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MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING

RE: YOUR CHILD LABOR INITIATIVE -- SANTIAGO AND BEYOND

SUMMARY

In your State of the Union address, you said that you would “send legislation to Congress, and ask other nations to join us, to fight the most intolerable labor practice of all -- abusive child labor.” This message was carried to Africa last month by Secretary Herman while accompanying you, where she announced a three-part strategy on child labor in Africa. The Santiago Summit provides you with an opportunity to amplify that message in the Western Hemisphere. In your economic speech you will:

- call upon other countries to join the U.S. in the fight against the most abusive forms of child labor; and
- announce a new U.S.-funded Central American Child Labor Initiative to fight abusive labor in the most hazardous sectors, return children to school, and help their families to generate alternative incomes.

We will also use the press release, speech, and reports of your initiative at the summit to help advance your child labor budget initiative in the Congress.

This memorandum provides background on your Santiago announcement and Department of Labor and NEC efforts to promote your child labor budget initiative in Congress.

BACKGROUND

The Child Labor Problem in Central America

Child labor is a widespread phenomenon in Central America. The best statistics available suggest that more than two million children between the ages of 5 and 15 work in the region. Children work both in the formal and informal (unlicensed or off-the-books) sectors. In rural areas, they are mostly engaged in agricultural work. In urban areas, children can be found working in trade, domestic service, construction and manufacturing sectors. Rural children, girls in particular, usually begin working between the ages of 5 and 7. Indigenous children are especially vulnerable as they may work two or three times more than the rest of the population.

Illiteracy and school desertion are common among working children. Although national laws state that education should be free and compulsory, many children, particularly in remote rural areas, do not have access to education. Where there is such access, some children are not able to attend school because their families cannot afford to buy basic school supplies.

Many children who work do so in dangerous conditions that are detrimental to their safety, health, and development. Sometimes they work long hours far exceeding the legal limits. Rural children often work in the agricultural sector where they are exposed to dangerous chemical substances, sharp tools, animals, and insect bites. Minors working in manufacturing, construction, or other high-risk sectors may face serious hazards such as cuts, fractures, loss of body parts, crushing injuries, burns, skin diseases, sight or hearing loss, and respiratory illnesses.

Information on extreme and hazardous forms of child labor in Central America is almost non-existent, while data on child labor is seldom updated or systemized. Measures are needed to gather accurate information on the scale, distribution, and characteristics of the child labor problem in this region.

The Summit's Plan of Action calls for governments to:

- "Further strengthen their overall efforts and coordination among agencies to address the issue of children at work;"
- "Exchange informational materials regarding their labor legislation, with the objective of contributing to better mutual knowledge of such legislation as well as to promote core labor standards recognized by the ILO -- ...[including] the elimination of all exploitative forms of child labor..." and
- "Promote the adoption of legal, educational and social measures, as well as international cooperation, to combat the physical and sexual abuse of children, traffic in minors, child prostitution and child exploitation in all its forms, including pornography."

While not everything we would have liked to have seen, this language reflects the growing commitment of governments in Central America to combat the problems of child labor in their countries. Most governments in this region participate in the International Labor Organization's (ILO's) International Programme for the Elimination of Child Labour (IPEC).

Given the magnitude and nature of the problem in the region, more needs to be done. First and foremost, specific action to prevent and withdraw and rehabilitate working children from hazardous work is needed. Targeted demonstrations could show that child labor in this region, especially in its most hazardous forms, can be successfully eliminated, creating models that can be replicated throughout Central America.

The Central American Child Labor Initiative

The U.S. will provide two million dollars from a one million dollar grant from the Department of

Labor through the International Program for the Elimination of Child Labor (IPEC) and a one million dollar grant from the United States Agency for International Development (AID). Together, these funds will support four related efforts.

