the top textile export of Bangladesh along with their corresponding trade values.



Source: OEC World: Bangladesh https://oec.world/en/visualize/stacked/hs92/export/bgd/all/show/2013.2021/

Bangladesh plays a significant role in the global garment production industry, ranking second to China in textile apparel exports. The majority of the European Union's imports from Bangladesh are in textiles and textile articles, making up 93% of the import value in 2015, amounting to €14.091 billion. The 27 EU countries are crucial export partners for Bangladesh, making up 46% of the country's total exports in textiles and textile articles. ⁷⁹

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⁷⁹ Branded Childhood, (2017). How garment brands contribute to low wages, long working hours, school dropout and child labor in Bangladesh. Retrieved from https://www.stopchildlabour.org/assets/Branded-Childhood.pdf

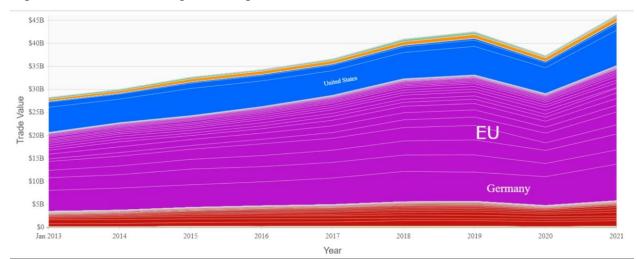


Figure 5- Where does Bangladesh export textiles to?

Source: OEC world: Bangladesh

https://oec.world/en/visualize/stacked/hs92/export/bgd/show/11/2013.2021/

In 2015, a survey conducted by the Bangladesh Bureau of Statistics and the ILO revealed that there are approximately 3.5 million children between the ages of 5 and 17 who are working in Bangladesh, with an estimated 1.2 million of them engaged in the worst forms of child labor. Child labor is most commonly found in rural areas, and the majority of children work in the agricultural sector (45.5%), followed by the services sector (36%) and industry (18.5%), which includes activities such as footwear, garments, textiles, salt mining, ship breaking, production of handrolled cigarettes, bricks, and carpentry.⁸⁰

There are only 305 labor inspectors in Bangladesh, which is not enough to monitor the huge workforce of over 69.8 million workers. This lack of routine and surprise inspections across all sectors allows employers to hide child laborers. Even though there is a high prevalence of child labor in garment factories producing for local markets, they are rarely inspected. To evade inspections, some employers move children to night shifts, as inspections are only conducted until 8 p.m. Moreover, the penalty for violating child labor laws carries a maximum fine of about \$59 (5,000 taka), which is not enough to prevent violations.⁸¹

⁸⁰ Ibid.

⁸¹ Supra note 78.

3.4.2 INDIA

The Indian textile and garment industry plays a crucial role in the country's economy. It contributes significantly to foreign currency earnings and provides employment opportunities to over 35 million individuals. In terms of textile yarn exports, India is the second-largest country after China, and it ranks third in the export of apparel items, following China and Bangladesh.⁸²

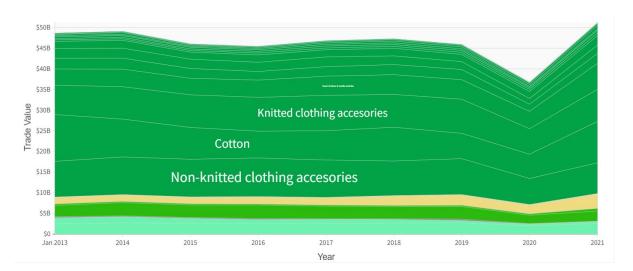


Figure 6- Illustrates the top textile export of India along with their corresponding trade values.

Source: OEC World: India

https://oec.world/en/visualize/stacked/hs92/export/ind/all/show/2013.2021/

The use of child labor is prohibited by law in India. The country's constitution states that no child under the age of 14 can work in hazardous employment or in factories or mines. However, determining the exact number of child laborers in the Tamil Nadu textiles and garment industry is challenging as many workers lack identity documents to prove their age. The factory's medical staff conduct medical examinations on workers upon entry to verify their age. There have been instances where false age information has been provided to factory management by recruiters or medical staff, making it difficult to determine the number of child laborers in the Tamil Nadu textiles and garment industry. A local NGO supported by KFB Austria found that 18% of a sample of 1638 Sumangali workers were younger than 15 when they entered the factory, which was confirmed by a study by R. Gayathri of Bharathidasan University. However, based on international

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⁸² SOMO and ICN, 'Maid in India – Young Dalit Women Continue to Suffer Exploitative Conditions in India's Garment Industry', April 2012 http://www.somo.nl/publications-en/Publication3783

norms, the issue of child labor is likely to be even more significant. According to the ILO Convention on the Worst Forms of Child Labor, child laborers are workers under 18 who perform work that is likely to harm their health, safety, or morals. This includes working long hours, during the night, or being unreasonably confined to the employer's premises. The difficult conditions of working in spinning mills and garment factories, such as long hours and confinement in hostels, mean that all girls aged between 14 and 18 are considered child laborers according to the ILO definition. In a sample of Sumangali workers supported by KFB Austria, 60% of workers were between 15 and 18 years old. Overall, nearly 80% of the workers interviewed in this study meet the definition of child laborers according to the ILO.⁸³

SSM India⁸⁴ operates six facilities, employing approximately 6,500 individuals. Two of these facilities, operating under the name Sri Saravana Spinning Mills, are located in Dindigul district and produce cotton yarn. According to local researchers, workers as young as 12 years old are employed by SSM India. During interviews, a 13-year-old girl at SSM Fine Yarn stated that she had started working there at the age of 12. Girls under the age of 16 are told to say they are 16 if asked. The only documentation of workers' age is a medical certificate, but for those under 16, these records are unreliable. To establish links between SSM India and its buyers, export data from Tuticorin and Chennai ports were analyzed for an eight-month period from June 2011 to January 2012. During the analyzed period of eight months, it was discovered that all of the companies mentioned in the report were found to be procuring from SSM India. SSM India has claimed that they only hire individuals who are 16 years or older for their non-garmenting units and only hire individuals who are 18 years or older with proper proof of age and reference from existing workforce and parents for their garmenting units. This information was provided to SOMO and ICN in response to their inquiry about the situation.⁸⁵

The state of Tamil Nadu holds a dominant position as the largest producer of cotton yarn in India and has recently emerged as a global center for sourcing ready-made garments. The spinning mill industry is a crucial sector for the economy of both the state and the entire country. It is noteworthy

⁸³ Ibid.

⁸⁴ SSM Group's textile business consists of 15 manufacturing units with a capacity of over 5,00,000 spindles, 12,500 rotors, 230 air-jet looms and 216 knitting machines. It turns out 4,50,000 kg yarn/day. Employing over 10,000 people across all units, it also owns 300 windmills for captive power generation.

⁸⁵ Supra note 82.

that spinning mills are established in at least 18 out of 32 districts in the region. The recruitment strategy is primarily focused on young, unmarried women and girls between the ages of 14 and 25. Notably, the majority of these workers belong to the Dalit (known as scheduled castes) or other low caste groups and hail from impoverished, landless, and indebted families that rely on sporadic earnings from agricultural work in the arid southern region of Tamil Nadu. Children who are orphans or whose parents are single are particularly vulnerable to being targeted for work in spinning mills or garment factories. Once free education ends at the age of 14, parents or relatives may not be able to afford to send their children to school. At this point, recruiters for textile and garment factories are known to approach poor families, offering promises of well-paying jobs, comfortable living conditions, nutritious meals, and opportunities for further education and training. To sweeten the deal, brokers may offer clothes and household items. Sending girls to work in mills where they will receive daily meals can be a welcome relief for households struggling to make ends meet. The income that the girls bring in can make a significant difference for the family. Additionally, a lump sum payment may be offered to meet the social pressure to purchase jewelry for the girls' eventual marriage.⁸⁶

3.4.3 TURKEY

Turkey has maintained a strong association with the European Union and has already acquired familiarity with numerous international labor standards. Although this is positive, there remains room for improvement in various aspects. The prevalent model in the country consists of small and medium-sized factories with extensive subcontractor networks, leading to deteriorating working conditions as we move down the supply chain. Consequently, a significant portion of the workforce operates in unregistered employment, with estimates indicating that around 60% of the total workforce lacks formal registration. As a result, numerous workers are deprived of access to social security, employment stability, and the ability to organize and advocate for their rights. ⁸⁷

For many years in Turkey, the textile and garment industry has relied on migrants from Eastern Europe and Central Asia as a source of cheap, unregistered labor. This has made them highly vulnerable to exploitation. However, the situation has worsened with the arrival of Syrian refugees in recent years. The refugees, who have fled the ongoing conflict in their country, are increasingly

⁸⁶ Ibid at 7.

