



CRIN NEWSLETTER

Child Rights Information Network Number 17 / May 2003

Child Rights and the Private Sector

Photo: Darro Mitterer



Featuring

Profit and loss *Fiona King on big business, accountability and child rights*

Taking on the logos *Mark Erik Hecht on a fresh approach in the brave new world of the private sector*

Vital protection *Katja Hemmerich on States' responsibilities and privatised services*

The Child Rights Information Network (CRIN) is a membership-driven organisation and network of over 1,300 child rights organisations around the world. It strives to improve the lives of children through the exchange of information about child rights and the promotion of the United Nations Convention on the Rights of the Child.

CRIN Newsletter - a call for papers

The editorial team of the CRIN Newsletter would like to receive accounts of current projects, initiatives and latest developments from child rights practitioners working to support and promote the rights of children.

The editorial team is keen to capture diverse experiences and local stories from community-based programmes addressing child rights implementation to lobbying for child rights at international level. Through this, CRIN seeks to both empower the child rights community and accelerate the implementation of the UN Convention on the Rights of the Child.

Published since 1996, the CRIN Newsletter aims to present information about key thematic areas relevant to the child rights community worldwide. Specifically, it aims to share experiences, challenges and critical issues pertinent to those working in the field of child rights in addition to providing resource updates in terms of news, events and publications.

Strategically, CRIN aims to make information on child rights widely available and to encourage information-sharing between different parts of the world and different actors regarding the implementation of the UN Convention on the Rights of the Child.

Each issue of the CRIN Newsletter takes a thematic focus: for example, issue **13 *Macroeconomics*** (November 2000); issue **14 *Special Session on Children*** (June 2001); issue **15 *Mainstreaming Child Rights*** (March 2002), issue **16 *Children and Young People's Participation*** and issue **17 *Child Rights and the Private Sector*** (May 2003). It is produced three times a year, in English, French and Spanish. Distribution of each edition is over 5,500 paper copies plus approximately 15,000 in electronic (pdf) format.

Members' Edition: To further encourage information sharing from around the world, with a particular focus on organisations based in the South, CRIN is dedicating one edition each year to an examination of developments in child rights at local and national levels. The aim will be to present a range of articles reflecting specific concerns and the challenges of promoting and supporting child rights at these levels. This issue is entitled 'Voices from the Regions' [working title], the first of which will be produced in September 2003. Articles for this issue should be submitted to CRIN by 30 June 2003.

Articles for consideration should be written in English and should be between 650 and 850 words. Articles should be submitted by email or post to the editor, noting which issue the article relates to. The editor's decision is final. The editorial team reserves the right to edit and amend articles for publication in the CRIN Newsletter.

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Photo: Patemella Petrise



Editorial

Those working for children's rights have properly had quite a sceptical attitude towards the private sector in the past. Its record of upholding children's rights is, at best, very mixed. Consider, for example, its use of child labour and the way in which private sector activity has fuelled conflict over natural resources such as diamonds or oil. Then there is the damaging impact of some of its operations on children's physical environment, its marketing of unsafe or unhealthy products and its complicity in partnership with governments which have little respect for children's rights.

Of course, there is another side to the private sector which needs to be recognised. Many individuals as well as companies have a strong social conscience and want to play a part in building a fairer and more just society. Traditionally, the way they did this was through philanthropic initiatives of various sorts – building schools, giving money to children's charities or providing free services of various kinds to NGOs working with children. Initiatives such as those are still very common and on the whole are to be welcomed. The response of some sections of the South African business sector to the HIV/AIDS pandemic is an example of this.

However, in recent years much greater pressure has been put on companies to go beyond philanthropy and to accept that their responsibilities are wider than simply maximising profits. The idea of corporate social responsibility has gained more and more ground, among businesses themselves and also among governments, consumers and the general public. This means companies have to accept more responsibility for the social and environmental impact of their activities – for example, not adding to pressures creating conflict in a particular country or buying goods from suppliers that use child labour.

At the same time, questions are also being asked about the role of the private sector in upholding human rights. Is it only the state that must uphold human rights, or does the private sector have responsibilities too? The answer to this question has become increasingly urgent as the private sector has been given a greater role in development, for example in providing education and health services.

All these issues are addressed in this edition of the CRIN Newsletter. The attitude to the private sector is generally quite critical, but also constructive – setting out positive ways in which businesses could play a much stronger role in defending children's rights.

Fiona King's article takes an overview of the debates surrounding the role of large multinationals in promoting children's rights and how they have responded. Factfiles look at case studies of the pharmaceutical, arms and oil industries. Katja Hemmerich's description of the UN Committee on the Rights of the Child's discussion day on the role of the private sector in providing basic services captures the flavour of the debate and summarises the Committee's conclusions.

An article from Garrett Mehl looks at the role of private sector marketing strategies in exacerbating or tackling public health problems such as obesity and smoking. Another piece charts the success of the RUGMARK scheme in Nepal in reducing the use of child labour in carpet manufacture. Finally, Mark Erik Hecht considers how legal tactics could be used more effectively to force companies to give greater respect to children's rights.

Bill Bell

News round-up

UN Security Council gets tough on child soldier abusers

The UN Security Council has called on all parties to armed conflict who are recruiting or using children in violation of their international obligations to halt such practices immediately.

A new resolution*, which was unanimously adopted in January, underlines States' duty to prosecute those responsible for these crimes. The Council reiterated its commitment to tackling the widespread impact that conflict has on children, echoing the UN Secretary-General Kofi Annan's call for "an era of application", when international norms and standards protecting war-affected children are obeyed.

The move follows the Council's debate on the issue, to which the Secretary-General submitted a groundbreaking report which listed 23 parties to conflicts on the Council's agenda – including both governments and insurgents – that continue to recruit or use child soldiers. The report focused on situations in Afghanistan, Burundi, the Democratic Republic of Congo, Liberia and Somalia, but also highlighted other hot spots, not on the Council's agenda, where demobilisation and reintegration programmes for child combatants were underway.

The Council also called on the parties identified in that list to show evidence of how they have halted their recruitment or use of children in armed conflicts.

* Security Council Resolution 1460: <http://ods-dds-ny.un.org/doc/UNDOC/GEN/N03/231/16/PDF/N0323116.pdf?OpenElement>

Source: United Nations News Service

Overhaul for monitoring system

An overhaul is underway to streamline the procedures for the reports that states are obliged to submit describing their progress in putting the Convention of the Rights on the Child into practice.

The High Commissioner for Human Rights is now holding consultations and the views of the treaty bodies, States Parties, NGOs and others are being sought. Recommendations will be with the Secretary General by September.

The UN Secretary-General has called on the human rights treaty bodies to consider two measures: first, to craft a more coordinated approach to their activities and standardise their varied reporting requirements; and second, to consider allowing each State to produce a single report summarising its adherence to the full range of human rights treaties to which it is a party.

At present all governments that have ratified the UN CRC must deliver regular updates. NGOs have been

encouraged to take part in the monitoring so that the Committee has as wide a range of information possible when it considers their submissions. NGOs' views have played a key role in providing an alternative or supplementary perspective to the official submission.

The UN now hopes to make the monitoring process smoother and faster as part of its continuing modernisation of the treaty system – itself an essential part of improving the promotion and protection of human rights.

Source: OHCHR

Close watch needed on Iraq's children

Underfed Iraqi children will need close attention and treatment for a long time to come, warns Save the Children UK.

Post conflict, international attention on the country is likely to fade and funding to significantly reduce, it says. This will leave children highly vulnerable and prey to falling back into the trap of malnutrition and disease – a situation that could have a lasting impact on the nation as a whole, on top of damage caused by the recent conflict, including the destruction of hospital equipment, medical stocks and precious health records.

"Money for adequate food is important of course," said a Save the Children spokesperson "but even more so is the careful identification, monitoring and treatment of malnourished children over the coming years. The poorest families are hardest hit and they need to be protected by functioning systems so their immune system is not diminished or their learning abilities impaired for life."

Many of Iraq's young people have lived through three international conflicts in their short lives. In the 1980s hundreds of thousands died when the country fought with its neighbour Iran. In 1991 an international coalition expelled Iraq after it invaded Kuwait. The aftermath saw revenge taken by the government on the Kurds and Shias in the country with thousands more dying and becoming homeless. It took a month this spring for the regime to be toppled in a US-led operation.

In the 1970s Iraq had enjoyed a boom that produced quality education and free health care. This continued until sanctions were imposed following the first Gulf War in 1991, isolating the country and preventing the repair of damaged infrastructure such as water and electricity supplies. Child malnutrition rose by 160 per cent and by the end of the 1990s hundreds of thousands had died barely noticed by the outside world.