- First, AID and IPEC will support a Guatemalan project to eliminate child labor in two hazardous sectors -- fireworks manufacture and stone quarries -- monitor compliance with that goal, and provide the children with an opportunity to attend school and develop new skills to help them find gainful employment. Project details must still be worked out between AID, IPEC, the Guatemalan government and NGOs, but we hope to model the program after successful efforts in Bangladesh and Pakistan. If successful at total eradication, this project will provide a visible model for the region.
- Second, IPEC will fund a survey and database on child labor in Central America, to allow better identification and targeting of the problem areas.
- Third, IPEC will fund specific smaller projects designed to explore promising approaches to removing children from hazardous and exploitative work in:
 - shellfish harvesting in El Salvador;
 - sugar cane plantations in the Dominican Republic;
 - child prostitution in Costa Rica;
 - street hustling around bus stations in Nicaragua.
- Finally, AID hopes to fund a project in the Honduran capital to identify working children and exploitative businesses in the informal sector (unlicensed and off-the-books establishments).

Neither your remarks nor the press release in Santiago will identify the specific countries with problematic sectors to avoid embarrassing the country Presidents and discouraging their cooperation with these projects in the future.

The FY99 Budget Child Labor Initiative -- Legislative Strategy

Your FY99 Budget included a Child Labor initiative which included:

- **a ten-fold increase in our commitment to IPEC** from \$3 million this year to \$30 million;
- **an additional \$50 million for the Migrant Education Program** to (1) increase participation, (2) provide better services during the summer, and (3) expand preschool, child care, and out of school youth (ages 12-15) services; and
- **an additional \$4.1 million for the Department of Labor to double its enforcement of domestic farm labor laws** and significantly improve its data on and documentation of agricultural workers.

In Congress, Senator Harkin and Congressman Obey are champions for the budget initiative. The House appropriations process is expected to be highly partisan, with Democrats not participating in the majority bill, but offering their own alternative. We are seeking to have the full amount included in the Democratic bill. In the Senate, the process will be bipartisan. Senator Harkin is expected to seek to have the full amount included in the Senate mark.

To improve the chances for these efforts, our focus is on “member education” -- giving members a full appreciation for the problem of child labor and the opportunities presented to address the problem. Our next step will be to send materials from your Santiago announcement to key members of Congress to highlight the good that Congressional funding for this initiative could do. Other educational initiatives being considered include:

- a signing ceremony for a memorandum of understanding to end child labor in Pakistan’s carpet industry (currently being negotiated);
- Secretary Herman teaching class on child labor using curriculum materials developed by Newsweek and the Department of Labor, perhaps targeted to key congressional districts;
- remarks by Secretary Herman at the Global March against Child Labor in D.C. on May 27th; and
- distribution of a short video on the problem of child labor and some successful programs, with a possible “private showing” hosted by Administration officials for interested members.

SIR/LB
Why can't we make
"scholarships" tied to education,
skill enhancement and self-sufficiency?
GS 1/11/98

Sarah Rosen
04/14/98 02:39:45 PM

Record Type: Record

To: Gene B. Sperling/OPD/EOP
cc: Lael Brainard/CEA/EOP, Melissa G. Green/OPD/EOP
Subject: Decision needed -- Child Labor Announcement

The Child Labor announcement in Santiago has two parts:

- (1) \$1 million of DOL money to IPEC to fund a survey of child labor in CA and 5 demonstration projects; and
- (2) \$1 million in AID money.

DoL argues that the best way to spend the AID money is a sector-targeted proposal in one country to fully eradicate child labor -- fireworks and stone quarries in Guatemala -- using an IPEC model.

AID wants to do a project in Guatemala for these same sectors (with much but not all of the money) but want to use a model they have used in a project in Brazil, that includes "scholarships" for the very low income mothers of children attending school. The scholarships can help with school uniforms and books, but it is also an income supplement to families so that they are willing to let their kids stop working.

DoL argues that the US. should not be supporting "scholarship" or stipend programs. The argument is that they don't promote self-sufficiency and won't succeed in the long-term. Instead, efforts should be made to help families find employment for parents or older children, create microenterprises, etc. DoL has been criticized by Senators Faircloth, Inhofe, Nickles and others for a using a small portion of its funds in Bangladesh for stipends. The criticism is: why should we pay families to send their kids to school in foreign countries when we don't do it here?