⁸⁷ Fair Wear. "Turkey - Fair Wear Foundation." https://www.fairwear.org/programmes/countries/turkey

finding work in the Turkish cotton, textile and garment industry. Due to their status as refugees, they are even more vulnerable to various forms of labor exploitation. It is estimated that around 1.6 million Syrian refugees have sought refuge in Turkey since 2011. As of 2019, over 3.5 million Syrians were residing in the country, with approximately 98% of Syrian workers engaged in illegal employment. A significant portion of Syrian refugees in Türkiye are compelled to accept hazardous work environments and endure long hours of overtime due to the absence of viable alternatives. However, the refugee camps are unable to cope with such a large number of people, and the international aid provided has not been sufficient to meet their needs. As the number of refugees increases, and their stay in Turkey becomes prolonged, they are understandably seeking ways to earn a living, which unfortunately puts them at risk of exploitation. 89

The Fair Wear Foundation (FWF) has conducted an investigation into the Turkish garment sector to assess the presence of Syrian refugees and the related human rights risks. Based on their findings, FWF has determined that the Turkish garment industry poses a significant threat to the following issues: the employment of Syrian refugee children; discriminatory practices against Syrian refugees who lack proper documentation, which includes failure to pay them the minimum legal wage (with reports of payments as low as 50% of the minimum), withholding social security and other legally required benefits; and subcontracting of work by primary suppliers to "hidden" factories, which often employ a large number of refugees under hazardous and unhealthy working conditions.⁹⁰

3.4.4 VIETNAM

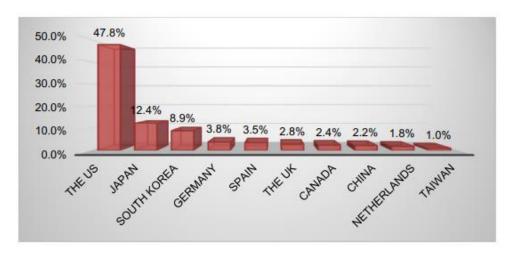
According to a study by Clarke 2017, Vietnam is currently the thirty-sixth largest economy in the world, with a population of over 96 million people, out of which 35% reside in urban areas. In recent years, Vietnam's textile and garment industries have experienced rapid growth, aided by competitive labor costs and favorable government policies, making it one of the top seven global exporters of textiles and garments. With around 6000 factories, the sector provides employment to roughly 2.5 million people, which accounts for about 2.7% of the country's population. The majority of these textile and garment factories are privately owned (84%), of which about 70% are

⁸⁸ Ibid.

⁸⁹ SOMO Fact Sheet,(2016). Migrant labor in the textile and garment industry A focus on the role of buying companies. Retrieved from <u>FactsheetMigantLabour.pdf (somo.nl)</u>
⁹⁰ Ibid.

focused on garment exports, an increase from 41% in 1997. Vietnam engages in the export of textiles and garments to more than 180 countries and territories. Among these, the United States has held the position of the primary export destination since 2011. Following the US, other significant export destinations for Vietnam's textiles and garments include the European Union (EU), Japan, and South Korea. ⁹¹

Figure 7- . Vietnam's textile and garment export structure by the market in the first 8 months of 2014



Source: Recent sustainable trends in Vietnam's fashion supply chain

https://doi.org/10.1016/j.jclepro.2019.03.239

According to a survey conducted by the Vietnamese government and the international labor organization (ILO), the number of child laborers working in the textile and garment manufacturing industry in Vietnam is estimated to be approximately 6049. Among them, about 43% are below 15 years of age, and the vast majority (96%) are girls. The survey also found that there are around 1426 child laborers working in the leather industry, particularly in areas like tanning, preprocessing, and animal-skin dyeing. Among these children, approximately 74% are girls, and 580 of them are between twelve and fourteen years old, while 846 are between fifteen and seventeen years old. Additionally, according to reports, it was revealed that over 9756 child laborers in the footwear manufacturing industry work for more than 42 hours a week. Among them,

⁹¹ Nayak, Rajkishore, Mohammadreza Akbari, and Shaghayegh Maleki Far. 2019. "Recent Sustainable Trends in Vietnam's Fashion Supply Chain." Journal of Cleaner Production 225 (1): 291–303. https://doi.org/10.1016/j.jclepro.2019.03.239.

2.2% of the children belong to the twelve-to-fifteen age group, while the remaining 97.8% are aged between fifteen and seventeen. Another survey conducted in 2015 found that more than 80% of the textile and garment factories in Vietnam violated labor policies related to the duration of shifts, rest periods, and other safety regulations. The average amount of overtime per year per employee in these factories ranges from 200 to 300 hours. The number of working hours without pay is decreasing in larger firms as a result of the International Labor Organization's (ILO) stricter laws and the policies of fashion brands. Nonetheless, smaller local manufacturers tend to exploit the workers due to a lack of inspections or the poverty of the workers. ⁹²

⁹² Ibid.

CHAPTER FOUR

POSSIBLE SOLUTIONS

In the previous chapters, we have explored the impact of free trade and globalization on the increasing demand for inexpensive labor, which unfortunately includes the exploitation of child labor. We have examined the complex nature of global supply chains within the fast fashion industry and how they contribute to the prevalence of child labor. This chapter dives into the exploration of possible solutions to address the pressing issue of child labor. It focuses on understanding the root causes of child labor by examining the supply side, including factors such as poverty, educational costs, and other complications that contribute to this detrimental practice. Then explores various approaches, theories, and strategies to eradicate child labor. This chapter aims to provide a comprehensive understanding of the multifaceted nature of child labor and offers valuable insights for developing effective solutions to eradicate this violation of children's rights.

4.1 ACHIEVEMENTS AND ONGOING CHALLENGES IN ELIMINATING CHILD

LABOR

In the last two decades, child labor has become a primary concern for policymakers. It is widely criticized, and various international declarations and conventions have emphasized the need to eradicate it. Examples include ILO Conventions focused on the elimination of child labor, the ILO Declaration on Fundamental Principles and Rights at Work, and the UNICEF Declaration on the Rights of Children and many countries have adopted national policies in line with these declarations.

In figure 8, the chart displays the rates of decline in child labor over four-year intervals since 2000 indicating uneven progress. The first interval from 2000 to 2004 saw significant advancements, leading to an optimistic view that child labor could be eradicated by 2016. However, the next interval from 2004 to 2008 showed a decline in progress, indicating the need for policy changes to achieve the 2016 goal. The period from 2008 to 2012 demonstrated a decline in child labor by 22%, despite the global economic recession. Certain emerging economies invested in labor market

and social protection policies and witnessed a decrease in child labor. This progress brought renewed hope, but progress from 2012 to 2016 slowed down.⁹³

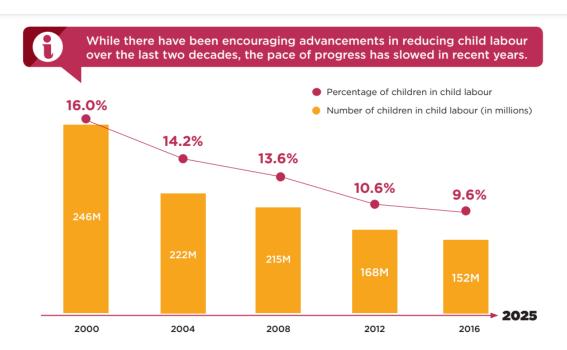


Figure 8- Percentage change in the number of children in child labor

Source: ILO: Ending child labor by 2025: A review of policies and programs

The fight against child labor worldwide has shown no improvement since 2016. The proportion of children working in child labor has stayed the same during the four-year period, but the total number of children in child labor has risen by more than 8 million. Moreover, there has been little change in the percentage of children working in dangerous conditions, but the number has risen by 6.5 million children. ⁹⁴

Though in the past two decades, there have been significant advancements in the fight against child labor, the COVID-19 crisis threatens to further erode global progress against child labor. In areas where child labor has remained persistent, positive trends may falter and worsen. While the full extent and duration of the crisis are unknown, some consequences are already apparent. The pandemic has led to increased economic insecurity, disrupted supply chains, and halted manufacturing. This, along with tightening credit and strained public budgets, can result in

⁹³ ILO: Ending child labour by 2025: A review of policies and programmes. (2018)

⁹⁴ ILO, UNICEF: Executive summary- Child labour, Global estimates 2020, trends and the road forward. (2020)

decreased household income and increased pressure on children to contribute financially. Consequently, more children may be forced into exploitative and hazardous jobs, while those already working may experience longer hours and worse conditions. Moreover, the complex supply chains in the garment industry pose bigger challenges in tackling child labor which calls for immediate action.⁹⁵

4.2 SUPPLY SIDE OF CHILD LABOR: FOCUSING ON THE ROOT CAUSE OF CHILD LABOR

This section focuses on the supply side of child labor, aiming to examine the underlying root causes that drive its existence. It sheds light on three key factors contributing to the prevalence of child labor: poverty, educational costs, and other complications.

4.2.1 POVERTY

Numerous factors influence child labor, and research has shown that poverty is the primary factor. Parents typically make the decisions about whether their children will work or attend school. When families live below the poverty line, parents may view their children as a source of income and enlist them to work. Basu (1998) presented a theoretical framework for understanding child labor, in which he argued that poverty is the only reason why parents would send their children to work instead of sending them to school. As a result, families with low incomes are more likely to engage in child labor instead of investing in their children's education. Rena (2009) also highlighted the impact of poverty and underdevelopment on child labor, demonstrating that the prevalence of poverty in countries such as India, China, Bangladesh, Pakistan, Sri Lanka, Papua New Guinea, Ethiopia, Uganda, Mozambique, Malawi, Sudan, and Chad leads to an increase in child labor. 96

4.2.2 EDUCATIONAL COST

The subsequent root cause we will examine is the financial burden associated with education. The expense of education is a significant issue for impoverished households, leading to the exploitation of children through labor. To address this problem, schools must be accessible and affordable.

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⁹⁵ *Supra* note 93.

⁹⁶ Lana Osment. (2014) Child labour; the effect on child, causes and remedies to the revolving menace. University of Lund, Sweden: 20.