Both the Baghdad government and the international community were slow to react. In the late 1990s some health centres started charging although care was still free for the poor. The food ration improved and UNICEF started its community care units to monitor and treat underfed children and give advice about

polluted water – dehydration and diarrhoea were prime killers. This year before the start of the conflict malnutrition rates had been halved compared to their peak in 1996.

Source: Save the Children UK

Boost for HIV/AIDS agenda

In a move to highlight HIV/AIDS issues concerning children and promote greater understanding of the situation, the Committee on the Rights of the Child has adopted a General Comment. The Comment will also help children realise their rights in this regard, as well as identify measures and good practices which can help States speed up the implementation of those rights so that young people infected or affected by the pandemic are supported, cared for and protected. The drawing-up and publicising of child-oriented Plans of Action, including strategies, laws, policies and programmes at all levels to combat the spread and impact of HIV/AIDS, will also benefit from the Comment's support.

Source: Office of the High Commissioner for Human Rights, <http://www.unhchr.ch/html/menu2/6/crc>

US ratifies child soldier ban treaty

The United States can now take a lead in the struggle to end the use of child soldiers around the world following the ratification of the treaty banning child combatants.

This is the view of the monitoring organisation Human Rights Watch following the commitment made by the USA to the optional protocol to the Convention on the Rights of the Child which prohibits forced recruitment of under-18s and their direct participation in hostilities, although it allows countries to accept 16-year-old voluntary recruits with certain safeguards, including parental permission.

The United States initially opposed an 18-year minimum combat age – in the past it has sent 17-year-old troops into armed conflicts in Somalia, Bosnia and the Gulf. The Pentagon has now agreed to change deployment practices to comply with the protocol, by taking all feasible steps to ensure that 17-year-old soldiers do not directly engage in hostilities. Only a small number are still under 18 after completing their training.

Source: Human Rights Watch

Chance to speak out about indigenous children

The rights of indigenous children will be the theme at the next general discussion day of the Committee on the Rights of the Child. The all-day open meeting will take place at the Palais Wilson in Geneva, Switzerland, on 19 September 2003.

The discussion will focus on questions of non-discrimination and cultural specificity. The first working group will concentrate on the problems that discrimination of all kinds creates for indigenous children accessing services. The barriers that indigenous children meet when they come into contact with law enforcement officials or the justice system will also be covered. The second working group will look at the rights to identity and education.

NGOs are invited to submit written contributions, sent electronically in English, French or Spanish, on the themes mentioned above to the Office of the High Commissioner before 27 June. Documents may be submitted in English, French or Spanish.

Source: OHCHR and the NGO Group for the Convention on the Rights of the Child

An outline for the discussion on indigenous children can be read at www.unhchr.ch/html/menu2/6/crc/doc/discussion.htm

New face raises hopes for violence study

The UN Secretary-General has selected a Brazilian professor, Paulo Sérgio Pinheiro, as the independent expert to lead the UN Study on Violence Against Children. Currently acting as the Brazilian government's Secretary of State for Human Rights, Professor Pinheiro also serves as the UN Special Rapporteur on the Situation of Human Rights in Myanmar and is chair of the UN Subcommittee on the Promotion and Protection of Human Rights.

The Subgroup on Children and Violence of the NGO Group on the CRC stressed the importance that NGOs are putting on the study. Steps have already been taken to mobilise NGO participation and the Subgroup has already recommended that the study is rights based, built on the recommendations of the Committee on the Rights of the Child and fully involves both NGOs and children.

Source: The NGO Group, Subgroup on Children and Violence, contact: beckerj@hrw.org. Visit the website at: <http://www.crin.org/docs/resources/publications/NGOCRC/subgroup-violence.htm>

West Africa's action plan

The leaders of ECOWAS, the Economic Community of West African States, have called on members to adopt the action plan to help war-affected children put forward by Olara Otunnu, the Special Representative of the UN Secretary-General for Children and Armed Conflict.

At the end of their January summit in Dakar, Senegal, the West African leaders said they were particularly concerned about the violence to children carried out in the sub-region and declared their commitment to the Convention and the African Charter on the Rights and Welfare of the Child.

Source: Office of the Special Representative of the Secretary-General for Children and Armed Conflict, United Nations

Letters to the Editor

Welcome to the new letters page – a forum for readers to share their views, be critical and exchange experiences drawn from their own work as well as responding to pertinent issues raised in previous issues of the CRIN Newsletter.

This is your opportunity to:

- * say whether you found the *CRIN Newsletter* interesting
- * respond to previous articles relevant to your field of work
- * share your experiences of child rights work with other readers

We hope you will find the feedback in this issue thought-provoking and look forward to hearing from you in the future.

Propaganda issues must be looked at

Dear Editor

I read with interest the articles by Ravi Karkara and Claire O' Kane, as well as Roger Hart and Gerison Lansdown about Children and Young People's Participation, CRIN Newsletter 16, October 2002.

We are, indeed, happy that children have a chance to participate at workshops and other meetings. However, I am very surprised that none of the writers mentioned that children are still being used as propaganda by organisers of these events.

I mention one such event. Last year a child from Sierra Leone was used to speak for the Security Council. It is disgusting when children are used as parrots in front of the cameras only for one purpose: to show how concerned the organisation is for children. I hope that the writers also pay attention to these developments.

Bro. Jos van Dinther, Director, Catholic Action for Street Children, Accra, Ghana. Email: ficcas@ighmail.com

Let children speak for themselves

Dear Editor

I have just gone through your newsletter on children and young people's participation. It was a wonderful thing to learn about the proper definition of the word 'participation' and about

future challenges. The principal idea of child participation is a good one and should be encouraged. However, misconceptions remain that children cannot represent themselves and participate fully in decision-making.

For example, Zambian children participated in the second and third preparatory meetings for NGOs and CSOs for the Eastern and Southern Africa region. However, their participation was not what we expected because of barriers from adults.

In one case, children were just picked by adults, not elected by the children themselves. A barrier can also be seen among older NGOs and their members. Some executives seem to want to be at gatherings, but seem unable to implement what they have learned. International communities should scrutinise such tendencies.

In June 2003, the Child Health Trust Chililabombwe will launch the Community Child Rights Diversification project, starting with schools. The project aims to: educate all school-age children about their rights; strengthen children's participation in decision-making; develop key indicators and guidelines for collecting data on all children and create child-friendly learning institutions.

Mwaba Elimeleki, Wesley Chikwanda and Stephen Chilekwa at the Child Health Trust, Chililabombwe, Zambia. Email: Wesley.chishimba@kcm.co.zm

Newsletter's wide reach

Dear Editor

We write to acknowledge with thanks the receipt of the October 2002 CRIN Newsletter. The information contained therein is a valuable and useful addition for our organisation's field work and library. A large number of students, teachers, professors and members working in the field of child labour benefit from the CRIN Newsletter.

Mukesh Kumar Mishra, Krityanand UNESCO Club, Jamshedpur, India. Email: knunesco@yahoo.com

Letters to the Editor should respond to issues raised in the CRIN Newsletter and other relevant issues relating to child rights. They should be around 100 words in length. Please include your name, your organisation, town, country and email address. We are unable to acknowledge receipt of letters but will publish interesting feedback and comments. Published letters may be edited. Please send all letters (by post or email) to: The Editor, CRIN Newsletter – for address, see back cover.

Called to account – big business and children’s rights

Multinationals’ profits must not be children’s loss, argues Fiona King and Chloe Challender. An international framework of corporate accountability can help balance the books

The private sector is a major influence on child rights. One dominating part of the private sector is multinational companies. These enterprises wield enormous power, so what impact do they have on children’s rights?

It’s important to remember that the livelihoods of millions of children around the world are directly dependent on much smaller businesses, very often family-run operations such as smallholder farms or corner shops. However, these businesses are increasingly affected by much larger economic forces of global dimensions – and it is in this arena that multinational companies exert their influence.

For example, smallholder farmers exporting cocoa or coffee, face unpredictable commodity prices, tariffs on exports and uncertain relationships with buyers from a few multinational companies who are able to command the lowest price, by picking and choosing across a global market of producers and frequently offering little or no long term security of orders because “it may be cheaper in Chile/Vietnam next week or next year”. Reports of child labour, including children who have been trafficked across borders to work in west African cocoa farms, are not surprising, given that cocoa prices have declined by 30 per cent since 1990. While children in rural areas have traditionally worked in agriculture as part of the family unit, we know that as long as smallholders earn little for their cocoa harvest, and education opportunities are minimal, there is every likelihood that children will have to continue to work in cocoa production companies.