DoL wants us either to tell AID that they cannot spend their money for scholarships or stipends or we drop the AID funds from the announcement and instead promise that DoL will use \$1 million of its FY 99 appropriation (when received) to fund the targeted Guatemala piece. Anne says that the stipend issue is important to you and we should not include a piece in the President's announcement that does not comport with the principles of the initiative.

Lael argues that it took a long time to get AID to come to the table on child labor, they are now engaged and interested, and we need to have their resources available for future trips. Moreover, DoL's money goes through IPEC, whereas AID money is bilateral.

Lael and I have come up with language that refers to a Guatemalan project designed to get kids back in school and find income-generating activities for their families. No mention of scholarships or stipends, although we would reference their Brazil program's success after we reference the success of prior IPEC programs. We would then get AID and DoL in a room after the summit to better define the AID program, recognizing that AID will want to include a scholarship piece in their program.

If you think it is too risky to associate the President with the scholarship approach, we either need

to direct AID or drop them and use just the IPEC funds.



Sarah Rosen
04/14/98 03:09:09 PM

Record Type: Record

To: Melissa G. Green/OPD/EOP
cc: Lael Brainard/CEA/EOP
Subject: Attachment to Email

Attached is current draft of press release on Child Labor Santiago announcement. The email I sent said that Lael and I had worked out compromise language that would not fully satisfy either, but would allow AID to go forward with some sort of stipend program. The press release/fact sheet attached has that language. Please attach to email.



chlabca.p

PRESIDENT CLINTON TAKES FIGHT AGAINST CHILD LABOR TO CENTRAL AMERICA

- *In his state of the Union, the President asked Congress to increase ten-fold the United States' investment in combating abusive child labor around the world. Today, in Latin America, he asked other countries to join in that fight.*
- Education is the best path out of poverty, but children in the workplace do not have a chance to go to school.
- *To help make those educational and economic opportunities possible, the President also announced an initiative, working with Central American governments, to combat hazardous child labor and help find good jobs for their parents.*
- **The Central American Initiative:** The U.S. will provide two million dollars through a one million dollar grant from the Department of Labor through the International Program for the Elimination of Child Labor (IPEC) and a one million dollar grant from the United States Agency for International Development (USAID). Together, these funds will support:
 - a Guatemalan project to eliminate of child labor in two hazardous sectors -- fireworks manufacture and stone quarries -- monitor compliance with that goal and provide the children with an opportunity to attend school and develop new skills to help them find gainful employment as adults;
 - a survey and database on child labor in Central America; and
 - projects to explore approaches to removing children from hazardous and exploitative work (e.g., child prostitution, street hustling, shellfish harvesting, and sugar cane plantations) and getting them back to school in nations to include Costa Rica, Nicaragua, the Dominican Republic, El Salvador, and Honduras.
- These funds double the U.S. commitment to the region made last November by Labor Secretary Alexis M. Herman, in part because of the interest and support of the Guatemalan and other governments. The Administration pledges to continue to support Central American countries as their programs to eradicate child labor move forward.
- IPEC was created by the International Labor Organization in 1992. Its mission is the progressive elimination of child labor worldwide. U.S.-supported IPEC programs are aimed at reducing the most intolerable

- / forms of child labor -- bonded and slave labor, commercial sexual exploitation and trafficking, hazardous work, and the work by children under 12. U.S.-supported programs also include educational alternatives and monitoring compliance.
- IPEC programs are targeted to the specific needs of each country, but they typically also involve: host country cooperation, identifying and removing children from hazardous jobs, counseling families, and promoting income-generating alternatives to child labor.
 - IPEC's most visible success has been the complete eradication of child labor from the textile industries of Bangladesh. IPEC has nearly 1000 programs in place in over 50 countries and formal memorandums of understanding with 29 governments.
 - USAID's contribution to the effort to combat child labor in Central America builds on its efforts to strengthen the capacity of Central American Labor Ministers to monitor adherence with core labor standards and its experience with a successful program in Brazil that allows child laborers to return to school.
 - **The President's FY 99 Child Labor Initiative:** In his FY99 budget, the President asked Congress to:
 - Make the U.S. the world leader in supporting programs to reduce abusive child labor, with a \$27 million increase in the Department of Labor's contribution to IPEC.
 - Reduce the supply of child workers in the U.S. farm sector with a \$50 million increase for migrant education and \$5 million demonstration program for a youth job training program; and
 - Reduce the demand for illegal child labor in the U.S. agricultural sector with \$4 million for to allow Department of Labor to double its enforcement of child labor laws, improve its data and documentation of agricultural workers, and enlist commercial sellers of produce in encouraging child labor compliance by their suppliers.