However, Kondylis and Marco (2006) suggest that while the availability of schools in developing countries may boost enrollment, it may not necessarily decrease the occurrence of child labor.⁹⁷

Bhat (2010) contends that providing quality education can prevent children from engaging in work, and thus it is crucial for schools to have a sufficient number of educated teachers to maintain a high student-teacher ratio in the classrooms. However, for many poor families, it can be difficult to send their children to school due to the associated costs such as school fees, uniforms, and other expenses. In such cases, children may be relied upon to contribute to the family income, making it challenging to prioritize education over work. ⁹⁸

In many countries, children are either combining work with their education or dropping out of school entirely. In Bangladesh, India, and Pakistan, there is a significant dropout rate, with 13 million children out of school and the number rising. According to Brown (2012), in Pakistan alone, 7.3 million primary school-aged children are not enrolled in school. Parents often choose to send their children to work instead of school due to the high cost of education, poor quality of education, lack of teachers and school supplies, or inadequate teaching. ⁹⁹

4.2.3 OTHER COMPLICATIONS (VOLUNTARY NATURE OF CHILD LABOR)

Poverty and limited educational opportunities are not the exclusive factors responsible for child labor; it is crucial to take into account additional underlying issues that compel children to engage in labor.

Some children and their families believe that working provides them with more general life skills or specific work skills than they could gain from school. This can be because the child dislikes school or struggles to keep up with their peers, or because local employers favor children who have learned their skills on the job. A small but growing group of working children's organizations known as Ninosy Adolescentes Trabajadores (NATS) defend the benefits of work, which include income and autonomy, particularly for children from disrupted families. In some cases, parents want their children to work because their income is more stable than their own. Social and cultural values also play a role in determining why children work. For example, in India, children from

98 Ibid.

⁹⁷ Ibid.

⁹⁹ Ibid.

lower-status castes may not receive education because it is not deemed justifiable by society. In most countries, child labor is more common in larger families with many children, single mothers, and those living in poverty. However, this may not be true in all cases, and other factors, such as parental education and household resources, can also influence whether a child works. Children may also work because the local school is of poor quality and they cannot afford to attend an alternative school. The usefulness of school varies with local values and the psychology and health of individual children. Even in countries with poor school systems, some families will sacrifice to put their children in school while others do not, and the reasons for this are not well understood. Standard economic analysis does not adequately account for the complex reasons for child labor. ¹⁰⁰

The head of the household is typically not the only decision-maker, as other family members such as children, spouses, grandparents, and others may influence decisions. In some cases, the child may make the decision to work themselves. Children may leave home and begin working as a means of escaping mistreatment from a parent or step-parent. Children who run away from home may have no other option but to work. In many places, older children work to support the food and education of their younger siblings. In certain situations, children work because their parents choose not to work due to addiction, illness, or selfishness and rely on their children's income. However, based on interviews and circumstantial evidence, it seems that a lack of parental selflessness is likely only a minor factor contributing to child labor. ¹⁰¹

4.3 EXPLORING APPROACHES TO ERADICATING CHILD LABOR: THEORIES AND STRATEGIES

section 4.1 provides a clear and comprehensive understanding of the ongoing challenge regarding the persistence of child labor. It highlights that the efforts to eradicate child labor have encountered a state of stagnation since 2016. However, the issue of completely eliminating child labor is a matter of debate, as there are differing opinions on whether it is a desirable goal. Despite many reasons why child labor should be eliminated, some argue for its continuation, albeit in a regulated environment that protects this vulnerable population from abuse. On the other hand, there are several arguments for the elimination of child labor, including that working at a young age can

 ¹⁰⁰ Bachman, Sarah L.. "A New Economics of Child Labor: Searching for Answers Behind the Headlines." *Journal of International Affairs* 53 (2000): 545.
 ¹⁰¹ Ibid.

have physical implications on a child's development, and that children are particularly susceptible to workplace abuse. Additionally, child labor can prevent children from attending school and participating in normal social activities. Further elaboration and examination of these conflicting standpoints are presented in the subsequent section.

4.3.1 RETENTION OF PROTECTED CHILD LABOR

Despite the numerous political arguments against child labor, there are reasons to support it under certain circumstances, provided that the work environment has adequate measures to prevent any form of exploitation. In poverty-stricken areas, the option may be between working to survive or dying of starvation for both the child and their family. The continuation of poverty, therefore, forces children and their families to choose between working and surviving or not working and facing starvation. Working children may develop work ethics and on-the-job skills, which could be useful to them as they become adults. Appropriate work settings can also aid children in developing socialization skills. Working in low-skilled jobs may motivate children to pursue education to move up to more skilled and professional roles. Countries that cannot afford to provide education may end up forcing children to engage in activities that are socially undesirable. Furthermore, penalizing countries that do not eliminate child labor could worsen the economic situation, as low wages paid to child laborers may be the only competitive advantage some countries have. This could result in a downward spiral that adds to the country's poverty, making child labor even more necessary. ¹⁰²

4.3.2 ELIMINATION OF CHILD LABOR

The second argument advocates for the elimination of child labor. When it comes to ending child labor, there are two differing thoughts on the best approach. One group advocate for an immediate ban on child labor, while the other group prefers gradual phasing out of the practice. Supporters of the immediate abolishment of child labor argue that such a strategy would be advantageous for developing countries both economically and socially. They suggest a policy that enforces

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¹⁰² Supra note 111.

compulsory education and minimum age laws, which would be easier to implement and less susceptible to corruption than a regulatory policy. 103

Supporters of the phase-out approach suggest a regulatory policy to eliminate the most abusive forms of child labor while allowing governments to regulate other forms. They acknowledge that immediate abolition of child labor is impractical and that the underlying causes of the problem must be addressed before it can be eliminated entirely. Therefore, they propose to allow child labor to continue but only in a strictly regulated form. This group advocates for a gradual approach to phase out child labor, rather than an immediate ban, to ensure that the transition is smooth and does not have unintended negative consequences. ¹⁰⁴

Upon comparison of the two strategies, it is evident that the phase-out approach is the most viable option. While it would be desirable for countries to immediately eliminate child labor, this objective is not feasible. The optimal course of action involves focusing on eradicating the most exploitative forms of child labor, including slavery, bonded labor, and mining, before proceeding to less perilous forms. Subsequently, countries can eliminate these forms after implementing the initial measures to address the root causes. Therefore, the most efficacious resolution would presumably entail the implementation of this approach. ¹⁰⁵

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 ¹⁰³ Timothy A. Glut, "Changing the Approach to Ending Child Labor: An International Solution to an International Problem," Vanderbilt Journal of Transnational Law 28, no. 5 (1995): 1228-1229.
 104 Ibid.

¹⁰⁵ Ibid.

4.4 Proposed Measures to Address Child Labor

Figure 9- Roles of international community, Governments, Corporations, and individuals to eradicate child labor



There have been several strategies proposed to address child labor. Scholars and the international community have suggested and put into practice diverse strategies to fight against the widespread issue of child labor on a global scale. Eliminating child labor is not solely the responsibility of one entity; instead, it is a collective duty shared by the international community, governments, corporations, and individuals, including consumers. The measures encompass reinforcing the current frameworks of international human rights laws, promoting the use of economic sanctions by countries as incentives or penalties for their trade partners, organizing boycotts to damage companies that employ child labor, implementing domestic measures to prosecute cases of child labor. decreasing poverty, providing education to children, offering support services for working children, increasing public awareness, implementing laws and regulations, and using international measures to eliminate abusive child labor. These strategies are not necessarily independent of each other and can be used together to reduce child labor. The following sections examine the respective

obligations and roles of international communities, governments, corporations, and individuals in addressing the issue at hand.

4.4.1 ROLES OF INTERNATIONAL COMMUNITY

1- STRENGTHENING INTERNATIONAL MONITORING AND ENFORCEMENT OF HUMAN RIGHTS STANDARDS

From the side of the international community, one proposed solution to combat child labor globally is to strengthen and expand the current international human rights law framework. However, there are several challenges associated with this approach. The U.N. and ILO Conventions, which are voluntary guidelines, lack the power to enforce or punish noncompliance. Although these agreements enable countries to confront each other about human rights violations, many nations avoid taking action against each other because they themselves have human rights abuses. Moreover, states may be hesitant to accuse each other of human rights violations due to fear of damaging their relationships with other countries or facing retaliation for their own noncompliance. Therefore, the mutual monitoring of human rights standards among signatories becomes diluted, rendering their obligations ineffective. ¹⁰⁶

In addition to the voluntary guidelines, the ILO has the power to establish standards on workers' rights and can use tactics like public shaming, diplomacy, and expulsion against member states that violate these standards. While the ILO occasionally criticizes specific industries for their lack of progress in reducing child labor, it typically lacks the ability or willingness to enforce its policies. For example, despite evidence of child labor abuses, Malaysia and Burma remain members of the ILO. As a result of the limited success in enforcing international human rights standards, some have shifted their focus to transnational companies as the primary beneficiaries of child labor. ¹⁰⁷

Many experts agree that companies should be held accountable for human rights violations, but enforcing this through international law has proven difficult. The United Nations' efforts to establish standards for transnational corporations have been ineffective due to the lack of

Shima Baradaran; Stephanie Barclay, "Fair Trade and Child Labor," Columbia Human Rights Law Review 43, no. 1 (Fall 2011): 1-64

¹⁰⁷ Ibid.

appropriate legal mechanisms. The UN proposed a Code of Conduct for Transnational Corporations, which would regulate business practices including the use of child labor on a global scale. However, member states could not agree on whether the code should be legally binding or voluntary. After almost fifteen years of negotiations, the United Nations abandoned the proposal due to pressure from developed nations, including the United States. Instead, the UN issued recommendations for international corporate practices without a binding code. ¹⁰⁸

2- Imposing sanctions and penalties

As previously discussed, it is not feasible for international organizations like the United Nations or ILO to directly enforce human rights standards on member states. Therefore, some scholars suggest that multilateral trade sanctions against non-compliant countries would be a better alternative. This approach would involve member states imposing trade sanctions through ILO procedures. One proposal known as the "Ehrenberg Proposal" argues that a country's use of child labor is a form of "social dumping" that provides an unfair competitive advantage and should be subject to multilateral sanctions. However, this proposal has been criticized for several reasons. Withholding aid may reduce a country's ability to comply, targeting only export industries may not be effective, and developing countries are generally opposed to trade sanctions as they undermine their advantage of lower wages. This opposing view has prevailed at several WTO conferences, making it unlikely that coordinated multilateral trade sanctions will be imposed soon. ¹⁰⁹