Multinational businesses continue to become increasingly influential both commercially and in the way they determine the kind of lives children lead. The five largest companies in the world – Exxon Mobil, Wal-mart stores, General Motors, Ford Motor and Daimler Chrysler (all American-owned) now have combined sales greater than the total incomes of the poorest 46 nations.ⁱ

In some ways, multinational companies are good news for children in developing countries. They can bring much-needed economic activity, revenue and employment, which governments can use to benefit their citizens. Business opportunities can also provide incentives for the resolution of conflicts, both for leaders and their people. Foreign Direct Investment (FDI) provides employment, frequently for young women, usually in the export industry.

These and other key benefits of FDI, such as cheaper consumer products, can have beneficial consequences for children in developing countries.

Rights failure

Most foreign investment in the poorest countries takes place in the natural resources sector, including oil and mining. Oil, gas and mining industries are important in over 50 developing countries where some 3.5 billion people live. Yet of these, 1.5 billion have to get by on less than two US dollars a day.

There is a distinct and paradoxical correlation between oil and child poverty, it may surprise some to learn. Oil, for instance, brings in a lot of money, and this investment comes to governments in the form of taxes, fees and other payments. These revenues should be used to fund basic services for children, but all too often the state and other institutions that manage these resources are unaccountable to the citizens of their country. So oil, in some cases, can actually contribute to increased child poverty. Nigeria and Angola, to name just two examples, have both seen decreased public expenditure on basic services for children over the last 25 years; this is reflected in a lower life expectancy at birth and lower literacy rates.ⁱⁱ Indeed, Angola has oil revenues thought to be worth around three billion US dollars a year and its population should be enjoying a standard of living similar to that of Belgium. Yet one third of Angolan children die before they are five. If extraction companies were to publish the revenues that they paid to governments (as they routinely do in the developed world), elites and investors could be held accountable for children’s rights.ⁱⁱⁱ

If we look beyond specific industries, there is the broader agenda promoted by the World Bank, which is to maximise foreign direct investment, liberalise trade regimes and promote access between international business and developing countries. This strategy will increase multinational business contact with, and influence, on poor children’s lives, particularly when enterprises also take on the role of provider of basic services.

In August 2001, in the Philippines capital Manila, the public water regulator was persuaded by private water providers (French and US companies partnered with Philippine owners) to raise water rates by over 50 per cent. In such circumstances

Photo: Abdul Majeed Goraya





poorer families risk not being able to pay the higher rates, which forces them to use untreated water sources instead, putting their children at serious risk of dysentery and other water-borne diseases. This raises key questions about the private sector and how its actions affect children's rights – especially those regarding equity of access (particularly for the poorest children), capacity of service systems as a whole, and the overall quality of service provided.

Such situations have led to growing calls for greater accountability and the regulation of the private sector. At the World Summit on Sustainable Development (August 2002) and the 2002 United Nations Committee on the Rights of the Child's general day of discussion (September 2002), the NGO community took the opportunity to push for greater accountability by business for children's rights.^{iv}

Due to this ongoing effort, companies are coming under increasingly strong pressure to be responsible not only to their shareholders, but to all stakeholders in society. Large companies are responding by signing up to voluntary codes, producing corporate social responsibility reports, and addressing vital issues such as community relations, workforce obligations and environmental concerns.

Responsibility

Evidence is now emerging that exclusive reliance on voluntary approaches will not bring about the changes required. A study by the International Labour Organization (ILO) of voluntary labour codes adopted by multinational companies has concluded that there is a tendency for them to be selective in the inclusion of core ILO standards. In particular, fewer than half of codes reviewed in the Organisation for Economic Co-operation and Development's inventory included a clause on child labour.^v Last year Save the Children UK surveyed 20 of the FTSE 100 companies and found that just over half of them had a policy on child labour and only four could share with us formally approved policies and guidance on what action is to be taken when child workers are identified.^{vi}

At stake is the question of where responsibility for child rights lies in today's globalised and interdependent world. Does responsibility rest purely at state level, as traditionally practised, or does it also lie with multinational companies?

A central principle underlying human rights treaties asserts that states are primarily responsible for ensuring rights are guaranteed to all. States are the ultimate guarantors of human rights and – in the case of the United Nations Convention on the Rights of the Child – children's rights.

One aspect of this is that states cannot, or do not seek to, circumscribe foreign direct investment for fear of losing it. Government agendas no longer prioritise children's rights in their control of national and economic development. FDI is generally seen as preferable to all other forms of foreign capital inflow, such as commercial borrowing. The World Trade Organization (WTO) investment liberalisation agreements promote a 'no strings attached' agenda for host governments on foreign investment.

FDI is promoted to developing countries by the developed world as the solution to underdevelopment. In a bid to attract such investment, governments keep minimum wages as low as possible, remove domestic tax requirements and in general make the context as inviting as possible for FDI. This may be at the expense of prioritising national economic development that safeguards children's rights – for example, ensuring that poor children have access to basic services.

The only way to keep a tight rein on children's rights is for the state's regulation of companies to be strengthened, an argument advanced by numerous NGOs. This is exemplified in the UK by the Corporate Responsibility (CORE) Coalition, which is supported by Amnesty International (UK), CAFOD, Christian Aid, Friends of the Earth, New Economics Foundation, Save the Children UK and Traidcraft. This group is seeking a change in UK company law to ensure that Company Directors of companies with a turnover of more than £5 million manage and report on the social, environmental and economic impacts of their companies in ways that protect children's rights.^{vii}

In addition, there already exist UN standards such as the ILO core labour conventions and the WHO International Code on Marketing of Breast-milk Substitutes, which should be applied by companies but as we have seen are not.

A key problem with regulation is that multinationals have many different activities and

spheres of influence, both inside and outside the company. They span many areas of jurisdiction, so deciding the appropriate manner and scale of regulation is a complex process. However, the draft UN Human Rights Principles and Responsibilities for Transnational Corporations and other Business Enterprises^{viii} offers a potential framework to overcome these difficulties.

These draft principles draw carefully on credible sets of standards, including existing UN conventions, charters, regional human rights instruments, certain ILO and OECD documents and more. They reassert the primary obligation of states to ensure respect for human rights, but also lay down clear guidelines to which the private sector must adhere. Many of these seek to ensure children's rights.

Framework consensus

Principle 6, for instance, demands that companies "respect the rights of children to be protected from economic exploitation as forbidden by the relevant international instruments and national legislation." The guidelines extend beyond compliance to the alleviation of underlying social problems, for example, by including comments that show a need for gradual adjustment of the workforce and the availability of education.

Consensus is emerging among NGOs that a binding international framework for corporate accountability that respects human rights and environmental standards is needed. This includes child rights. Many urge that this should be driven and monitored by the UN as the only truly global, democratic institution. NGO support is critically needed to build the political momentum in order to move the principles forward within the UN process. As part of this, the NGO community could begin monitoring and reporting on the impact of companies and the privatisation agenda on child rights within their work on NGO alternative reports to the UN Committee on the Rights of the Child.

In general, multinational business continues to support the opposing case: that regulation is unworkable, will stifle innovation and in the end reduce positive benefits for society. Instead, business tends to emphasise the role of partnerships with NGOs, governments and others in delivering sustainable development outcomes for

all, including children. In many ways, the private sector is right to strive for such partnerships. What is important is that such partnership initiatives complement national economic development and operate within a regulatory framework. Only then will the private sector deliver its full potential in contributing to the protection and promotion of child rights.

Fiona King is Private Sector Advisor at Save the Children UK. Chloe Challenger is Private Sector Researcher/Analyst at Save the Children UK.

- i Mark Townsend, "Who will save the world?" The Observer 18/8/02, p.17.
- ii Source of data: World Development Indicators 2000.
- iii See www.publishwhatyoupay.org for information on the Publish What You Pay Coalition of nearly 100 NGOs, backed by George Soros.
- iv Save the Children UK issued a report on the theme "The Private Sector as Service Provider and Its Role in Implementing Child Rights" for the general day of discussion held in Geneva on 20 September 2002. The report is available at <http://www.crin.org/resources/infoDetail.asp?ID=2962>.
- v R. Jenkins, Corporate Codes of Conduct: Self-regulation in a Global Economy. United Nations Research Institute for Social Development, Geneva, 2001.
- vi II Survey preceding production of "Business Benefits; how business can take positive action on education, child labour and HIV/AIDS" Save the Children and DFID, 2003
- vii Further information available at <http://www.foe.co.uk/campaigns/corporates/core/index.html>
- viii Available at <http://www1.umn.edu/humanrts/principlesW-outCommentary5final.html> or <http://www.business-humanrights.org/UN0-Draft-Principle.htm>



Photo: Tim Hetherington/Network Photographers

When marketing can make you sick

Product marketing is doing harm to young people's health, but the dilemma is how to stop the rot. Garrett Mehl reports on how the fight-back is shaping up



Photo: Dan White

More and more young people are jeopardising their health by smoking, drinking alcohol and consuming food that lacks nutrition. Indeed, the increase is so alarming the World Health Organization and public health agencies across the globe are making it a priority to find ways of combating these disturbing trends. But they face tough opposition in the form of sophisticated marketing techniques employed by powerful companies that know exactly how to appeal to young people at a very susceptible time in their lives.