PRESIDENT EXPANDS ADMINISTRATION'S FIGHT AGAINST CHILD LABOR TO CENTRAL AMERICA

President Clinton today called on Central American countries to join the U.S. in his global initiative to combat abusive child labor. The program outlined today is another step in the effort the President called for in his State of the Union message in January. It is part of his previously announced plan to seek legislation from Congress, "and ask other nations to join us, to fight the most intolerable labor practice of all -- abusive child labor."

The President noted, "We are committed to the elimination of abusive child labor and to the promotion of core labor standards in general. The integration of the world's economies should not be a race to the bottom. We believe the global economy should work to the advantage of all people because we believe such standards are not only fundamental human rights but also good economics. Putting an end to exploitative child labor is not peripheral to such core labor standards. Rather, it is central to those standards and to our mutual interests in the hemisphere."

In Central America, children as young as four years old harvest shellfish, work in stone quarries and harvest and process sugar cane. Many young girls are forced into child prostitution. The exploitation is compounded by the fact that the great majority of child workers do not get an education which keeps them in poverty and continues the cycle of deprivation and exploitation. (Editor's note: an analysis of the instances of abusive child labor and the planned program responses is attached.)

The Central American initiative will be channeled through a \$1 million U.S. grant to the International Program for the Elimination of Child Labor (IPEC). The International Labor Organization created IPEC in 1992 to finance technical cooperation in countries where child labor is acute. In his State of the Union address, the President proposed making the U.S. the world leader in supporting programs to reduce exploitative child labor by increasing our commitment to IPEC to \$30 million in fiscal year 1999.

The IPEC projects in Central America will work with the host countries to focus on identifying and removing children from exploitative jobs, providing formal and non-formal education, counseling families and promoting income-generating alternatives to child labor. At a meeting with her Central American counterparts last November, Labor Secretary Alexis M. Herman announced the Administration's intention to provide a \$1 million grant for this work. The President today doubled that amount by including \$1 million in USAID funds. These additional funds will be used to eliminate child labor in the stone quarry and fireworks industry of Guatemala -- industries known to be particularly hazardous.

Since 1995, the U.S. Department of Labor (DOL) has contributed over \$8 million to IPEC. DOL has funded and helped design IPEC projects in Bangladesh, Pakistan, Thailand, Nepal, the Philippines, Africa and Brazil. In addition, the Congress has directed DOL to study the nature and extent of the use of abusive child labor in the manufacture of products imported into the U.S. Four reports have been prepared for Congress and a fifth is underway. A description of the DOL international child labor program and full texts of the reports can be found at <http://www.dol.gov/dol/ilab/public/aboutilab/org/child.htm>

Our challenge here is about building stronger ties between our nations that will lead to a stronger future for us all; clearly, nothing is more integral to the future of a nation than its children. As we look to the future, one of the real challenges we must confront is the issue of abusive child labor. Ending abusive child labor is a priority for my Administration. Earlier this year, I announced that the I am requesting from Congress an increase in our investment in fighting child labor through the International Labor Organization's excellent child labor program, IPEC -- and I encourage other countries to do the same. Today we are committing \$2 million to combating child labor in countries of Central America.

"This year, I will send legislation to Congress, and ask other nations to join us, to fight the most intolerable labor practice of all -- abusive child labor."