Advocates for connecting trade to child labor suggest that unilateral trade sanctions can be a solution. Daniel Ehrenberg believes that a single country should have the power to ban the importation of products made using child labor, similar to the justification for multilateral sanctions. However, some scholars doubt if this approach would pass the World Trade Organization's standards because WTO members, including the US, have agreed not to ban

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

imported products under the General Agreements on Tariffs and Trade (GATT). According to GATT Article XI¹¹⁰, members are prohibited from restricting imports from other members. ¹¹¹

The GATT provision prohibits trade limitations imposed by signatories on products created with child labor, as it could be deemed inappropriate. However, some scholars, such as Robert Howse and Matthew Mitro, argue that GATT permits such sanctions under Article XX¹¹², which allows nations to take actions inconsistent with the GATT when necessary to protect public morals or when human life or health is at stake. Countries can use unilateral trade sanctions or penalties to punish countries that use child labor. However, the use of such measures has been criticized for being enforced inconsistently or based on political motives and protectionism. Some critics argue that small countries are often targeted as larger countries' sanctions could have negative international effects. Furthermore, countries such as Malaysia and Burma continue to receive trade preferences from the United States despite ample evidence of child labor violations, leading to criticism of arbitrariness. ¹¹³

Kelly criticizes both multilateral and unilateral trade sanctions, arguing that they are impractical and ineffective. The main reason for this is that sanctions fail to address the underlying causes of child labor, such as poverty, and may even worsen the poverty situation in developing countries. This could cause more harm than good, as children may end up seeking work in even more hazardous sectors. While it is possible to impose unilateral trade sanctions under ILO or GATT provisions, there is little evidence of countries using these provisions to target trading partners who violate international child labor provisions. ¹¹⁴

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¹¹⁰ Article XI- GATT General Elimination of Quantitative Restrictions 1. No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

¹¹¹ Supra note 106.

¹¹² Article XX - General Exceptions Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures: (a) necessary to protect public morals; (b) necessary to protect human, animal or plant life or health;

¹¹³ Supra note 106.

¹¹⁴ Ibid.

4.4.2 ROLE OF STATES

1- DOMESTIC PROSECUTION AS A TOOL TO COMBAT CHILD LABOR

Following the international community, it is the duty of each state to take responsibility for eradicating child labor. Due to the lack of enforcement of international standards on transnational corporations, certain countries have resorted to implementing their own domestic laws to regulate companies utilizing child labor. It has been suggested that government complicity and inadequate enforcement are key factors in forced child labor, leading to the proposal of bolstering domestic enforcement efforts as a means of combating child labor. Some commentators have emphasized the significance of stricter prosecutions of child labor traffickers when discussing domestic action.¹¹⁵

Ranee Panjabi has suggested that governments should play a crucial role in imposing strict penalties, including jail time and asset confiscation, for the use of child labor or slavery in agricultural products. Similarly, international organizations like the UNODC have emphasized the importance of prosecuting traffickers and strengthening criminal justice systems to increase the number of prosecutions and convictions. Many countries have adopted this approach in their laws, with a focus on prosecuting child traffickers. However, despite these efforts, some countries face challenges in combatting child labor and trafficking through prosecution, particularly in developing countries where justice systems may lack the necessary resources to detect and prosecute these types of crimes, even when the worst forms of child labor are illegal. ¹¹⁶

Another scholar has pointed out that employers make it challenging to regulate and prosecute child labor due to their efforts to conceal it and the endemic corruption. The prosecution of all types of trafficking is complicated because victims are often too scared to testify against traffickers, and obtaining reliable information on the scale of child trafficking is challenging. Moreover, relying solely on prosecution to combat child labor and trafficking is insufficient because it only addresses the symptoms and not the underlying causes of the issue, such as poverty and market forces driven

¹¹⁵ Ibid at 28-33.

¹¹⁶ Ibid.

by a globalized economy. Thus, even with strict laws and rigorous enforcement, child labor will likely persist if prosecution remains the primary focus of policymakers. ¹¹⁷

2- SUPPORT THE DEVELOPMENT OF TRADE UNIONS

Strengthening trade unions is another method states can use to fight child labor. According to Myrstad (1999), child labor is more prevalent in workplaces where trade unions are weak, and less likely to occur in workplaces where there is a system of collective bargaining and organized workers. Trade unions play a crucial role in advocating for children's rights to education and for adult workers' rights to fair wages, which would reduce the need for families to rely on child labor. By promoting education for children, trade unions can protect them from work hazards and prevent their early entry into the labor market. Additionally, trade unions can reach large numbers of families, making them an important partner in the global fight against child labor, along with the International Labor Organization (ILO).¹¹⁸

3- FREE EDUCATION

The responsibility of providing education as a means to fight child labor primarily lies with the state. Guha-Khasnobis et al. (1999) proposed the idea of offering free education as a means to discourage children from seeking employment at a young age. Nevertheless, this could be at odds with the role that children play as providers for their families in developing countries. Despite this, education serves as a foundation for children to become more qualified and skilled workers in the future. Education also helps children become independent thinkers, making good choices for themselves and their families. Additionally, education improves the quality of life for individuals, beyond just the economic benefits that may come later. Providing free education to children is an effective way to discourage them from seeking employment at an early age, but it requires significant infrastructure investment from a macroeconomic perspective. Additionally, funds are needed for teacher education, midday meals, and incentives to compensate families for the loss of income when children are in school. However, providing free education alone is not sufficient

¹¹⁷ Ibid.

¹¹⁸ *Supra* note 71 at 113.

because there may not be enough suitable employment opportunities for all educated individuals.¹¹⁹

Case Study-India

District Primary Education Projects in India

The District Primary Education Projects aim to improve primary education by enhancing the managerial and professional capacity of national, state, and district systems. These projects have traditionally focused on disadvantaged children such as girls, scheduled caste, and scheduled tribe students. However, the government has now instructed program managers to also target working children as a priority group. Under this program, different districts with poor educational indicators have been selected to receive financial assistance towards improvement of school infrastructure, teacher training, textbook improvement, etc. Research indicates that DPEP had a positive effect on primary school attendance, completion rates, and years of schooling, with an increase of 2.1 percentage points in probability of attending primary school, 1.8 percentage points in probability of completing primary school, and 0.16 years in years of schooling. The positive effects were slightly higher for girls compared to boys.

Source: Fallon, Peter; Tzannatos, Zafiris. *Child labor : issues and directions for the World Bank (English)*. Washington, D.C. : World Bank Group.

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¹¹⁹ Ibid.

4.4.3 ROLE OF COMPANIES

TRANSPARENCY AND ACCOUNTABILITY OF FAST FASHION COMPANIES

Now, let's explore the involvement of companies in combating child labor. Companies often view multistakeholder approaches to addressing child labor in supply chains as strategic and driven by the fear of reputational damage. While companies may participate in these approaches, their main incentive is often not aligned with the human rights risks associated with child labor. Rather, their concern is focused on the potential damage to their brand and reputation. To gain input legitimacy, suppliers and agents should be included in the conversation instead of solely being seen as the perpetrators of child labor. Some companies may only be willing to engage with unions and other stakeholders after public protests and media attention draw attention to the issue. ¹²⁰

Companies use multistakeholder approaches to address child labor in their global supply chains, but these efforts are often seen as strategic and opportunistic. One common outcome of these approaches is supply chain auditing, which is considered legitimate only when there is an independent, multistakeholder body accrediting it. Transparency is crucial for these efforts to be effective, as workers, unions, and civil society organizations need access to information about where products are made. Audits should be conducted by unions, companies, and civil society organizations, but concerns have been raised about suppliers who know how to manipulate the process. ¹²¹

Certification through organizations like Fairtrade¹²² can help to address concerns about ethical practices in global supply chains. The goal should be to make ethical certification a precompetitive standard, with full participation and rigorous checks by unions and civil society organizations to ensure integrity. Without such participation, certification can become more of a superficial industry practice rather than substantive change. However, certification alone is not a panacea, as there are still uncertainties about what happens to products after they are certified.

¹²⁰ Boersma, M. Between norms and practice: Civil society perspectives on the legitimacy of multistakeholder initiatives to eliminate child labor. *Bus Strat Env.* 2018; 27: 616-618. https://doi.org/10.1002/bse.2066
¹²¹ Ibid.

¹²² Fair trade is an independent, third-party certification organization designed to support the sustainable development of small producer organizations and agricultural workers in developing countries. It underscores the commitments companies and businesses must make to contribute to sustainability in their supply chains and operations.

Additionally, some companies use certification as a way to gain a competitive edge, allowing them to set modest standards that most of the industry can qualify for while knocking out the worst performers. Therefore, certification programs can only be effective if civil society organizations are involved in ensuring their integrity. Approaches should also take a remedial approach to ensure the best interests of the child are considered.¹²³

¹²³ *Supra* note 120.