Aware that consumption habits developed in childhood persist for decades, companies vie for what is called 'the early adoption age' target market. Getting customers on board when they are young fosters enduring brand loyalty. Tobacco and alcohol products are therefore made readily available and promoted in attractive ways to adolescents. Habits are established which threaten their health.

Food and drink marketing in this sector appeals to young people's preference for high fat, sugar and salt content, supplanting water and traditional nutrient-rich diets. If consumed in sufficient quantities or to the exclusion of more nutrient-rich alternatives, such diets can lead to poor nutrition, obesity and disease.

Tobacco use, poor nutrition, and alcohol use are among today's leading causes of death, disease and disability, comprising approximately 42 per cent of disease suffered by young people worldwide.

All young people have the right to be protected from policies and marketing practices that encourage them to behave in ways that make them less healthy.

Billions of dollars are spent annually on marketing, through direct and indirect advertising, strategic product design, and calculated promotions associating products and unhealthy behaviours with powerfully attractive images.

Foods and drink promoted to young people are commonly those which do not reflect recommended dietary guidelines. Nutrient-poor foods are presented as highly desirable, and health-related information about such products often gives a distorted impression to make them appear healthy. Marketing has, in effect, made healthy foods appear less attractive and therefore less likely to be chosen.

WHO recognises that young people are particularly vulnerable to marketing that can have unhealthy knock-on effects. The WHO's Director General, Dr Gro Harlem Brundtland, in a speech last year to the World Health Assembly, stated: "Marketing approaches matter for public health. They influence our own – and in particular our children's – patterns of behaviour. Given that they are designed to succeed, they have serious consequences for those at whom they are targeted."

The WHO is committed to better understanding the complex and fast-changing world of marketing, particularly in the way it affects behaviour and health – both in the short and long term. The organisation is currently reviewing the evidence in order to develop policies and programme recommendations.

Two scientific meetings recently convened by the WHO, and both involving young people, looked at the way marketing can promote good health as well as how it can undermine it. From the evidence that was presented, this appears to be an area of concern to those working on children's rights. The points of concern that emerged included:

- marketing to young people at an age when they are very susceptible and not experienced enough to evaluate the quality of the information they receive, where it originates from, and its true purpose
- providing inappropriate or insufficient information to young consumers and not declaring the full contents of a product or their possible effects omitting detailed information on the nutritional value of products
- providing so much marketing-influenced information to young consumers that they no longer have access to balanced information
- taking advantage of children's curiosity and trust in order to collect private information for marketing purposes
- linking unhealthy products with lifestyles to which young people aspire
- using promotional techniques aimed almost exclusively at the young to encourage the consumption of adult products.

When it comes to tobacco and alcohol there is little evidence that self-regulation by companies effectively protects young people from the marketing of these products. The UN CRC provides important guidance, detailing ways that young people might be better protected from the worst examples of this kind of marketing.

Article 17 recognises that young people are still vulnerable and require protection from misinformation and manipulation. It encourages the development of "appropriate guidelines for the protection of the child from information and material injurious to his or her wellbeing." Rights may be undermined by the absence of effective measures that could offer protection against misleading messages and strategies.

Article 13 affords the right to information from a variety of sources, and may oblige States to counter

industry misinformation by providing accurate and complete information to young people about the effects, healthy or otherwise, of the products they consume. While this could lead to full ingredient disclosure, it may also require that messages about the content of, and possible harm associated with, products be presented in a clear and suitable way.

At its most manipulative, product marketing ignores young people's right to appropriate information by exclusively presenting details supportive of particular products, downplaying or omitting important information critical to making an informed purchase decision. Many products appear to be failing to abide by the articles of the treaty.

Participants in the WHO meetings called for stronger protective measures to be introduced and gave their support for effective interventions, along with improved implementation of existing measures. Such measures would include legal protection from current child-targeted marketing, as well as proper warning labels, bona fide education and strong counter-advertising campaigns.

Related work includes: further exploration of marketing as it affects health; developing mechanisms for monitoring marketing; examining lessons from other fields; and strengthening the network of interested health related organisations on the ground.

Garrett Mehl, PhD, MHS, School Health and Youth Health Promotion, Non-Communicable Disease Prevention & Health Promotion, WHO.

For more information of the WHO's work in this area, visit: <http://www.who.int/school-youth-health>



Photo: Pieterella Pieterse

Factfile

Arms brokers: the new front in the child soldiers' battle

The numbers are almost too big to absorb: in the last decade alone more than two million children have been killed through conflicts, six million have been injured or displaced from their homes, and 12 million made homeless (figures from the UN).

Yet children are not only passive victims of gun violence: 38 per cent in conflict zones are thought to carry a gun. At any one time, at least 300,000 children under the age of 18 are actively fighting alongside adults in government forces, rebel opposition groups and guerrilla armies. In many cases, for example in Uganda, rebel groups are renowned for kidnapping children: boys as child soldiers, girls as sex slaves.

Child soldiers are not a new phenomenon, but the proliferation of small arms, which are light to carry and easy to use, has made children more vulnerable to being recruited to wage war. Any programme of action to end the use of child soldiers must address the issue of small arms and their flow, just as efforts to control small arms must address how and by whom these weapons are used.

Many arms transfers are organised by brokering agents – middlemen who organise arms transfers by bringing together private buyers, sellers, transporters, financiers and insurers to make a deal. These middlemen provide weapons to buyers, for example rebel forces, who would find it difficult to procure arms through more so-called traditional or orthodox means. Often the brokers do not reside in the country from which the weapons originate, nor do they live in the countries through which the weapons pass or for which they are destined.

This means that such arms brokers, and the private companies they use, are notoriously difficult to trace, monitor and control. Brokers are also adept at finding loopholes in banking operations, which allow them to launder the proceeds from their arms deals. Further encouragement comes from the ease with which companies can be established and dissolved in many countries, particularly those with offshore tax-haven banking facilities.

In the light of both the immediate and the lasting effects that arms proliferation has on children's lives, states have a responsibility to effectively control the flow of weapons. This is especially true in conflict zones and areas of regional instability. Curbing the irresponsible arms brokering activities of individuals or companies is a vital part of international efforts to build security and a more peaceful world, especially for children.

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Factfile compiled by Ana Urrutia-Enciso, Saferworld

States must protect rights as business builds a stake in services

Discussion day hammers out a clear line on children's rights as Katja Hemmerich reports

Services for children are changing – with the private sector becoming an increasingly important provider.

A measure of the extent to which governments are now looking to NGOs, faith groups and businesses in this regard can be seen in a move by the UN Committee on the Rights of the Child last autumn. It devoted its annual discussion day to the topic of the private sector as service provider and its role in implementing child rights.

A search through States Parties reports had led the committee to conclude that the private sector was increasingly being relied upon and it was time to examine the development in detail. It found that the private route was being adopted in a wide variety of areas, with, for example, governments counting on NGOs to provide alternative care, or contracting-out healthcare or detention services to private businesses.

The committee's scope of inquiry, defining the private sector as including any type of non-state agency and looking at all types of children's services created a discussion that was broad ranging and highly interesting.

Those attending the meeting provided excellent background papers, including case studies that covered education in South Asia, alternative care in Guatemala and child protection in South Africa. These briefings raised thought-provoking questions such as: Is it acceptable to involve the private sector in providing services now to increase their availability, even if that might jeopardise the accessibility of those services in the future? Is it possible to reconcile profit making with the idea of providing affordable and good-quality services to the poor? To what extent are national regulatory mechanisms constrained by international factors such as trade agreements?

The discussion was attended by a good selection of participants with child rights NGOs, for-profit and non-profit service providers, business foundations, the World Bank and various United Nations agencies. States Parties to the UNCRC were also well-represented, including several delegations from national ministries responsible for child protection. Sergio Vieira de Mello, the new High Commissioner for Human Rights, opened the proceedings.

Professor Paul Hunt, UN Special Rapporteur on the Right to Health, developed a framework for the



Photo: Dario Mitruderi

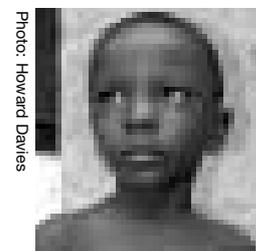


Photo: Howard Davies

discussion day by examining the issue of legal obligations on the State and private actors in the context of service provision. Drawing on his experience as a member of the UN Committee on Economic, Social and Cultural Rights, he explained how that committee had addressed the issues of health service provision and the role of service providers. Emphasising that international human rights law is neither for nor against privatisation, Professor Hunt outlined what the right to health actually means in practice. He then went on to describe how States must act to respect, protect and fulfil that right – namely by ensuring that services are available, accessible, acceptable and of good quality, no matter who provides them.