President Clinton, State of the Union Speech, January 27, 1998

- ◆ President Clinton is proposing in his FY99 budget a new initiative to fight abusive child labor. The President's Initiative makes fighting abusive child labor internationally and in the United States a priority. It will:
 - ✓ **Make the United States the world leader in supporting programs to reduce abusive child labor** with at \$27 million increase in the Department of Labor's commitment to the International Program on the Elimination of Child Labor (IPEC). IPEC is the largest and most effective program to eliminate child labor in the world.
 - ✓ **Reduce the supply of child workers in the U.S. farm sector** with a \$50 million increase for migrant education and \$5 million for a youth job training project.
 - ✓ **Reduce the demand for illegal child labor in the U.S. agricultural sector** with \$4 million for new Department of Labor investigators and enlisting support from the private sector to encourage compliance with child labor laws.
- ◆ The Santiago Summit is about building stronger ties between our nations that will lead to a stronger future for us all. Nothing is more integral to the future of a nation than its children.
- ◆ In November 1997 Secretary of Labor Alexis Herman hosted a meeting of Central American Labor Ministers and pledged to work with them to combat abusive child labor. This child labor grants announced today are intended to implement Secretary Herman's commitment.
- ◆ Building on the progress made to date, the President is announcing a two-part strategy on child labor in Central America:
 - ✓ **First, we will commit \$1 million to the International Labor Organization's International Program to Eliminate Child Labor--or IPEC to combat child labor in Central America.** This grant will fund pilot projects to explore solutions to abusive child labor in specific sectors of five countries: Costa Rica, Dominican Republic, El Salvador, Nicaragua and Guatemala.
 - ✓ **Second, we will pledge \$1 million to create a large demonstration project to eliminate child labor in Guatemala's stone quarry and fireworks industries.**

Proposed Child Labor Announcement for POTUS trip to the Santiago Summit of the Americas

The President may take the opportunity of the Santiago Summit to amplify his policy against exploitative child labor announced in the State of the Union Message. This message was carried to Africa last month by Secretary Herman while accompanying the President, where she announced a strategy on child labor in Africa (see attached). The Summit provides the President with an opportunity to make a similar announcement in the Western Hemisphere regarding new US funded child labor programs.

In his State of the Union message, President Clinton stated "this year, I will send legislation to Congress, and ask other national to join us, to fight the most intolerable labor practice of all -- abusive child labor." The initiative includes a proposal to increase the U.S. contribution to the International Labor Organization's (ILO) International Program on the Elimination of Child Labor (IPEC) to \$30 million in FY 1999. IPEC monies are appropriated through and administered by the Department of Labor's Bureau of International Labor Affairs (ILAB). Since 1995, ILAB has contributed \$8.1 million to IPEC for child labor projects.

The Santiago announcement will highlight a 2-part strategy to combat child labor in Central America. The first project, funded by the Department of Labor, will support a series of IPEC pilot programs to remove children from hazardous work in five Central American countries. This implements the commitment Secretary of Labor Herman made in November when she hosted a meeting of Central American Labor Ministers and committed \$1 million in IPEC funds to them. The meeting was called for by the Declaration of San Jose signed by the President and the leader of the region in May 1997. Building upon IPEC's work, the second project will utilize \$1 million in additional AID funds to establish a large demonstration project aimed at the total elimination of child labor in two hazardous industries in Guatemala.

Child Labor In Central America

Child labor is a widespread phenomenon in Central America. Available statistics indicate that more than two million children between the ages of 5 and 15 work in this region. Children work both in the formal and informal sectors. In rural areas, they are mostly engaged in agricultural work. In urban areas, children can be found working in trade, domestic, service, construction and manufacturing sectors. Rural children, girls in particular, usually begin working between the ages of 5 and 7. Indigenous children are especially vulnerable as they may work two or three times more than the rest of the population.

Illiteracy and school desertion are common among working children. Although national laws state that education should be free and compulsory, many children, particularly in remote rural areas, do not have access to education. Where there is such access, some children are not able to attend school because their families cannot afford to buy basic school supplies.

