

The Intersection of Corporate Social Responsibility and the Non-Profit Industrial Complex Exploitative Child Labor in Côte d'Ivoire's Chocolate Industry

Gabrielle Cole

This article examines the role of the chocolate industry in the exploitation of children on cocoa farms in Côte d'Ivoire. Under the guise of corporate social responsibility (CSR), the chocolate industry has used its power in the United States to shape policy and program-level initiatives to address the worst forms of child labor, while protecting its business interests and disregarding poverty as the root cause of the problem. The non-profit industrial complex (NPIC) limits the ability of international non-governmental organizations (INGOs) to effectively implement programs that address poverty. The increasing CSR funding to INGOs prevents them from holding the chocolate industry accountable. Further, this article discusses the unique contribution of the social work profession in creating the social and structural change required to mitigate the negative consequences of the relationship between CSR and the NPIC.

Corporate social responsibility (CSR) is often proclaimed as an important mechanism by which companies can help reduce poverty in the developing world (Dansereau, 2010). However, the continuing impact of colonialism and globalization on poverty reduction, as well as the power dynamics between the Western world and the developing world, are frequently ignored. International non-governmental organizations (INGOs) often provide services or implement programming in developing countries. They primarily receive their funds from Western governments, foundations, and/or individuals, as well as multilateral organizations, such as UN agencies and the World Bank. INGOs are plagued by the non-profit industrial complex (NPIC), which has curtailed their abilities to lead social change because of implicit and explicit restrictions on their funding streams from donors, corporate or otherwise. As a result, INGOs fail to adequately address the limitations of CSR initiatives, perpetuating global inequalities.

This article illustrates the role of the United-States based choc-

chocolate industry, including chocolate companies, chocolate manufacturers, industry associations, and cocoa traders, in the continued exploitation of children on cocoa farms in Côte d'Ivoire. First, this article uses the chocolate industry to examine the limitations of CSR, the significance of the NPIC in developing countries, and intersection of the two. Second, the article will address the unique role the social work profession can play in identifying sustainable solutions that address poverty, the heart of the problem.

The Exploitation of Children in the Production of Cocoa

In 2000, child labor in Côte d'Ivoire's cocoa farms entered public consciousness with a series of news reports on exploitative work conditions (Ryan, 2011). The US Department of State estimated that over 109,000 children work under the worst forms of child labor in Côte d'Ivoire's cocoa industry, and that approximately 10,000 are victims of slavery or human trafficking from neighbouring West African countries (International Labor Rights Forum [ILRF], 2008). These children endure long, demanding hours of work in unsafe conditions, use dangerous tools, and often are exposed to dangerous pesticides. Some children also suffer violence and cruel treatment at the hands of the farmers (ILRF, 2008). These conditions violate the International Labour Organization's Convention No. 182 on the elimination of the "worst forms of child labour." Adopted in 1999, the Convention's definition of the worst forms of child labor includes "all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, and forced or compulsory labour... [and] work which...is likely to harm the health, safety or morals of children" (American Federation of Teachers [AFT] & ILRF, 2010, p.2).

The Underlying Cause of Exploitative Child Labor

The causes of exploitative child labor are complex and must be examined in the context of global political and economic systems. In the past, agriculture in developing countries often was based on subsistence where farmers would grow food and livestock mainly for their own consumption; however, farmers now focus on cash crops, growing only specific crops for export. The shift from subsistence to cash crop agriculture contributes to the uneven effects of modernization and globalization,

which are linked to exploitative work conditions in the developing world (Bales, 1999). One important cash crop is cocoa, with 73% of global production based in Africa and 40% based in a single country, Côte d'Ivoire. Unlike other Western agribusinesses, 90% of global cocoa production comes from individually-run, small-scale farms (World Cocoa Foundation, 2012).