Case study- Reebok Disengagement Strategy

According to Leeson (2000), Reebok adopted a "zero tolerance" approach, which is similar to a disengagement strategy, in response to the issue of child labor in their supply chain. Reebok worked with other companies in the soccer industry through the Soccer Industry Council of America (SICA) and established a task force to investigate the global manufacturing processes. The task force found that child labor was present in football production in Sialkot, although conditions were not as bad as initially reported. The report revealed that children made up approximately 20% of the labor force involved in football production. To address the issue of child labor in their supply chain, Reebok took a "zero tolerance" approach and collaborated with other companies in the industry. They established a task force on global manufacturing processes which found that children were making up a significant portion of the labor force in football production. To address this, Reebok invested time and money into creating stitching factories that were free of child labor. These factories, operated by Reed and Associates and Moltext Rubber, were purpose-built and subject to strict regulations. Reebok representatives conducted random inspections to ensure that no children worked within the factories and that products were not assembled in uncontrolled locations. Reebok has adhered to the "Atlanta agreement," which requires all stitchers to be registered. The company has also donated \$1 million to fund educational opportunities for children in the region. Although this approach has resulted in significant cost increases (up to 50%), Reebok has committed to covering these costs without passing them on to the consumer. The company is highly confident that its footballs are produced only by adult laborers and has introduced a mark of its own, stating "Guarantee: Manufactured without Child Labor." Some experts have raised doubts about the effectiveness of Reebok's strategy. An advocacy group based in the US called FoulBall has claimed that despite the stitching centers being free of child labor, the final deliveries of footballs may still contain a mix of adult and child-stitched footballs. This mixing practice may still be prevalent.¹

4.4.4 ROLE OF INDIVIDUALS (CONSUMERS)

BOYCOTT

One potential approach from an individual perspective to address child labor is through the practice of boycotting. Human rights advocates often suggest boycotting products made through child labor as a way to combat the issue. This approach is considered one of the more effective long-term solutions. A consumer boycott involves choosing not to purchase products believed to be made with child labor. However, like other proposed solutions, there are downsides to this approach. For example, boycotts may worsen the situation for children by causing them to lose their source of income and forcing them to seek out more hazardous jobs. An example of this occurred in Bangladesh in 1993 when nearly 55,000 children lost their jobs because the Bangladesh Garment Manufacturers and Exporters Association feared an international boycott of their goods if its members did not comply with Bangladeshi laws prohibiting child labor. According to a follow-up study by the ILO and UNICEF, after the boycott of child labor products, only a few children were able to return to school while many resorted to even more difficult and lower-paying jobs. Some families were left without income. Although consumer action can reduce the use of child labor, boycotts alone may not be helpful and can be harmful, as they fail to address the underlying causes of the problem and may even worsen the situation. 124

¹²⁴ Supra note 106 at 26-28.

Case study-

Horrible working conditions in Boohoo Supply factories

Boohoo, a UK-based fast-fashion retailer known for its low-priced clothing aimed at young women and popular social media collaborations, has come under scrutiny after revelations of worker exploitation in its supplier factories. Boohoo's brands include Nasty Gal, PrettyLittleThing, MissPap, and BoohooMAN, among others. The company sources much of its clothing from factories located near its Leicester headquarters. Boohoo's fast-fashion model allows it to introduce new trends every week, keep prices even lower than fast fashion, and deliver clothes to customers the next day. Despite the controversy, Boohoo's sales grew by 45% to £367.8m (\$462m) in the period March through May compared to last year, and the company has recently bought up several struggling UK high street brands, including Warehouse and Karen Millen.

The recent revelations about Boohoo have had a larger impact than most fashion supply chain investigations due to the spike in infections in Leicester and the involvement of British factories in the allegations. This has prompted a government response and caused volatility in the stock market. Priti Patel, Britain's home secretary, has described the allegations as "truly appalling" and has asked the National Crime Agency to investigate "modern slavery" in Leicester's clothing factories. Boohoo's market value has decreased by more than £1.5 billion, or \$1.89 billion, in two days and is now worth a third less than it was before the allegation. As a result, some retailers such as Next, Zalando, and Amazon plan to remove Boohoo clothing from their sites.

There was a significant response on the part of consumers, on social media, particularly from influencers who had previously worked with Boohoo. Boohoo has a large following on Instagram, with 12 million followers, and spent over £90 million on marketing last year. One former collaborator, Vas J Morgan, posted on Instagram stating that slavery is unacceptable, and expressed his sympathy for the families who have been affected by the negligence of companies like Boohoo, which make huge profits while exploiting hard-working people trying to support their families.

Source: The New York times, Why You Should Care That Boohoo Is Making Headlines This Week. (2020)

4.5 RECOMMENDED STRATEGIES- FOCUSING ON TAILORED STRATEGIES

Thus far in this chapter, we have discussed the primary factors behind the existence of child labor and the proposed remedies, including their shortcomings, aimed at combating child labor. In this section, we will analyze in-depth the solution that is considered the most advantageous and the rationale behind its recommendation.

Eradicating child labor is a complex issue because it concerns a vulnerable group, children. These young individuals are often required to comply with decisions made for them, and their participation in decision-making processes raises concerns about their capacity to make sound judgments.

As has been discussed earlier, enforcing universal strategies, such as a global ban on child labor, would not be suitable at present as it may have more disadvantages than advantages. The situation in poverty-stricken countries often forces children to choose between education and work, as revealed by White's 1999 study. In most developing countries, the social environment, the cultural norms and political climate continue to encourage child labor, presenting significant challenges for those working to combat it. Therefore, it is essential to develop and implement strategies that are appropriate for specific contexts, rather than relying on universal approaches.¹²⁵

Suggesting a single solution to eradicate child labor is akin to treating the issue as if it has only one correct answer, which oversimplifies the problem. Consequently, a range of alternative approaches should be considered and implemented to address the multiple facets of the problem and find workable solutions. In order to effectively combat child labor, individuals and organizations must devise methods that are suitable for the specific cultural and contextual conditions of the targeted scenario. This requires area-based approaches addressing factors driving child labor in a given geographic area. ¹²⁶

Below, I examine various countries that face significant child labor concerns within the fast fashion supply chain. Although these countries share the common issue of child labor, the underlying causes of this problem differ and are specific to each country's unique circumstances.

¹²⁵ Supra note 71 at 115.

¹²⁶ Ibid.

4.5.1 UZBEKISTAN

Uzbekistan, a country with a significant agro-industrial sector, relies heavily on cotton production as a major source of foreign currency. Cotton is a key export for Uzbekistan, making it the sixth largest producer and fourth largest exporter of cotton globally. The country contributes around 5 percent of the world's cotton fiber production, exporting approximately one million tons annually. These exports generate over \$1 billion in revenue, accounting for about 11 percent of the country's total export earnings according to official data. Additionally, a portion of the cotton produced is processed within Uzbekistan and exported as textile products. 127

Historical Background

For the past three decades, the government of Uzbekistan (GOU) has been moving millions of children aged 15 years or younger to work in cotton fields. This practice originated in the Soviet era when the Kremlin mandated Central Asian countries, including Uzbekistan, to be the main cotton producers for the USSR. Under President Islam Karimov's leadership, the GOU maintained strict control over the cotton industry, with the income benefiting high-ranking officials while cotton farmers lived in poverty. The GOU regulated cotton production by controlling land leases and determining crop quotas. Farmers who failed to meet the quotas risked losing their leases. The government set low prices for raw cotton, allowing it to profit from the industry. As a result, adult workers sought employment in neighboring countries where they could earn higher wages, leading to labor shortages. To address this, the GOU forced schoolchildren to replace adult workers in the fields.¹²⁸

The problem is widespread, as approximately 90 percent of Uzbek cotton is picked by hand, with child labor historically accounting for up to 76 percent of the harvest. Child laborers face harsh conditions, including long hours, low wages, pesticide-contaminated water, and physical abuse. The GOU manages this mistreatment systematically, enforcing quotas at every level of organization and coordinating actions without leaving a written record.¹²⁹

¹²⁷ Patricia Jurewicz, "Reducing Child Labor in Uzbekistan: Lessons Learned and Next Steps," U.C. Davis Journal of International Law & Policy 21, no. 2 (Spring 2015): 191-208

¹²⁸ Ibid.

¹²⁹ Ibid.

In 2012, cotton profits represented around 11.3% of Uzbekistan's hard currency earnings, and the industry generated substantial export revenue, reaching approximately \$1 billion in 2014/2015. Surprisingly, the Uzbek cotton harvests in 2012 and 2013 witnessed a significant reduction in the number of children aged seven to fourteen working in the fields. This trend continued in 2014, with most children under the age of fifteen staying in school. However, the government's response to minimize the use of young children involved forcing more adults and older children to harvest cotton. While forced labor remains prevalent in Uzbekistan, the absence of the most vulnerable victims from the cotton fields is a positive development. 130

The International Labor Organization (ILO) reported a substantial decrease in Uzbek child labor during the 2013 harvest, although there were concerns about the circumstances of the assessment. Uzbek government officials accompanied the investigators, excluding the International Organization of Employers and International Trade Union Confederation from participating in the observation process. There were also reports of children being coerced to lie about their ages. 131

Change and Its Cause

The change in the practices of the Uzbek government (GOU) regarding forced child labor in the cotton industry was not triggered by a single incident but rather through years of coordinated efforts by multiple stakeholders. Strategies employed included publishing investigative reports, media coverage, exerting pressure from human rights groups, corporations, cotton traders, governments, and the International Labor Organization (ILO), as well as threatening a global boycott of Uzbek cotton exports. 132

The successful elimination of child labor in the cotton fields of Uzbekistan offers valuable lessons on how to bring about change in the face of a ruthless and authoritarian regime. These lessons can be replicated in other regions dealing with child labor in various commodity harvests. The key strategies include:

¹³⁰ Ibid.

¹³¹ Cotton campaign, Review of the 2013 Cotton Harvest in Uzbekistan: State Forced-Labour System Continues. (2013) PP-19. English summary: Throughout the country, students were required to sign letters stating their agreement to pick cotton, 'to fulfill my duty to my country, my nation and my family,' and acknowledgement to accept punishment if they fail to fulfill this "duty." A high-school staff person confirmed the use of these letters and stated that punishment for not fulfilling the order is necessary to ensure the students pick cotton, as they have each year. ¹³² Supra note 127.