Most children who work do so in dangerous conditions that are detrimental to their safety, health and development. Sometimes they work long hours far exceeding the legal limits. Rural children often

work in the agricultural sector where they are exposed to dangerous chemical substances, sharp tools and animal and insect bites. Minors working in manufacturing, construction or other high-risk sectors may face serious hazards such as cuts, fractures, loss of body parts, crushing injuries, burns, skin diseases, sight or hearing loss and respiratory illnesses.

Information on extreme and hazardous forms of child labor in Central America is almost non-existent, while data on child labor is seldom updated or systemized. Measures are needed to gather accurate information on the scale, distribution and characteristics of the child labor problem in this region.

Governments in Central America are increasingly committed to combat the problem of child labor in their countries. Most governments in this region participate in the ILO's IPEC Program. However, given the magnitude and nature of the problem in the region, more needs to be done. First and foremost, specific action to prevent and withdraw and rehabilitate working children from hazardous work is needed. Such action could start with demonstration projects that can show that child labor in this region, especially in its most hazardous form, can be successfully tackled.

PROPOSAL

Announce a \$2 million program aimed at eliminating abusive child labor in Central America.

1. Department of Labor Grant to Support IPEC Activities to Combat Abusive Child Labor in Central America.

The Department of Labor will give \$1 million to IPEC to create five direct action demonstration projects. The goal of the projects will be prevention, withdrawal and rehabilitation of children from hazardous and exploitative work. These projects will become models for other sectors and other countries. The grant will also be used to create the first-ever database on child labor in Central America. As part of this project, a survey and analysis of extreme forms of child labor in Central America and the Caribbean will be carried out; a data base will be established to facilitate the systematization of child-labor information; and workshops will be organized to train and strengthen the capacity of partner organizations to implement and evaluate action programmes on child labor.

2. AID Grant to Eliminate Child Labor in Guatemala's stone quarry and fireworks industries.

IPEC has already established a few pilot projects in Guatemala's stone quarry and fireworks industries. This project, to be funded through a \$1 million AID grant, these smaller projects as well as some of IPEC's successful time-bound models of removing children from specific industries and providing them and their families with educational and other opportunities. Over and above existing IPEC projects, this will be an innovative project focussed on the total elimination of child labor in two sectors. The Guatemalan Labor Ministry has pledged its political and some financial support for the project.

1. Department of Labor Grant to Support IPEC Activities to Combat Abusive Child Labor in Central America.

Child labor in the shellfish industry of El Salvador (\$150,000)

Children as young as four years old work with their parents harvesting shellfish. Many of these children are severely malnourished. Forced to submerge in water for long periods and working in a mosquito infected environment, children face daily risks such as cuts, respiratory illness, intestinal infections, and skin disease. A majority of children engaged in this activity take "Sin Sueño", a pill that helps repel insects and mitigates fatigue and pain from cuts and insect bites. A most serious side affect of this pill is that children become heavily dependent or addicted to it. According to one study, only 22 per cent of children engaged in shellfish harvesting attend school. An estimated 40 per cent never attended school.

This project will provide 250 children working in shellfish harvesting with education and create a system to reduce school. The project will strengthen medical centers treating the specific illnesses and diseases affecting children engaged in shellfish harvesting; create a community-based nutritional meal program, and work with parents to identify alternative ways to generate income.

Exploitation of girls at bus stations in Nicaragua (\$101,800)

An increasing number of Nicaraguan children make a living by selling and begging on the streets. It is estimated that there are more than 675,000 children in especially difficult circumstances in Nicaragua, including 1,100 street children and 107,100 children who engage in some form of economic activity for survival. At the many bus terminals of Nicaragua, children as young as four years work seven days a week selling products such as produce, food and clothing or by providing services such as shoe-shining or moving/carrying merchandise. Young girls are often sexually abused and exploited at the terminals. Working long hours, these children seldom attend school. Many are malnourished and show signs of aggression due to the abuse they have experienced working at the terminals.