The root cause of exploitative child labor on cocoa farms is poverty (Off, 2008; Athreya, 2011). Cocoa farmers are poor because they receive very little money from the sale of their cocoa beans (Off, 2008). Often, they neither have access to current information on the world market price of cocoa nor have their own scales to weigh their products. Consequently, cocoa farmers bargaining power is very low and middlemen who sell to the international chocolate companies pay them well below the market price. With small revenues, small-scale farmers are forced to cut their expenses and use children as laborers to reduce their production costs, with no possibility of investing in better working conditions (Off, 2008; Athreya, 2011).

The Power of the Chocolate Industry in the United States

Every year, people around the world consume three million tons of cocoa beans (World Cocoa Foundation, 2013), and in 2011, global sales of chocolate surpassed \$100 billion for the first time. Cocoa is an important cash crop for producing countries and a key import for countries that process and consume cocoa (World Cocoa Foundation, 2012).

The US is also an important market for the chocolate industry and 47% of its cocoa imports come from Côte d'Ivoire (World Cocoa Foundation, 2011). In 2009, the US imported close to \$3 billion of cocoa and chocolate products (World Cocoa Foundation, 2012). Furthermore, for every dollar of cocoa it imports, one to two additional dollars are spent on other domestic agricultural inputs, such as sugar, milk, and peanuts. Close to 70,000 jobs are directly involved in manufacturing chocolate and confectionery products in the US, and this number triples when considering jobs related to the distribution and sale of these products (World Cocoa Foundation, 2011). The size and role of the chocolate industry in the US economy is the fundamental source of the industry's power in influencing US policy.

The Chocolate Industry Defends Its Interests

Activists in Western countries from the fair trade movement who were working in solidarity with local farmers spearheaded claims about the exploitative conditions of child labor in Côte d'Ivoire's cocoa production (Athreya, 2011). Public attention toward child labor, trafficking and slavery-like conditions on cocoa farms quickly spurred the chocolate industry to respond, to minimize decreases in sales (Ryan, 2011).

Media exposure also stimulated the introduction of an agricultural bill amendment in 2001 that would establish exploitation-free labeling requirements on chocolate sold in the US (Off, 2008). However, the chocolate industry's lobbying efforts secured the withdrawal of support for the amendment in exchange for signing a voluntary policy instrument known as the "Harkin-Engel Protocol" (ILRF, 2008). The Protocol was supposed to develop and implement a set of standards for public certification of exploitation-free production by 2005 (ILRF, 2008). The industry was successful in convincing both consumers and policymakers that it would handle the problem of exploitative child labor on its own, without government regulation (Athreya, 2011). The Protocol maintained the industry's strong position of power and allowed it to dominate the development of strategies in addressing exploitative child labor under the guise of CSR.

The Empty Promises of Corporate Social Responsibility

CSR is defined in many ways, but generally refers to the belief that companies have a responsibility for the impact of their business practices, including its supply chain, on both society and the environment (Blowfield & Frynas, 2005). CSR initiatives are voluntary, distinguishing them from other regulatory frameworks and hindering meaningful monitoring and evaluation (Blowfield & Frynas, 2005). Companies frequently turn to CSR because they hope to strengthen their reputations among consumers and increase their profits, or because they need to mitigate the negative impacts of their business practices to prevent a decline in profits (Hamann & Acutt, 2003).

Although CSR is touted by the World Bank as an important route to development for low-income, resource-rich countries (Dansereau, 2010), companies do not engage in CSR primarily to alleviate poverty in local communities. Usually when a conflict arises between

the goal of a CSR initiative and the bottom-line of business, the default response is clear: prioritize profits while protecting public relations (Hammann & Acutt, 2003).

In 2008, the ILRF released a report concluding that the Harkin-Engel Protocol “failed resoundingly” (ILRF, 2008, p.2). The report found that none of the activities implemented as a result of the Protocol attempted to monitor or improve labor conditions in cocoa production. Moreover, the report said that all the major chocolate companies, as well as industry associations and cocoa traders, consistently claimed that monitoring or tracking labor conditions was impossible (ILRF, 2008). The Harkin-Engel Protocol is, therefore, a poignant example of the empty promise of CSR. Proposing the Protocol in place of legislation was a sure way for the industry to maintain positive public relations while protecting its economic interests (Off, 2008).