With these themes in mind, the participants split into two working groups to discuss how these legal obligations can be translated into good practice on the ground. The first group, moderated by John Hilary of Save the Children, focused on the responsibilities and actions of the State when it uses the private sector to provide services. Much of the discussion was concentrated on the issue of privatised services carried out by for-profit actors. At the same time, the group moderated by Agnès Callamard of the Humanitarian Accountability Project, addressed the topic from the service providers' perspective. Here much of the discussion centred on mechanisms for ensuring accountability among non-profit providers. The two working groups brought a variety of findings and points for discussion back to the final plenary session.

With input from such a variety of actors from different fields, it was clear that there are questions and concerns specific to each service sector. These also depend on whether an actor is working on a for-profit or not-for-profit basis. Several issues emerged that were common to all and which the Committee considered particularly relevant for the implementation of the UN Convention on the Rights of the Child. The main themes of the Committee's final recommendations centred around the legal obligations of the State, and the need to monitor and evaluate children's services.

Above all, the Committee stressed that irrespective of whether a public institution, NGO or business provides a service to children, the State still has the primary legal obligation to make sure every child's rights are respected, protected and fulfilled. This applies to privatisation schemes, where the State specifically contracts-out a service, as much as to situations where private actors have stepped in to

fill a gap in the public service system.

Furthermore, when determining whether a child's rights have been fulfilled, it is not enough simply to examine the relevant provision or article in the UNCRC. Rather, States and service providers must take into account the four general principles of the UNCRC set out in: the provisions concerning non-discrimination (Article 2); the best interests of the child (Article 3); the right to life, survival and development (Article 6); and the right of the child to express his or her views freely, and have those views be given due weight in accordance with the age and maturity of the child (Article 12).

Another major theme to emerge was the need to monitor and evaluate services for their compatibility with the UNCRC. The Committee calls on States to assess the quality of the private provider's service and what effect it has or might have on realising children's rights. It is particularly important to carry out such assessments before privatising any service or even before entering into international agreements that might increase private sector involvement of this kind. It also applies to situations where private enterprises are providing services without any specific contract or mandate from the government.

Irrespective of whether the government has specifically contracted-out services or not, the Committee recommends that States set up independent monitoring bodies specifically for service provision. These should evaluate the extent to which services are available, accessible, appropriate and of good quality for all children. Such a monitoring body should be open to everyone who might be affected, including children. Where suitable, a recourse to effective remedies should be available when rights have been violated. The committee further recommended a series of specific measures for States and service providers aimed at ensuring accountability and transparency.

The fruitful day won thanks all round.

Katja Hemmerich is with the Secretariat for the Committee on the Rights of the Child at the United Nations Office of the High Commissioner for Human Rights. Background reports for the discussion on the private sector can be downloaded from www.crin.org/docs/resources/treaties/crc.31/Discussion.htm

The recommendations from the discussion day are posted on the website of the Office of the High Commissioner for Human Rights at www.unhchr.ch/html/menu2/6/crc/doc/days/service.pdf

Factfile

The medicines industry – a demand for better treatment

The pharmaceutical industry is increasingly being called on to play a major role in improving the health of millions of children around the world. This call becomes more urgent as the health crisis in developing countries becomes more acute and attracts more international attention.

While those in rich countries enjoy the benefits of ever-better drug treatments, in poor ones 30,000 people, nearly half of them children under five, die every day because effective medicines are too expensive or simply not available. NGOs have challenged pharmaceutical companies to improve their efforts to enable developing countries to address their public health needs. (see <http://www.oxfam.org.uk/cutthecost>).

Trade and property rights

On the matter of intellectual property rights and trade, pharmaceutical companies argue that the protection of patents, which contributes to the high price of medicines, enables them to recoup the costs of the research and development that went into production of the medicines. Patents do encourage innovation, but the profits they generate are concentrated within the markets of rich countries. The manufacture and sale of generic drugs enable poor countries to buy cheaper copies of life-saving medicines.

Following the World Trade Organisation (WTO) agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), poor countries will have to offer patent protection of at least 20 years for all pharmaceuticals. The key problem is that cheaper supplies of generic medicines now available will begin to disappear once generic producers in developing countries comply with TRIPS, which they have to do by 1 January 2005. TRIPS prohibits producer countries from exporting cheap copies of patented medicines, whatever the health needs, and even when there is no patent in force in the importing country (see <http://www.oxfam.org.uk/cutthecost>).

TRIPS does include safeguards, confirmed in the WTO Doha Declaration in November 2001, which allow countries to bypass patents if necessary and thus to bargain more effectively over prices. Countries may override a patent, for example if prices are too high or supplies limited. Countries with their own production capacity, mainly the industrialised, can take advantage of this to produce

their own cheap, generic versions of medicines. However, the majority of poor countries are not able to because they lack manufacturing capacity. Nor will they be able to override a patent to import medicines, because TRIPS stops generic-producing countries from exporting to them.

Global vaccines alliance

The Global Alliance for Vaccines and Immunisation (GAVI) is a historic alliance between the private and public sector, committed to one goal: saving children's lives and people's health through the widespread use of vaccines. International organisations, governments, the vaccine industry, research institutions, and major philanthropists collectively form a partnership intent on increasing child immunisation around the globe. GAVI and its financial arm, The Vaccine Fund, act to energise the efforts of poorer countries to provide children with basic access to life-saving vaccines. Using a performance-based approach to funding, The Vaccine Fund motivates national governments to secure a more promising future for their children. Simultaneously, the alliance aims to stimulate the vaccine industry to develop and supply vaccines vital to low-income countries. Visit <http://www.vaccinealliance.org>

For further information, see *Beyond Philanthropy: The pharmaceutical industry, corporate social responsibility and the developing world*, an Oxfam/Save the Children/VSO Joint Report.

Factfile compiled by CRIN

Taking on the logos

The big brands have changed childhood forever, but fighting is pointless. So sue them instead, says Mark Erik Hecht



Photo: Pietemella Pieterse

We have lost the fight to save childhood. Since the League of Nations first issued a global statement proclaiming the rights of the world's youngest citizens almost 80 years ago, we have been struggling to preserve childhood. With every human rights instrument that has been ratified at international level we have attempted to protect the under-18s from famine, disease, labour and exploitation. Essentially, we have been keeping them sheltered from going out into the grown-up world before they are ready.

By drafting universal treaty law and developing the quasi-judicial mechanisms to support it, we have attempted to maintain an image of children as vulnerable, inexperienced and dependent. These little souls are portrayed as needing our protection, guidance and support, and regarded as recipients of policies determined by us as being in their best interest.

This perception is no longer valid, however. The definition of childhood has been rewritten using Microsoft Word for Windows on an IBM ThinkPad by a market branding executive while telecommuting from his neighbourhood Starbucks café. This is just before he grabs his Nike trainers and Reebok shorts, hops into his Jeep Grand Cherokee 4x4, and rushes off to his health club for a power workout, leaving just enough time for him to get to his office for his weekly vice-presidents' meeting.

While we in the NGO community were happily negotiating optional protocols, the private sector

moved in, bought our children with seductive branding and set aside the concerns of governments, regional and international networks and concerned members of civil society. Childhood has been reinvented by private sector interests that have managed to convince our children that they do not need to be sheltered from the adult world.

No matter how persistent our attempts to force the corporate community to adopt our definition and comply with our standards, we will be unsuccessful because children's rights and the private sector are incompatible. But that is not to suggest the private sector could not be an important ally in the child rights movement's drive to ensure the full realisation and enjoyment of the articles in the Convention on the Rights of the Child. It does mean that we will have to rethink the model we have created for generating these rights so that they conform to the design of the private sector rather than pressurising the private sector to adhere to our norms. This may require an exploration of the use of legal systems beyond the traditional field of public international law and its human rights mechanisms.

International child law

Through public international law we have compelled our children to become individuals. This is evident in the many instruments drafted since the start of the children's rights movement. For example, Principle 1 of the Declaration on the Rights of the Child (1959) states: "Every child, without any exception whatsoever, shall be entitled to these rights, without any distinction or

discrimination...". Similarly, the Convention on the Rights of the Child (1989) explains: "State Parties shall respect and ensure the rights set forth in the present Convention to each child within their jurisdiction without discrimination of any kind... (Article 2).

Although the individual rights approach is consistent with other international human rights instruments, including, for example, Article 1 of the Universal Declaration on Human Rights, it is counter-intuitive to the nature of childhood.