- 1- Employing multiple strategies: The issue of forced child labor in Uzbekistan was tackled from various angles. Academics conducted research, stakeholders focused on economic leverage, political pressure was exerted through governments and international organizations, and media was utilized to raise awareness and criticize the government's practices. Employing multiple strategies simultaneously created a unified and impactful campaign.
- 2- Engaging stakeholders: Collaboration among different stakeholders, including human rights groups, corporations, investors, governments, and international organizations like the ILO, was crucial. Each stakeholder played a role in exerting pressure and advocating for change, creating a collective force against the abusive practices.
- 3- Leveraging economic influence: Economic leverage was used to influence change, targeting investors, apparel brands, cotton traders, and financial institutions. By urging these entities to adopt policies and procedures that avoid using commodities produced through forced child labor, the campaign exerted pressure and threatened the economic interests of the government.
- 4- Political pressure and advocacy: Engaging with governments, particularly those with influence over the targeted region, can be effective. Lobbying and advocacy efforts at the national and international levels helped raise the issue on political agendas and prompted action.
- 5- Media exposure and public awareness: Media played a crucial role in exposing the abuses and educating the public, particularly western consumers. Media coverage helped generate public outrage and scrutiny, which further pressured the government to address the issue.

These strategies can be adapted and applied in other regions facing similar challenges to combat child labor in different commodity harvests. ¹³³

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¹³³ Ibid.

4.5.2 INDIA

India is another state grappling with the widespread issue of child labor. Despite the existence of various welfare programs for children, a significant portion of the child population continues to engage in labor under deplorable and unfavorable conditions, both in rural and urban areas. S. P. Singh (1991) emphasizes that the primary obstacles to eradicating child labor in India are poverty, unemployment, illiteracy, and the growing population. 134

Children in India are exposed to the most severe forms of child labor, which include engaging in garment production, stone quarrying, and brickmaking. Additionally, they are involved in hazardous tasks related to thread and yarn production. During the COVID-19 pandemic, there was an increase in child trafficking in India, as more children entered the labor market. Traffickers arranged buses, specifically from states like Andhra Pradesh, Rajasthan, and Karnataka, to transport migrant laborers, including children, from Bihar. To avoid suspicion, traffickers often convinced parents to accompany their children to the destination. NGOs intervened in various operations and discovered many children carrying false identification cards to appear of legal working age. Media reports highlighted an increase in railway and transit police patrolling at transportation hubs to prevent and apprehend both perpetrators and victims of human trafficking, particularly children. In Tamil Nadu, a significant hub for garment factories, 35 children were rescued from a spinning mill during the reporting period. Research indicates that one child rights NGO reported rescuing 1,675 children between April and November 2020. 135

Children in India are victims of trafficking for the purposes of commercial sexual exploitation and forced labor in domestic service. The majority of labor trafficking occurs within the country, with Bihar, Jharkhand, Chhattisgarh, and Odisha identified as significant sources of child trafficking. Children from rural areas of India either migrate to urban centers or are trafficked for employment in industries like spinning mills and cottonseed production, where they endure hazardous working conditions and receive little or no remuneration. Moreover, children are subjected to bonded labor in brick kilns and stone quarries as a means to repay family debts owed to moneylenders and employers. Typically, entire families enter into debt bondage, and trafficked children are compelled

¹³⁴ Dr. Kiran Mor, Dr. Sulekha, Er. Sumati, Ms. Seema, Ms. Garima Saini. 2021. "Key Integrants of Child Labor in India: An Exploratory Inquiry". Annals of the Romanian Society for Cell Biology 25 (6):4830-43. https://annalsofrscb.ro/index.php/journal/article/view/6340.

¹³⁵ Findings on the Worst Forms of Child Labor: India. (2020)

to work in cotton farms, home-based embroidery businesses, roadside restaurants, and brick kilns. 136

As a result of the pandemic, the closure of schools in India extended from March 2020 to December 2020, leading to the adoption of online classes. Studies have shown that children from economically disadvantaged families and those residing in certain rural areas faced challenges attending these classes due to limited internet access or the unavailability of suitable devices. In an effort to tackle this issue, the government took steps to distribute devices and utilized community radio stations, as well as government-owned television and radio channels, to broadcast educational content. However, research indicates a rise in child labor and child trafficking within India during the reporting period due to economic downturns associated with the pandemic, resulting in children abandoning their education to engage in hazardous occupations.¹³⁷

To address these challenges, it is necessary for the government and the public to take comprehensive actions at both the societal and individual levels. The key to liberating child laborers from exploitative practices lies in providing them with basic education and knowledge. a comprehensive approach is crucial to combat child labor, involving improvements in the quality of education, adult wages, economic growth, and poverty reduction. ¹³⁸

¹³⁶ Ibid.

¹³⁷ Ibid.

¹³⁸ Supra note 134.

4.5.3 BANGLADESH

Like other developing countries, child labor is also widespread in Bangladesh. In Bangladesh, child labor is prevalent, with approximately 4.7 million children under the age of 14, accounting for 12.6% of the workforce. The majority of child laborers, around 83%, are found in rural areas, while the remaining 17% work in urban areas (according to the Bangladesh Bureau of Statistics in 2005). 139

While the 2010 National Education Policy aimed to extend compulsory education from the fifth grade (age 10) to the eighth grade (age 14), the implementation of the new compulsory education system is not feasible until corresponding changes are made to the legal framework to align with the revised policy. Additionally, research indicates that many schools in Bangladesh are overcrowded, with over 80% of them operating in double shifts. Moreover, the Teacher Training Institute is struggling to meet the demand for teachers, especially in rural areas. Bangladesh currently has 57 Primary Teacher Training Institutes, each of which is expected to enroll 200 prospective teachers to cater to the increased age requirement for compulsory education. Nonetheless, there is an alarming ratio of only seven instructors tasked with training more than 400 teachers simultaneously. Additionally, to accommodate the growing number of students enrolled in compulsory education, Bangladesh is constructing new schools for students in higher grades. However, in 2021, the limited availability of education due to the pandemic continued to affect children in Bangladesh. The closure of schools as a result of new COVID-19 variants increased the risk of children dropping out of school and engaging in child labor. Many children joined the workforce, both in formal and informal sectors, to support their struggling families during the pandemic, making it unlikely for them to return to their studies. Despite the provision of televised and online classes for students in grades 1 to 10, the distance learning program failed to adequately reach the most vulnerable children. Reports revealed that 53 percent of children whose parents work in the garment sector did not have access to any online classes, and many children chose to engage in limited work instead of returning to school. Furthermore, apart from pandemic-related school closures, children in Bangladesh encounter various obstacles to

¹³⁹ Jakowan, Syeda Helmi Afrah. Causes of Child Labor in Bangladesh: A Case Study in the City of Dhaka. United International University. (2019)

education, including the high costs associated with transportation, uniforms, and stationary supplies. It has been reported that during the fiscal year 2020-2021, approximately 367,000 eligible children did not enroll in school for the academic period. Moreover, research indicates that around 2.5 million school-age children remain excluded from formal education, with a primary education dropout rate of approximately 18 percent, which exceeds the dropout rate for secondary education. ¹⁴⁰

Based on a research study examining the causes of child labor in Dhaka, Bangladesh, it can be deduced that children are compelled to engage in work at a young age due to several factors. These factors include parents' hesitance stemming from the financial burden of education, lack of awareness within families about the significance of education, employers' resistance to labor laws, and the unequal distribution of income.¹⁴¹

The recommended approach for Bangladesh should prioritize social programs aimed at addressing the barriers to education and promoting accessibility for all children. These programs should focus on eliminating obstacles to school attendance, such as enhancing the capacity of the Teacher Training Institute, establishing a well-functioning distance learning system, and reducing the financial burden of transportation and school supplies. Efforts should also be made to expand programs that target the extent of child labor, including the development and implementation of initiatives addressing child labor in informal industries such as garments, leather, and fish drying. Additionally, it is crucial to ensure that the Child Help Line and other reporting hotlines collect and report data on child labor complaints. This doesn't mean that Policies, legal framework and enforcement are disregarded, rather social programs and projects should be stressed. This does not imply that policies, legal frameworks, and enforcement are being neglected, but rather the emphasis should be on social programs and projects.

¹⁴⁰ Findings on the worst Forms of Child Labor: Bangladesh (2021)

¹⁴¹ Sunra note 139

¹⁴² Findings on the worst Forms of Child Labor: Bangladesh (2021)

4.6 ROLE OF INTERNATIONAL ORGANIZATIONS

Having explored the actions that can be taken to combat child labor in fast fashion supply chains, in this section I will examine the role of international organizations in contributing to the effectiveness of this battle.

4.6.1 WORLD BANK

A- LENDING INITIATIVES

The mandate of the World Bank is to promote long-term economic development and poverty reduction by providing technical and financial support to help countries implement reforms or projects, such as building schools, providing water and electricity, fighting disease, and protecting the environment. Lending programs can play a significant role in effectively reducing the incidence of harmful child labor when such programs target countries with high prevalence of child labor. This approach is especially important in countries where the aim of achieving universal primary education may take a long time. The strategy of redirecting lending programs entails rethinking traditional lending activities and introducing new projects or project components that are specifically designed to tackle the root causes of harmful child labor. Let's and proverty reduction of the project components that are specifically designed to tackle the root causes of harmful child labor.