In 2010, the “Declaration of Joint Action to Support the Implementation of the Harkin-Engel Protocol” was signed by the governments of Côte d’Ivoire and Ghana, the US Department of Labor, the International Chocolate and Cocoa Industry as well as US Representative Eliot Engel and US Senator Tom Harkin. It committed the signatories to take steps to reduce the worst forms of child labor in the production of cocoa by 70% before 2020 (Child Labor Cocoa Coordinating Group [CLCCG], 2013). However, the Framework of Action does not implicate or target cocoa farmers who are key stakeholders in the cocoa production process. Although the 2010 Declaration and its Framework of Action are signs of progress, the nine years that elapsed since the 2001 Protocol illustrate the chocolate industry’s disregard for local communities. Moreover, the chocolate industry’s protocols and frameworks are voluntary, allowing for little meaningful oversight or accountability. Further, American consumers, who according to CSR theory are meant to hold companies accountable, have little knowledge of the realities on the ground and are not positioned to advocate for the interests of the affected local communities.

The limitations of CSR are more complex in today’s globalized world. Strong stakeholder engagement and dialogue are often credited for the success of CSR initiatives (Blowfield & Frynas, 2005). However, stakeholder engagement is fundamentally flawed when those most impacted by a company’s business practices do not directly participate. In the context of the developing world, meaningful participation is complicated by language, education, and cultural differences. Often, local

workers' participation is 'ensured' through proxies such as INGOs, which are not in a position to legitimately represent the views and priorities of these local communities and marginalized groups (Blowfield & Frynas, 2005).

The Influence of the Chocolate Industry on Programming in Local Communities

With the chocolate industry's success in shaping the policy response and its powerful position over INGOs and local non-governmental organizations, it has also been able to shape programmatic responses on the ground. For example, the International Cocoa Initiative (ICI), established under the Harkin-Engel Protocol as a joint partnership between the industry and civil society, explicitly states in its by-laws that only one-third plus one members of the Board of Directors must be a representative of civil society (ICI, 2012). The Board makes all program strategy decisions (ICI, 2012) and ICI's funding comes from the chocolate industry representatives on the Board (ICI, 2010a). Thus, it is evident that the balance of power in this organization favors the chocolate industry, which is consequently able to ensure that its interests are reflected in programming.

The ICI's program activities do not address the root cause of exploitative child labor, but rather intervene on the secondary impacts of the problem. The ICI claims to reduce poverty by enhancing community access to healthcare improving water and sanitation, and teaching techniques to increase cocoa crop yields as well as other vocational skills (ICI, 2010a). None of these initiatives address the need for improved bargaining power and access to current information on the world market price of cocoa, which would have a more direct impact on the working and living conditions of those who produce cocoa. Furthermore, because increasing crop yields would lead to an increase in the supply of cocoa beans, potentially lowering the market price of cocoa beans and thereby decreasing the income of farmers, these CSR initiatives might negatively impact the affected communities.

The Non-Profit Industrial Complex

Although INGOs are mission-driven, the NPIC limits their ability to address the systemic root causes for sustainable and long-term

change. The NPIC is a system of relationships that link the political and financial resources of the state and the ruling class to the non-profit sector, thus limiting and controlling social and political movements for change. The NPIC enables the state and capital interests to use non-profits to “monitor and control social justice movements; ... redirect activist energies into career-based models of organizing instead of mass-based organizing capable of actually transforming society; and, allow corporations to mask their exploitative and colonial work practices through ‘philanthropic’ work” (Smith, 2007, p.3). INGOs are also increasingly dependent on public-private partnerships for funding (Athreya, 2011). Paired with the effects of the NPIC, INGOs are increasingly limited in their abilities to develop and implement programs that address the heart of the problem of exploitative child labor on cocoa farms—program strategies that may threaten the interests of the chocolate industry.