Children perceive themselves collectively. From an early age, children are grouped with others, most often similar in development, socio-economic background and culture. Although they may not be forced to conform to the group, there is certainly pressure for them to be part of a whole. And where adults may choose to associate themselves with a particular clique, children are often drawn naturally to this formation. One need only observe a group of young people in a playground to see how quickly they seek out one another to start up a game of ball.

Similar to this unique quality of childhood, the private sector organises itself in a collective manner. Business decisions are made on behalf of the many and advertisers traditionally search for a market share or target audience rather than attempt to reach every potential consumer. In contrast, human rights are based on individual protections. Whereas the corporate world would be satisfied if 60 per cent of a particular demographic group used their product, the human rights world would not be content if only 60 per cent of children in a given country were immunised. Nothing less than 100 per cent is acceptable when discussing the enjoyment of rights.

Commercial sexual exploitation of children and codes of conduct

Perhaps the greatest example of this conflict of ideals is in the area of protection of children from commercial sexual exploitation (CSEC). The private sector is involved in CSEC. Whether the exploitation is the result of commission or omission on its part may be subject to debate, but the private sector's connection to this fundamental violation of children's rights is undeniable.

Three sub-sectors within the realm of private enterprise have traditionally been associated with CSEC. The first sub-sector involves the travel and tourism industries. A second sub-sector covers the media and associated industries. These businesses are made up of journalists, photographers, television and film producers, acting and modelling agencies, and advertising firms. The third sub-sector represents the new technologies. No doubt the

Internet has assisted child advocates in getting their positive message across in an effective and efficient manner; but it has also enabled those who violate the rights of children to accomplish their abuse cloaked in almost complete anonymity.

The traditional method of holding the three sub-sectors accountable for violations of CSEC has been through the use of voluntary codes of conduct based on international treaties such as the Convention on the Rights of the Child, its Optional Protocols and the ILO Convention on the Elimination of the Worst Forms of Child Labour. Most multinational corporations, from major international airlines to Internet Service Providers, have codes of conduct for their work. However, these codes of conduct have many obstacles and, with few exceptions, have done little to eliminate the phenomena of CSEC.

The first challenge presented by codes of conduct is that they are invariably voluntary and non-binding. They are soft laws which have no legislative force. Terms such as "might" or "should" permeate the documents indicating that there is no positive obligation placed upon the industry to initiate change.

A second obstacle is that codes of conduct are often self-serving and fail to be inclusive. The private sector industries noted above have resisted adhering to externally drawn codes promulgated by NGOs or other interested parties, preferring to establish their own guidelines. Because these codes are drafted by the implementing entity, they tend to be designed explicitly to serve the interests of that entity.

An additional problem is that there is little commitment to the public that monitoring will be done, that monitors have requisite training and sensitivity, or that violations will not be covered up. Another concern is that codes of conduct are often not widely distributed, particularly to employees, and when they are those on the front lines simply do not obey them.

Finally, and perhaps most detrimentally, there are criticisms that codes of conduct serve as a disincentive for countries to strengthen their own laws. NGOs have expressed concern that actions of the private sector, in adopting such codes, may be an attempt to replace legislation, to privatise law enforcement and thus to evade international standards. Furthermore, such codes have allowed industries to justify working in countries with repressive regimes.

A private alternative

If public international law and voluntary codes of conduct do not work, what is the alternative? One



Photo: Jason Taylor

option is to hold the private sector accountable collectively, that is, by using the law of tort within domestic court systems through class action lawsuits. The collective nature of class action is consistent with both the characteristics of children and the corporate community that services them. Although the law of tort varies from country to country, there is great similarity in terms of how it is applied.

Tort is derived from the Latin word ‘*tortus*’ meaning wrong. It refers to that body of the law which allows an injured person to obtain compensation from the person who caused the injury. Every person is expected to conduct himself or herself without injuring others. When they do cause harm, either intentionally or by negligence, they can be required by a court to pay money to the injured party so that, ultimately, they will suffer the pain caused by their action. Compensation is probably the most important social role of tort law.

Tort also serves as a deterrent by holding persons responsible for their actions and by educating the community as to what is unacceptable conduct. Negligence is the most important field of tort law, as it governs most activities within society. To establish negligence, a duty of care between the person injured and the person responsible for that injury must be demonstrated, as well as evidence that the conduct of the defendant fell short of that duty of care and that damages thereby resulted.

In a class action case, one or two named plaintiffs stand in for an entire group of similarly aggrieved persons throughout the course of the litigation. The named Lead Plaintiffs represent, in addition to themselves, a large class or number of individuals in a similar situation to them. The individual interests of the named Lead Plaintiffs and all those similarly situated are at stake. The results in the class action case bind both the named plaintiffs (just as they would in ordinary litigation) and all other persons who were included in the class. Usually, potential class members have the option, after receiving notice, of excluding themselves from a class or class settlement, and pursuing the case on their own.

To put this theory into practice within the context of CSEC, we can examine the rise of Internet ‘luring’ (eg, communicating with a child over the Internet for the purpose of committing a sexual offence). Trying to convince Internet service providers to adhere to the standards outlined in the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography or to a code of conduct written by them and for them is not working. Rather we

should bring them to court for negligence under a class action suit representing all children who have been harmed due to the failure of this sub-sector to adequately protect children from Internet luring.

The same could be true for the hotel chain that allows their rooms to be used by prostituted children, the photo labs that develop child pornography, the travel agents who organise sex tours, or the talent agencies that do not properly screen their scouts.

Holding multinationals liable in a domestic court for damages caused to a class of children will not be easy. There will be challenges regarding venue, jurisdiction and authority. However, these obstacles are pliable as they are based on concrete legal precedent that can be argued in a courtroom rather than being entrenched in the non-binding legal abstraction of public international law documents.

Rethink required

Since the adoption of the United Nations Convention on the Rights of the Child ten years ago, the international children’s rights community has been attempting to find the best way to collaborate with industries inside the private sector that affect child welfare. In the case of commercial sexual exploitation of children, three sub-sectors at least have been implicated in this phenomenon that includes such violations as child prostitution, pornography and the trafficking of children for sexual purposes. Despite our efforts, the best we have been able to develop thus far are international human rights treaties, such as Optional Protocols, and voluntary codes of conduct based on the standards outlined in the texts. Neither of these initiatives have helped to eliminate or lessen incidents of CSEC.

It is clear we must rethink the accountability mechanisms now in place. The alternative to holding private sector actors responsible for their involvement in human rights violations against children under non-binding hard and soft law is to sue them when they commit these wrongs. This will be a challenge. However, it will lead to rapid improvements in the internal policies drafted by the companies in question as well as to domestic government regulation to protect citizens. At minimum, the negative publicity such action would evoke would foster improvements in the short term. In the long term, significant punitive damages will result in concrete reforms from the ground up.

Mark Erik Hecht is the Executive Director of Human Rights Internet in Ottawa, Canada. He is also Senior Legal Counsel to Beyond Borders: Ensuring Global Justice for Children and sits on the Board of ECPAT International. Most recently, he wrote the theme paper on the role and involvement of the private sector in the commercial sexual exploitation of children for the Second World Congress on CSEC in Yokohama. He can be reached at hechtma@hri.ca

Factfile

Publish What You Pay Coalition

There is a strong link between abuse of children's rights and resource extraction, conflict and corruption.

Revenues from resource exploitation are the major source of income for many governments in the least developed countries, according to the Publish What You Pay appeal. It reveals that countries dependent on oil and mineral wealth are 25 per cent more likely to be engaged in civil conflict, a situation that directly affects poverty levels and child malnutrition.

The Publish What You Pay Coalition includes more than 40 non-governmental organisations that are seeking financial transparency in the resource extraction industry. If revenues from oil, gas and mining were effectively and transparently managed, they could serve as a basis for successful growth and poverty reduction. Very often the true amount a state earns from its resources is never declared to its people, as those in power take a personal cut or spend it on arms before the sums reach the public account books. Sometimes the amounts are never published, as those who manage the resources are often unaccountable to a state's parliament or its citizens. The result is that the people never know how wealthy their country really is, how much money it is earning that could go towards improving education, health, and seed distribution programmes. However, the state and other institutions that manage these resources are often, in practice, unaccountable to the parliaments and citizens of their countries.

The transparency campaign aims to help citizens hold their governments accountable for how these resource-related funds are managed and distributed. The appeal states: "Lack of accountability facilitates embezzlement, corruption and revenue misappropriation. In extreme cases, access to resources fuels regional conflict and the resulting disorder is exploited to facilitate further large-scale misappropriation of state assets. This problem extends to all countries where extractive resources provide a major portion of state income, where corruption is associated with this income, and where companies are not transparent about payments."