Child labor issues are receiving increased attention in conventional lending activities. For instance, educational projects are introducing measures such as school flexibility, such as implementing a third night shift in Peruvian schools or varying school hours in agricultural areas during different seasons, to prevent children from missing out on education due to their work demands. These measures not only increase school enrollment but also reduce child labor by enabling children to remain connected to school and preventing them from dropping out and becoming underutilized members of the labor force. In India, Integrated Child Development Projects are enhancing preschool education to increase the likelihood of children continuing in school, while follow-up women and child development projects are being expanded to include initiatives to address child labor. ¹⁴⁵

¹⁴³ International Monetary Fund. 2022. "The IMF and the World Bank." IMF. 2022. https://www.imf.org/en/About/Factsheets/Sheets/2022/IMF-World-Bank-New.

¹⁴⁴ *Supra* note 23 at 13.

¹⁴⁵ Ibid.

B- NONLENDING ACTIVITIES

The World Bank is committed to addressing child labor not only in its lending activities but also in its nonlending activities, especially in countries where child labor is a significant problem, either in terms of the total labor supply or as a proportion of the child population. The Bank should focus more on child labor issues in its dialogue with governments, raising awareness among government officials and politicians, and other stakeholders regarding the dangers of employing children in hazardous or abusive work. This is critical because the success of interventions depends on a social alliance against harmful child labor. ¹⁴⁶

In order for programs that aim to improve the well-being of working children to be successful, it is necessary to have accurate information about the extent, nature, and impact of child labor, as well as the needs, limitations, and opportunities of the target group (both the children themselves and their families). This information can sometimes be gathered informally, such as by having teachers report absences. The World Bank can assist countries in developing and improving their information systems on child labor. Additionally, the Bank can offer support in conducting Economic and Sector Work (ESW) and promoting research to identify ways to reduce the harmful effects of child labor. There is a significant need for rigorous analysis in this area, and the Bank is well positioned to make a valuable contribution. ¹⁴⁷

Collaboration with organizations such as the ILO, UNICEF, and knowledgeable NGOs could expand the Bank's work in this field. The Bank can improve its efforts to combat child labor by partnering with other international organizations such as the ILO and UNICEF. This would expand the Bank's knowledge and increase public exposure. The Bank is already exploring possibilities for cooperation with the ILO on harmful child labor and labor standards. Opportunities also exist to work with other organizations and NGOs such as Forgotten Children. Such partnerships can provide informal feedback on child labor practices in general and help identify potential issues in Bank-financed projects. Raising awareness and sensitivity of Bank staff will be crucial, achieved through seminars, workshops, and symposiums. This will help stimulate discussion on approaches that the Bank could take and raise awareness. 148

¹⁴⁶ Ibid at 14.

¹⁴⁷ Ibid at 13.

¹⁴⁸ Ibid at 14.

4.6.2 ILO AND WTO

Scholars suggest an enforcement system to be established by the ILO and WTO based on the core principles such as human rights, democratic participation, interaction of different layers, effective dispute resolution including private actors and substantial coherence between both the trade and the human rights regime. It would complement national domestic legal frameworks and consist of child labor standards that, in certain situations such as export-related child labor, could be subject to a dispute settlement process that would result in trade measures being taken as a last resort. Along with the intergovernmental dispute settlement system, there should be a private complaints mechanism where NGOs could file complaints on behalf of children against companies and governments, similar to the procedures under the OECD Guidelines' National Contact Points and the North American Agreement on Labor Cooperation's public communication procedure. Complaints against governments could result in dispute resolution that ends with trade measures. Panels would be made up of ILO experts and decisions would be based on UN and ILO jurisprudence. 149

The proposed structure for addressing child labor issues in the context of international trade should include a council of trade and child labor ministers and a parliamentary assembly to promote democratic participation at the global level. The council would be responsible for making decisions, and experts from civil society and companies should have a consultative role. The parliamentary assembly would meet once a year and also have decision-making power. The primary tasks of these bodies would be to monitor and review policies related to child labor, and to develop child labor programs in partnership with the ILO. Another important area of focus should be to establish trade incentives that reward countries for implementing national child labor programs. ¹⁵⁰

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¹⁴⁹ Humbert, F. (2018). The WTO and Child Labor: Implications for the Debate on International Constitutionalism. In: Gött, H. (eds) Labor Standards in International Economic Law. Springer, Cham. https://doi.org/10.1007/978-3-319-69447-4 6

¹⁵⁰ Ibid

CHAPTER FIVE

CONCLUSION

In conclusion, the fight against child labor within fast fashion supply chains is a multifaceted and critical endeavor that requires immediate attention and concerted action. This research has shed light on various aspects related to child labor in the Fast Fashion supply chains. It begins with the different arguments in defining child labor considering cultural and religious beliefs then addresses the international standards, globalization's impact, complexities of global supply chains in fast fashion industry. It finally seeks to find potential solutions to combat this pervasive issue.

It is evident that child labor is deeply rooted in historical and socio-economic factors, often fueled by poverty, demand for cheap labor, lack of regulations, and insufficient transparency. The fast fashion industry, with its complex supply chains, has become a significant contributor to the prevalence of child labor in countries like Bangladesh, Vietnam, Turkey, and India which are among the leading exporting countries of clothing.

To effectively address child labor, a comprehensive approach is necessary. Eliminating child labor is not solely the responsibility of one entity; instead, it is a collective duty shared by the international community, governments, corporations, and individuals, including consumers. The measures encompass reinforcing the current frameworks of international human rights laws, promoting the use of economic sanctions by countries as incentives or penalties for their trade partners, organizing boycotts to damage companies that employ child labor, implementing domestic measures to prosecute cases of child labor. decreasing poverty, providing education to children, offering support services for working children, increasing public awareness, implementing laws and regulations, and using international measures to eliminate abusive child labor. These strategies are not necessarily independent of each other and can be used together to reduce child labor.

Suggesting a single solution to eradicate child labor is akin to treating the issue as if it has only one correct answer, which oversimplifies the problem. Consequently, a range of alternative approaches should be considered and implemented to address the multiple facets of the problem and find workable solutions. In order to effectively combat child labor, individuals and organizations must devise methods that are suitable for the specific cultural and contextual

conditions of the targeted scenario. This requires area-based approaches addressing factors driving child labor in a given geographic area. The role of international organizations, such as the World Bank, International Labor Organization (ILO), and World Trade Organization (WTO), is instrumental in facilitating collaboration, providing resources, and advocating for policies that prioritize the elimination of child labor.

This paper examined the issue of child labor in three countries (Uzbekistan, India, and Bangladesh) that share a common challenge, albeit with distinct underlying causes specific to each nation's unique circumstances. In Uzbekistan, the prevalence of child labor stemmed from the strict control exerted by the government over the cotton industry, which compelled schoolchildren to work in cotton fields. In contrast, India faced child labor as a result of factors such as poverty, unemployment, illiteracy, and the burden of a rapidly growing population. Meanwhile, in Bangladesh, child labor was primarily driven by parents' reluctance due to the financial strain of education, insufficient awareness within families regarding the importance of education, employers' resistance to labor laws, and the unequal distribution of income. Therefore, tailored strategies for specific countries, taking into account their unique contexts and challenges, should be developed for efficiency.

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SUMMARY

Chapter One

This chapter provides an analysis of child labor, focusing on its historical background, definition, religious and cultural influences, and its connection to the fast fashion industry.

Child labor has been a prevalent practice throughout history, particularly during the Industrial Revolution when children were employed in factories and mines. Working conditions were often hazardous, and children were exploited due to their lower wages and lack of unionization. While the prevalence of child labor has decreased with education, economic development, and labor regulations, it remains a problem in various regions of the world.

Child labor is a complex issue influenced by social, economic, and cultural factors. It can have negative effects on children's development and well-being, including abuse and exploitation. Poverty is a major cause of child labor, but other factors like education, social roles, economic greed, and cultural beliefs also contribute to its persistence. Child labor exists in both poor and wealthy countries.

Religious and cultural beliefs play a significant role in promoting or perpetuating child labor practices. Some religions emphasize the value of hard work from an early age, while cultural traditions may view work as character-building for children. These beliefs can lead to the exploitation of children, particularly girls who may be pressured into domestic labor or early marriage. Different cultures have varying criteria for determining childhood, and Western perspectives on childhood may not align with other cultural views.

International agreements, such as the United Nations Convention on the Rights of the Child and International Labor Organization conventions, provide guidance on defining child labor. However, there is still ongoing debate and cultural perspectives that shape definitions. Child labor encompasses various forms of exploitative work, including hazardous conditions, bonded labor, commercial sexual exploitation, and involvement in illicit activities.

The rise of fast fashion has transformed the clothing industry, with consumers' impulsive purchasing behavior driving the demand for new clothing. Fast fashion emphasizes speed and trends over sustainability, leading to unsustainable production methods. While there is growing awareness of ethical clothing options, challenges remain in terms of availability and cost. The fast

fashion industry is associated with child labor and poses sustainability issues in the supply chains, particularly in cotton production.

This chapter highlights the historical context, definition challenges, cultural influences, and the connection between child labor and the fast fashion industry. It provides a comprehensive overview of the multifaceted issue of child labor and its complex dynamics in various contexts.

Chapter two

This chapter focuses on the relationship between free trade, international standards, and child labor. It begins by discussing international instruments designed to combat child labor and promote cooperation, such as conventions from the International Labor Organization (ILO) and the United Nations (UN). The chapter highlights the importance of these conventions in prohibiting child labor and protecting children's rights.

The chapter then explores the history of globalization and trade openness, emphasizing their impact on global economic systems. It examines significant free trade agreements like the European Union, Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), United States-Mexico-Canada Agreement (USMCA), and ASEAN Free Trade Area (AFTA), and how these agreements address child labor.

The concept of global value chains is also discussed, examining how they can either perpetuate or alleviate child labor. The chapter analyzes various models to understand the effects of trade openness on child labor, including the impact on parental preferences and financial constraints, the substitution between child and adult labor, shifts in labor demand, and the role of skilled and unskilled labor.