Furthermore, the NPIC tends to place blame on communities in developing countries for their “backwards” attitudes without examining the connections between extreme poverty and white supremacy, colonialism, and globalization (Smith, 2007). These implicit victim-blaming messages often come through in programming in local communities. For instance, there are programs funded by the chocolate industry that are designed to promote “better parenting,” based on the assumption that if parents and communities “knew better,” exploitative child labor would end (Athreya, 2011). These paternalistic and de-contextualizing interventions can have far-reaching, unintended, and negative consequences (Khan, Westwood, & Boje, 2010). The NPIC has meant that INGOs are complicit in the exploitation of children in cocoa production, and, at worst, are perpetuating racist stereotypes of ignorant African villagers (Athreya, 2011).

The Role of the Social Work Profession

The social work profession is uniquely positioned to play a key role in creating structural and social change. These changes are necessary to address the negative consequences of the connection between CSR and the NPIC. The anti-oppression and ecological frameworks used to analyze social issues are critical in understanding the interplay between colonialism, globalization, and poverty.

Oppression can be found throughout economic and political systems as well as cultural institutions and is experienced through exploita-

tion, marginalization, powerlessness, cultural dominance, and violence (Hinson & Bradley, 2006). In the case of Côte d'Ivoire, the worst forms of child labor found in cocoa production are symptoms of this oppression. The ecological framework uses a multi-level perspective to understand social issues. It examines individuals, communities, systems, and the interactions among them. The complexities of the causes of the worst forms of child labor require this sophisticated analysis. An anti-oppression lens paired with an ecological approach well-positions social workers to facilitate the identification and implementation of solutions.

Community organizing is another skill social workers use when working with communities to effect positive social change. Community organizing is critical to allow those most impacted by a problem to be the agents of change in their own lives. It is a tool used for building power in a community because the power of individuals depends on their abilities to organize together (Kahn, 1991). Social workers in Western countries do not have a monopoly on these skills, and in many ways, they should take lessons from mass-based social movements in developing countries (de Almeida, 2007). Nonetheless, community organizing principles are important to integrate into any social change process.

Recommendations

Both social and structural change is necessary to address exploitative child labor in Côte d'Ivoire. The people and government of Côte d'Ivoire must lead the process of structural change because only through enforced trade regulations will the chocolate industry be forced to reform its practices. Côte d'Ivoire should invest in the manufacturing process of cocoa in order to increase its value in the supply chain and become a more important player in the world cocoa market (Economic Commission for Africa, 2013). The US Government should implement a mandatory certification system for cocoa products because the evidence overwhelmingly shows that voluntary self-regulation is ineffective. This system should include a set of clear standards, an independent verification process, a certification logo, and an independent audit system (ILRF, 2008). INGOs need to re-examine their program strategies to ensure that they do not perpetuate the very systems against which they claim to work. Focusing on labor conditions addresses fundamental structural issues, like working and living conditions, that are key components of the production process of any industry and has more potential for meaningful

change (Dansereau, 2010).

Conclusion

The exploitation on the cocoa farms of Côte d'Ivoire and the flawed strategies employed to address it, illustrate the interconnection between CSR and the NPIC. CSR initiatives are becoming increasingly common among companies in the Western world. In turn, INGOs are becoming increasingly dependent on funding from these companies (Athreya, 2011). Therefore, it becomes more difficult to identify the competing interests and, in some cases, hidden agendas of these powerful, corporate stakeholders. The intersection of CSR and the NPIC creates an illusion of progress, while those who are most impacted by the exploitation continue to suffer the consequences of inaction. Western governments, activists, and INGOs need to act as true allies with the people they claim to serve, not speak or act on their behalves. The voices of Ivoirians should be heard at the negotiating table. The good intentions of Western countries are simply not good enough.