Countries rich in natural resources such as Angola, Sudan, the Democratic Republic of Congo, Sierra Leone and Liberia are experiencing conflict

and/or the collapse of political, economic and social structures. In many of these countries revenue generated from oil and other mining operations is fuelling war and corruption, and is failing to improve the lives of children. In these cases, investment can actually cause considerable harm by sustaining self-interested, unaccountable elites who neglect and abuse child rights on a grand scale with impunity.

The Publish What You Pay campaign calls for mandatory disclosure backed by legislation so that citizens in developing countries are able to call their governments to account over management of resource revenue. Full disclosure of payments, royalties, and other transfers to national governments is a necessary precondition to delivering just and equitable development. This facilitates more open decision-making and prevents the erosion of child rights that so often accompanies conflict and corruption.

For more information about the Publish What You Pay appeal, visit www.publishwhatyoupay.org

Investor in people makes sound business sense

A woman entrepreneur is laying down new ways to achieve commercial success. CRIN reports on major changes in the Nepalese carpet industry

Among Nepal's one thousand carpet manufacturers a revolution has steadily been gaining ground – a revolution that demonstrates that a well-treated workforce is the bedrock of commercial success.

One woman in particular, Sulochana Shrestha Shah, is spearheading the radical change. A former maths lecturer, Mrs Shah, with her business partner, Linda Gaenzle, started Formation Carpets in the capital, Kathmandu, in the 1990s. The company's philosophy is simple and effective. "The firm feels that investment in employees leads to high self-esteem and contributes to a more productive working environment that benefits everyone. Business can be balanced with ethics," explains Mrs Shah.

This means Formation's top-quality rugs are produced in a clean, well-lit modern factory where the weavers, mostly women, enjoy a high standard of care. Health insurance and a clinic are provided for the workers and their families. While the parents work, children are looked after in the company's daycare centre, where they receive a nutritious meal and can play in safety. Many of the employees are illiterate so education is given high priority, school-age children are helped to attend school, company scholarships are available and extra coaching is on hand.

Formation remains a pioneering force in an industry where exploitation at all levels remains common. Nepal's carpet industry, founded on the skills of Tibetan refugees, exports more than £130 million worth of hand-knotted goods to the US and Europe every year. Some 50,000 people work as weavers, while double that number are employed in associated activities such as spinning, washing and transportation.

Until fairly recently, appalling working conditions and child labour were the norm. Rural poverty and false promises of regular meals and shelter lure children to the industrial belt in the Kathmandu Valley where the manufacturers are concentrated. Many, as young as five, work from four in the morning to 11 at night, sometimes alongside their debt-burdened parents, in freezing, dark, cramped rooms breathing dusty, stale air.

The sight of children toiling away at the looms came as a shock to Mrs Shah when she started her factory. "When I spotted them, I would send them away," she recalls. "Then I realised the parents had nowhere to leave them so they brought them to work. Poverty gave them no choice. I made a point of hiring women because they are discriminated against within Nepali culture and bear a heavy burden."

She broke the cycle in her own company by providing a daycare centre and school, and then set about changing conditions in the industry at large.

Her efforts, combined with those of other manufacturers and activists, then went into starting RUGMARK Nepal. This international programme involves carpet firms and exporters in India and Pakistan, as well as Nepal, who have joined forces with importers in the US and Europe and non-governmental organisations to ensure no child labour is used.

Companies bearing the RUGMARK symbol promise not to use child labour and to submit to regular inspections to ensure this remains the case.

Community-based rehabilitation plays an important part, for example, returning young people to their families or going to live in RUGMARK-funded centres and schools.

Western consumers have embraced RUGMARK and the transparency it provides, increasing the commercial pressure on reluctant manufacturers by hitting them where it hurts most – their order books.

"My importers in Germany and the US have given me magnificent support," says Mrs Shah. "Carpet makers here in Nepal soon realised the orders would cease if they did not sign up to RUGMARK. Those with the RUGMARK logo were soon seen to have acquired a business advantage."

Now more than 130 Nepalese exporters, accounting for over 60 per cent of the nation's rugs, are in the scheme – and less than two per cent of the carpet workforce are children.

Sulo Shah, currently General Secretary of RUGMARK International, has now expanded her ideas of corporate social responsibility and has formed Lotus Holdings. This 11-strong group of like-minded entrepreneurs is providing dynamic support to other companies, showing them how they can develop their businesses based on core values regarding child workers, labour standards and environmentally-friendly practices.

"Small and medium-sized independent businesses are the mainstay of the Nepalese economy," sums up Sulo Shah. "Our services are helping them develop sustainable economic practices that benefit all the community and are examples to others. People are our most precious resource."

For more information, visit www.formationcarpets.com

Publications

Thematic publications – corporate social responsibility and children's rights

Save The Children, Oxfam, & VSO (2002) *Beyond Philanthropy*. This is now an industry standard for assessing the corporate social responsibility of drugs companies in responding to the health crisis in the developing world. Available from: www.savethechildren.org.uk

ELDIS website on corporate social responsibility: www.eldis.org/csr/index.htm

Ethical Trading Initiative website: www.eti.org.uk – various publications in respect of ethical publications. Online Internet resource: www.ethicaltrade.org/pub/publications/welcome/main/index.shtml

Simon Zadek *Building Corporate Responsibility* from www.earthscan.co.uk.

Human Rights Watch website: www.hrw.org/corporations/ or www.hrw.org/advocacy/corporations – for general information regarding human rights and corporate responsibility

Human Rights Watch, *A Tainted Harvest*. A report on child labour and obstacles to organising on Ecuador's Banana Plantations. Available from: www.hrw.org/reports/2002/ecuador, April 2002

Human Rights Watch *From the Household to the Factory*. A report into sex and discrimination in the Guatemalan Labour Force. Available from: www.hrw.org/reports/2002/guat, January 2002

Centre for Children's Health and the Environment. This is the first academic research and policy centre to examine the links between exposure to toxic pollutants and childhood illness. Available from: www.childenvironment.org

Amnesty International and The Prince of Wales International Business Leaders Forum (IBLF) *Business and Human Rights: A geography of corporate risk*. A collaboration to produce a series of seven detailed world maps depicting those places where human rights abuses and violations exist and where leading North American and European multinational companies risk being associated with them. Available from: www.iblf.org/csr/CSRWebAssist.nsf/UNIQUE/JUSS576KJE

28 January Statement by UN Secretary-General Kofi Annan about globalisation, business and human rights, and the UN Global Compact: *Address to the World Economic Forum*, Davos, Switzerland (United Nations, 28 Jan. 2001). Available from: www.unglobalcompact.org/portal

Speech by Mary Robinson, UN High Commissioner for Human Rights, at Business for Social Responsibility conference, 3 Nov 1999. *Building Relationships That Make a Difference*. Available from: www.unglobalcompact.org/portal

Business and Human Rights website, an up-to-date resource for child rights including the latest press releases and reports. See www.business-humanrights.org/children.htm

UNICEF *Report of the Second World Congress against Commercial Sexual Exploitation of Children*. This follows from the Congress which drew attention to the plight of children in the world sex trade, reviewed progress made since the first World Congress Against Commercial Sexual Exploitation of Children and devised further methods to protect children from sexual exploitation. See www.unicef.org/events/yokohama/index.html

Save The Children UK (2000) *Big Business Small Hands – responsible approaches to child labour*, London

Save the Children UK (2000) *Street and Working Children – a guide to planning*, London

Anthony Swift, Save the Children UK (2000) *Working Children Get Organised*, London

UNICEF (2001) *Profiting from Abuse*. Available from: www.unicef.org/pubsgen/profit/profit.pdf

New Economics Foundation (2001) *Corporate Spin – the troubled teenager years of social reporting*. This tracks how social and ethical auditing has grown from a NEF technique in the early 1990s to the domain of large accountancy firms, with its own professional standard, accreditation system for practitioners and even its own annual award.

Clean Clothes Campaign (2002) *Child labour and labour rights in the sporting goods industry: a case for corporate social responsibility*. For more information visit: www.ids.ac.uk/blds/index.html or www.cleanclothes.org

Publications

Thematic publications – corporate social responsibility and children’s rights

Global March Against Child Labour (2000) *The dark side of football: child and adult labour in India’s football industry and the role of FIFA*. Visit www.ids.ac.uk/blds/index.html or www.globalmarch.org

Christian Aid (1998) *A Sporting Chance: Tackling child labour in India’s sports goods industry*. See www.ids.ac.uk/blds/index.html or www.christian-aid.org.uk

International Programme on the Elimination of Child Labour (IPEC) (1998) *Child Labour: Targeting the intolerable*. Available from: www.ilo.org/public/english/standards/ipec/ or www.gdnet.org

Save the Children (2002) *Childhood Challenged: South Africa’s Children, HIV/AIDS and the Corporate Sector*

International Labour Organisation (2002) *A future without child labour*. This new report sees reduced numbers, but worsening conditions for 246 million child labourers and calls this scourge “one of the most urgent challenges of our time”. Available from: www.ilo.org/public/english/bureau/inf/pr/2002/19.htm

UNICEF Innocenti Research Centre (2001) *Understanding children’s work and its impact*. This inter-agency research project, including the ILO, UNICEF and World Bank, makes available information databases on child labour research. The project aims to enhance local and national capacity for data collection and research. It originates from recommendations in the agenda for action adopted at the Oslo International Conference on Child Labour (1997). Visit www.ucw-project.org

Rachel Marcus, Save The Children UK (1997) *Voices of Children in Sialkot, Pakistan*. This report details the findings of Save the Children’s research into the situation of children working in football stitching in and around Sialkot.