Overall, the chapter aims to shed light on the complex relationship between trade and child labor, highlighting the international efforts to combat child labor and the role of free trade agreements in addressing this issue.

Chapter Three

This chapter discusses the complexities of global supply chains in the fast fashion industry and the causes of child labor within this industry. It also explores supply chain management in fast fashion

and examines the prevalence of child labor in leading exporting countries of clothing. Here is a summary of the main points covered:

- ❖ The fast fashion industry is driven by consumer demand for quick access to the latest fashion trends. Retailers are under pressure to meet this demand, leading to shorter lead times and challenges in forecasting and planning for future trends.
- ❖ Fast fashion is characterized by its short lifespan, wide range of trendy styles, low cost, and disposability. It has transformed the market structure and supply chain operations in the fashion industry.
- Child labor is prevalent in the fast fashion industry, particularly in impoverished countries where it is cheap and easily available. Employing children reduces production costs and allows companies to offer products at lower prices, staying competitive in the market.
- ❖ Poverty is a major factor that drives the supply of child labor, as families often rely on children to supplement their income. Lack of access to education, limited employment opportunities, and cultural attitudes towards work contribute to the perpetuation of child labor and poverty.
- Unauthorized subcontracting, lack of transparency, and inadequate regulations and enforcement contribute to the prevalence of child labor in the fast fashion industry. Subcontracted factories often operate in the informal sector and evade labor regulations, exposing workers to poor conditions.
- Supply chain management in the fast fashion industry requires flexibility, agility, cost-effectiveness, and responsiveness. Collaboration among supply chain members and the ability to adapt to market demands are crucial for success.
- ❖ Bangladesh, India, and Vietnam are among the leading exporters of clothing and have been linked to child labor in the fast fashion industry. Despite efforts to address the issue, child labor remains a significant challenge in these countries due to poverty and other socioeconomic factors.
- ❖ Bangladesh, in particular, is a major exporter of garments and has a high prevalence of child labor. The ready-made garment industry plays a crucial role in the country's economy, but workers are paid the lowest wages in the global garment industry.
- ❖ The prevalence of child labor in the fast fashion industry in Bangladesh highlights the need for effective solutions and enforcement mechanisms to combat this issue.

Overall, this chapter sheds light on the complexities of global supply chains in fast fashion, the causes of child labor, and the importance of supply chain management and collaboration in this industry. It emphasizes the need for addressing socio-economic factors and implementing effective regulations to protect the rights of workers, particularly children.

Chapter Four

In this chapter, the focus is on the supply side of child labor and exploring the root causes of child labor. The chapter emphasizes poverty as the primary factor influencing child labor. When families live below the poverty line, parents may view their children as a source of income and enlist them to work instead of sending them to school. Poverty pushes families to prioritize immediate income over investing in their children's education. The chapter also discusses the educational cost as a significant issue for impoverished households. While the availability of schools in developing countries may increase enrollment, it may not necessarily reduce child labor. The cost associated with education, such as school fees, uniforms, and other expenses, makes it challenging for poor families to send their children to school. As a result, children either combine work with education or drop out of school entirely.

Other complications contributing to child labor include the voluntary nature of child labor, where some children and families believe that working provides them with more practical skills than formal education. Social and cultural values also play a role, as children from lower-status castes in India may not receive education due to societal justifications. Moreover, the decision-making process involves various family members, and in some cases, children may choose to work themselves or leave home to escape mistreatment.

The chapter then delves into different approaches to eradicating child labor. One perspective advocates for the retention of protected child labor, suggesting that in poverty-stricken areas, working may be necessary for survival, and it can provide children with work ethics and skills that can benefit them in the future. However, this view acknowledges the need for strict regulations to prevent exploitation. On the other hand, proponents of the elimination of child labor argue for an immediate ban or a gradual phase-out approach. Immediate abolishment is seen as advantageous for developing countries economically and socially, while a phased approach allows for addressing underlying causes before completely eliminating child labor.

The chapter then explores various strategies to combat child labor. Strategies to address child labor have been proposed by scholars and the international community. The responsibility of eliminating child labor lies with the international community, governments, corporations, and individuals. These strategies include reinforcing international human rights laws, using economic sanctions, organizing boycotts, implementing domestic measures, reducing poverty, providing education and support services, increasing public awareness, implementing laws and regulations, and using international measures to eliminate abusive child labor.

- The international community can strengthen and expand the current human rights law framework. However, the voluntary nature of agreements and the reluctance of nations to take action against each other limit the effectiveness of these measures. The International Labor Organization (ILO) has the power to establish standards and criticize industries but lacks the ability to enforce policies. Efforts to establish binding standards for transnational corporations have been unsuccessful, and recommendations without a binding code have been issued instead. Imposing sanctions and penalties through multilateral trade measures or unilateral actions has been suggested. However, multilateral trade sanctions face challenges, such as reducing a country's ability to comply and opposition from developing countries. Unilateral trade sanctions may conflict with World Trade Organization provisions, and their enforcement can be inconsistent and arbitrary.
- ❖ States have a role in combating child labor through domestic prosecution and the support of trade unions. Stricter prosecutions of child labor traffickers and strengthening criminal justice systems are proposed. Trade unions can advocate for children's rights to education and fair wages, reducing the need for child labor. Providing free education is another state responsibility, although it requires significant investment and infrastructure.
- Companies can address child labor by promoting transparency and accountability in their supply chains. Multistakeholder approaches, supply chain auditing, and ethical certification can help combat child labor. However, these efforts are sometimes seen as strategic and driven by reputational concerns. Civil society organizations' involvement is crucial to ensure the integrity of certification programs.
- ❖ Individuals, as consumers, can contribute by boycotting products made with child labor. However, boycotts may have unintended consequences, such as causing children to lose

their income and resort to more hazardous jobs. Boycotts alone may not address the underlying causes of child labor.

The effectiveness of these strategies is discussed, acknowledging their challenges and limitations. It is acknowledged that universal approaches, such as a global ban on child labor, may not be suitable due to specific contextual challenges in poverty-stricken countries. Therefore, it is important to develop and implement strategies appropriate for each unique context.

- ❖ The case of Uzbekistan is discussed, where child labor in the cotton industry has been prevalent. The government has historically forced schoolchildren to work in cotton fields, resulting in harsh conditions and mistreatment. Over time, coordinated efforts by multiple stakeholders, including research, economic leverage, political pressure, and media exposure, have contributed to a significant decrease in child labor in Uzbekistan's cotton fields.
- ❖ India is another country with a widespread issue of child labor, particularly in garment production, stone quarrying, and brickmaking. The COVID-19 pandemic has led to an increase in child trafficking and child labor as children entered the labor market. Poverty, unemployment, illiteracy, and a growing population are identified as primary obstacles to eradicating child labor in India. Comprehensive actions are necessary, including improving the quality of education, adult wages, economic growth, and poverty reduction.
- ❖ Bangladesh also faces a significant problem of child labor, with a large number of children engaged in work, especially in rural areas. The implementation of compulsory education faces challenges, such as overcrowded schools and a shortage of teachers. The COVID-19 pandemic has further exacerbated the situation, with school closures leading to more children entering the labor force. Social programs focusing on eliminating barriers to education and reducing child labor are recommended for Bangladesh.

The role of international organizations in combating child labor in fast fashion supply chains is also discussed in this chapter. Here is a summary of the key points regarding the role of two important organizations:

- 1- World Bank:
- ❖ Lending Initiatives: The World Bank supports long-term economic development and poverty reduction. Lending programs that target countries with high prevalence of child

- labor can effectively reduce its incidence. Projects can be designed specifically to address the root causes of child labor, such as building schools or implementing measures like school flexibility to prevent children from missing out on education due to work demands.
- Nonlending Activities: The World Bank is committed to addressing child labor in its nonlending activities. It raises awareness among government officials and stakeholders about the dangers of employing children in hazardous or abusive work. The Bank can assist countries in improving their information systems on child labor and conducting research to reduce its harmful effects. Collaboration with organizations like the ILO, UNICEF, and NGOs can enhance the Bank's efforts.
- 2- International Labor Organization (ILO) and World Trade Organization (WTO):
- ❖ Enforcement System: Scholars propose establishing an enforcement system by the ILO and WTO based on core principles of human rights and democratic participation. This system would complement national legal frameworks and include child labor standards subject to dispute settlement processes, which could result in trade measures as a last resort.
- ❖ Private Complaints Mechanism: Alongside the intergovernmental dispute settlement system, a private complaints mechanism would allow NGOs to file complaints on behalf of children against companies and governments. Complaints against governments could lead to dispute resolution and trade measures. Panels comprising ILO experts would make decisions based on UN and ILO jurisprudence.
- Council and Parliamentary Assembly: A council of trade and child labor ministers and a parliamentary assembly would be established to monitor policies, develop child labor programs in partnership with the ILO, and promote democratic participation at the global level. Trade incentives rewarding countries for implementing national child labor programs should also be considered.

These international organizations play crucial roles in addressing child labor, both through financial support, policy dialogue, raising awareness, and establishing mechanisms for enforcement and collaboration.

Overall, the chapter emphasizes that suggesting a single solution to eradicate child labor is akin to treating the issue as if it has only one correct answer, which oversimplifies the problem. Consequently, a range of alternative approaches should be considered and implemented to address

the multiple facets of the problem and find workable solutions. In order to effectively combat child labor, individuals and organizations must devise methods that are suitable for the specific cultural and contextual conditions of the targeted scenario. This requires area-based approaches addressing factors driving child labor in a given geographic area.

Chapter five is the final chapter that concludes the research, summarizing the key findings and emphasizing the urgency of collaborative efforts to address child enslavement in fast fashion supply chains.