References

- American Federation of Teachers (AFT) & International Labor Rights Forum (ILRF) (2010). *United States policies to address child labour globally*. Retrieved from <http://www.laborrights.org/sites/default/files/publications-and-resources/Child%20Labor%20Briefing.pdf>
- Athreya, B. (2011). White man's 'burden' and the new colonialism in West African cocoa production. *Race/Ethnicity: Multi disciplinary Global Contexts*, 5(1), 51-59.
- Bales, K. (1999). *Disposable People: new slavery in the global economy*. Berkeley and Los Angeles, CA: University of California Press.
- Blowfield, M. & Frynas, J.G. (2005). Setting new agendas: Critical perspectives on corporate social responsibility in the developing world. *International Affairs*, 81 (3), 499-513.
- Child Labor Cocoa Coordinating Group (CLCCG) (2013). *2012 Annual Report*. Retrieved from <http://www.dol.gov/ilab/programs/ocft/cocoa/2012-CLCCG-Report.pdf>
- Dansereau, S. (2010). Comparing duelling approaches to the

- transformation of South African mining: Corporate social responsibility or labour restructuring? *Labour Capital and Society*, 43(1), 64-98.
- de Almeida, A. F. J. (2007). Radical social change: Searching for a new foundation. In INCITE! Women of Color Against Violence (Ed). *The revolution will not be funded: beyond the non-Profit industrial complex*, (pp. 185-195). Cambridge, Massachusetts: South End Press.
- Economic Commission for Africa (2013). Making the most of Africa's commodities: Industrializing for growth, jobs and economic transformation. *Economic Report on Africa 2013*. Retrieved from http://www.uneca.org/sites/default/files/publications/unera_report_eng_final_web.pdf
- Hamann, R. & Acutt, N. (2003). How should civil society (and the government) respond to 'corporate social responsibility'? A critique of business motivations and the potential for partnerships. *Development Southern Africa*, 20 (2), 254-270.
- Hinson, S. & Bradley, A. (2006). A structural analysis of oppression. *Grassroots Policy Project*, 1-5.
- International Labor Rights Forum (ILRF) (2008). *The cocoa protocol: success or failure?* Retrieved from <http://www.laborrights.org/sites/default/files/publications-and-resources/Cocoa%20Protocol%20Success%20or%20Failure%20June%202008.pdf>
- International Cocoa Initiative (2010a). *About the ICI Foundation*. Retrieved from http://www.cocoainitiative.org/images/stories/pdf/ICI_Leaflets_presentations/ICI_Information_Kit_-_April_2012_-_About_the_ICI_Foundation.pdf.
- International Cocoa Initiative (2010b). *What we do...Acting locally*. Retrieved from <http://www.cocoainitiative.org/en/what-we-do/acting-locally>.
- International Cocoa Initiative (2012). *By-laws of the international cocoa initiative*. Retrieved from http://www.cocoainitiative.org/images/stories/pdf/ICI_Charter_and_bye-laws/ICI-Bye-Laws.pdf
- Kahn, S. (1991). *Organizing: A guide for grassroots leaders*. Silver Spring, MD: National Association of Social Workers Press.
- Khan, F. R., Westwood, R. & Boje, D. M. (2010). 'I feel like

- a foreign agent': NGOs and corporate social responsibility interventions into Third World child labor. *Human Relations*, 63, 1417 – 1438. doi: 10.1177/0018726709359330.
- Off, C. (2008). *Bitter Chocolate: The dark side of the world's most seductive sweet*. New York, NY: New Press.
- Ryan, O. (2011). *Chocolate nations: living and dying for cocoa in West Africa*. London: Zed Books.
- Smith, A. (2007). Introduction: The revolution will not be funded. In INCITE! Women of Color Against Violence (Ed). *The revolution will not be funded: beyond the non-profit industrial complex*, (pp. 1-18). Cambridge, Massachusetts: South End Press.
- World Cocoa Foundation (2011). *economic profile of the US chocolate industry*. Retrieved from http://worldcocoafoundation.org/wp-content/uploads/Economic_Profile_of_the_US_Chocolate_Industry_2011.pdf
- World Cocoa Foundation (2012, March). *cocoa market update*. Retrieved from <http://worldcocoafoundation.org/wp-content/uploads/Cocoa-Market-Update-as-of-3.20.2012.pdf>
- World Cocoa Foundation (2013). *About cocoa: history of cocoa*. Retrieved from <http://worldcocoafoundation.org/about-cocoa/history-of-cocoa/>