United Nations University (2000) *Corporate Social Reporting: Making Good Business Sense*. Built on the first CSR report, this document is the result of dialogues held globally. It offers insight into how CSR is interpreted in different geographical regions, and offers some practical tools that companies everywhere can use to make CSR a reality.

Save the Children UK (1996) *Small Hands – Children in the Working World*. Drawing on SC’s experiences worldwide and that of other organisations, this paper examines the complex and varied causes of child work, including structural inequality, the effects of adjustment programmes, the globalisation of market economies, and local, social, cultural and political factors.

Save the Children UK (2000) *Children, Economics and the EU – Towards Child-Friendly Policies*. “No economic policy is child neutral” position. Discusses and examines how European macro-economic policies and decisions affect children, focusing on the European Union.

Madeley, J (1999) *Big Business, Poor People – the impact of transnational corporations on the world’s poor*, Zed Books, ISBN 1 85649 672 4, £13.95. This book explores the impact of transnational corporations’ activities in the main economic sectors where they invest and sell their products. Madeley charts how natural resources are being ceded to such corporations at the expense of local communities and the weakness of links between TNC activity and national economies. The book suggests an agenda for giant enterprises and charts new ways in which we can seek to influence them.

Klein, N (2000) *No Logo*, HarperCollins, ISBN 0 00255919 6, \$17. In this cult classic, Klein demonstrates how brands have become ubiquitous, how companies become and remain powerful, and what can be done about it.

Tesner, S and Kell, G (2000) *The United Nations and Business - A Partnership Recovered*, Palgrave, ISBN 0 312230 710, \$45.

For much of its history, the UN and the world business community have seemed to regard each other with, at best, wary mistrust. Tesner is in charge of managing private sector partnerships and outreach at the United Nations Office for Project Services (UNOPS). He attributes this animosity to the debate over development stirred by the growing influence of resource-rich, newly independent former colonies that were frequently aligned with the communist bloc. Before making his case that globalisation requires the UN “revitalize its mission and structure by welcoming non-state actors into its deliberative forums and policymaking bodies”, Tesner traces with thorough detail the declining relationship between the organisation and the business communities during the UN’s 55-year history. He also notes that business,

Publications

Thematic publications – corporate social responsibility and children's rights

in the form of the International and the US Chambers of Commerce, was initially quite supportive of the UN and only recently has there been a rapprochement. Tesner looks at recent efforts at co-operation and describes the formats of partnerships in the four main areas of policy, fundraising, advocacy and awareness, and operations.

Madeley, J (1996) *Trade and the Poor - The Impact of International Trade on Developing Countries*, International Technology Publications, ISBN 1 85339 324 X, £14.95 This examines North-South trade by looking at commodities and services; people involved, the role of free trade and multinational organisations; and international financial and legislative institutions. It also considers the constraints on South-South trade.

Wallach, L and Sforza, M (1999) *Whose Trade Organisation – Corporate Globalization and the Erosion of Democracy*, Public Citizen, ISBN 1 58231 001 7, \$15. This documents the first five years of the World Trade Organisation.

Amnesty International and the Prince of Wales Business Leaders Forum April 2000, *Human Rights – Is It Any of Your Business?* This publication informs companies about the human rights problems they may confront, and offers a framework of international standards and values to draw on when developing company policies.

Nelson, J with International Alert, Council on Economic Priorities, the Prince of Wales Business Leaders Forum (2000) *The Business of Peace*, ISBN 1 899159 59 2, £15. This report seeks to provide a framework for understanding both the positive and negative roles that business can play in situations of conflict, outlining practical actions companies can undertake to improve their impact.

Mitchell, J (1998) *Companies in a World of Conflict*, Royal Institute of International Affairs, ISBN 1 85383 536 6. Introduction to new conflicts of values and interests. The chapters, written by eminent experts, look at how companies must now account for social as well as economic performance.

Elkington, J (1997) *Cannibals with Forks – The Triple Bottom Line of 21st Century Business*, Capstone, ISBN 1 900961 27 X, \$21.95. The man who coined the term “triple bottom line” makes the case that all businesses can and must help society achieve the three interlinked goals of economic prosperity, environmental protection and social equity.

Heap, S (1998) *NGOs and the Private Sector – Potential for Partnerships*. INTRAC, Occasional Paper no. 27, ISBN 1-897748-48-5, £7.95.

Changes in the external environment are having major implications for the roles of NGOs: their sources of funding; the nature of their relationships; and their activities. The private sector is an increasingly important target for NGOs as they grapple with possible new modes of engagement in their quest to promote sustainable development. NGOs are engaging with the private sector in new ways, yet the dynamics of relationships between NGOs and the private sector has been very little researched.

Heap, S (2000) *NGOs Engaging with Business: A World of Difference and a Difference to the World*, INTRAC, ISBN 1 897 74853 1, £15.95.

This book presents the findings of INTRAC's inquiry into the changing nature of relationships between NGOs and the private sector. This project explored the potential for the two sectors working together for global development in the future. The book details the benefits and drawbacks of NGO-business engagements; analyses the engagement processes of advocacy and direct action in such areas as codes of conduct, sustainability, environmental management, social equity and human rights; collates the lessons of engagement; and offers alternatives and possibilities of future engagements.

Calendar of events

Events for May 2003 - July 2003

May

19 May–6 June, Geneva, Switzerland

33rd Session of the UN Committee on the Rights of the Child

Secretariat for the UN Committee on the Rights of the Child
Office of the High Commissioner for Human Rights
8–14 Avenue de la Paix, 1211 Geneva 10, Switzerland
T +41 22 917 9000
F +41 22 917 9022
E khemmerich@ohchr.org or jmermet@ohchr.org
W www.ohchr.org

21 June–26 June, Prague, Czech Republic

Second World Congress on Family Violence

National Council on Child Abuse and Family Violence
1025 Connecticut Avenue, NW Suite
1012, Washington DC, 20036, United States
T +1 202 429 6695
F +1 831 655 3930
E nccafv@aol.com
W www.nccafv.org

June

9 June–20 June, Brisbane, Australia

Exploring Sustainable Development Approaches

IMA International
Randolph's Farm, Brighton Road
Hurstpierpoint, West Sussex, BN6 9EL, United Kingdom
T +44 1273 833 030
F +44 1273 833 230
E post@imainternational.com
W www.imainternational.com

21 June–28 June, United Kingdom

Young People Change the World!

The Centre for Innovation in Voluntary Action
9 Mansfield Place
London, NW3 1HS
T +44 20 7431 1412
E norton@civa.prestel.co.uk

16 June–19 July, Nigeria

International Conference on Child-Related Issues

National Centre for Youth Development
Close 12, House 10, Satellite Town
Lagos Badagry Expressway, Amuwo Odofin
Lagos State, Nigeria
T +234 80 2335 4679
E centreforyouthdevelopment@hotmail.com or
nigeriacharitychildline@yahoo.com

July

7 July–25 July, Oxford, United Kingdom

International Summer School in Forced Migration

Refugee Studies Centre
Queen Elizabeth House, 21 St Giles Street
Oxford, OX1 3LA, United Kingdom
T +44 1865 270 432
F +44 1865 270 721
E rsc@qeh.ox.ac.uk
W www.rsc.ac.uk

16 June–18 July, Wales, United Kingdom

A Child Rights-Based Approach to Development: Professional Training Course

Centre for Development Studies
University of Wales
Singleton Park, Swansea, SA2 8PP, United Kingdom
T +44 1792 295 332/3
F +44 1792 295 682
E h.lewis@swansea.ac.uk
W www.swan.ac.uk/cds/index.htm

20 July–23 July, York, United Kingdom

BASPCAN 5th National Congress: Strengthening the Links: Research, Policy and Practice

BASPCAN (British Association for the Study and Prevention of Child Abuse and Neglect)
BASPCAN International Office
10 Priory Street, York, YO1 6EZ, United Kingdom
T +44 1904 613 605
F +44 1904 644 239
E baspcan@baspcan.org.uk
W www.baspcan.org.uk