In addition to creating awareness raising programs, this project will provide formal and non-formal education to working children at the terminals as well as formal schools and at homes under the guidance of special educators and social workers. It will help children who are inserted in formal schools with their school work to ensure their permanence in school and to prevent repetition; provide social and psychological support to withdrawn children, focusing on aggressive behaviours; provide recreational activities to children to supplement school activities; provide income generating alternatives and promote the participation of families (especially single mothers) in a merchants' association to ensure higher income generation; create a revolving fund that provides credit to families of working children to start a new business or find other income generating alternatives. Families will be entitled to these credits only if they send their children to schools.

Child labor in Guatemala's stone quarries (\$160,000)

Children as young as five years old work in stone quarries, first chipping stones into pieces and then carrying them to the transportation areas. Many of these children are forced to work under slavery-like conditions to pay off the debts of their parents. In this process, children face many risks such as the loss of eyesight, deformation, bronchitis and other lung diseases, skin disease, and loss of limb. If accidents occur, prompt medical attention is rare since hospitals or medical centres are located miles away from

the stone quarries and transportation is not readily available. Children working in stone quarries of Retalhuleu are often illiterate and seldom attend school.

This project will create education centres in the communities where stone quarries are located, offering adequate curriculum for working children as well as nutrition; provide vocational and other skills training to children in the Retalhuleu District; establish a medical centre near the quarry sites to treat injuries and illnesses; organize workshops for community leaders and families to raise their awareness on child labour and the risks associated with it; promote the introduction of new methods or technology in the stone quarries to reduce the risk of accidents; and support measures aimed at providing income generating alternatives to families of working children. This project will provide the foundation for part of the larger U.S. funded program aimed at the total elimination of child labor in Guatemala's stone quarries.

Child labor in the sugar cane sector of the Dominican Republic (\$163,076)

Many Haitian children work in Dominican sugar cane plantations and processing plants. They cut and transport the sugarcane. Many young girls are involved in domestic service. According to the trade union of sugar cane workers, there are more than 457 child workers in the sugar cane sector of Barahona. Since 1983, local organizations have expressed their concern about the high risk and dangers faced by children working in the sugar cane plantations.

As part of this project, a study will be carried out to learn in detail the family and working conditions of child workers in the Bateyes, particularly in activities such as sugar cane cutting and processing and domestic service. Based on this study, strategies will be formulated to combat child labour with the active participation of the communities. The project will aim to withdraw approximately 300 children from hazardous work in the sugar cane sector and integrate them in the school system. Workshops will be held for teachers to sensitize them to problems and specific needs of these children. In addition, a revolving fund will be established to help finance income generating projects for families of working children. This fund will be administered by a Local Administrative Committee represented by community organizations. A series of awareness raising/mobilization efforts will be undertaken to create a network of community organizations and trade unions to formulate strategies against child labour. Finally a data base will be established containing relevant child labour information and statistics. Information materials depicting the experience and lessons learned from the project will be produced and widely disseminated.

Child prostitution in Costa Rica (\$160,700)

In Costa Rica, it is estimated that there more than 2000 child prostitutes in the capital city alone. This number is on the rise as children are sold as part of sex tour packages to foreign tourists. These children face many hazards, including the risks of early pregnancy, sexually transmitted diseases and death. Sexually exploited children often lose self-respect and develop post-traumatic stress symptoms such as depression, aggression and violence. The emotional abuse many of them have experienced can be extreme, preventing their return to a normal way of life.

The project will identify the group of children that are at risk of being pushed into prostitution; run workshops to inform children and their families about the dangers of child prostitution; provide children with vocational and professional training and so that they will have alternatives to entering prostitution;

provide children at risk with recreational activities that ensure their normal development. The project will provide medical and dental services to the children; daily meals; literacy classes; individual and group therapy/counseling; and workshops on themes such as drug addiction and prevention, pregnancy, sexually transmitted diseases, and sexual abuse. A book on child prostitution, illustrated and narrated by rehabilitated children, will also be published.

Regional Program (\$50,000)

The regional programme will aim to:

- Identify, analyse and map-out areas and sectors where extreme and hazardous forms of child labour are found in the Central American and Caribbean regions. A data base on extreme forms of child labour will be established, incorporating the results of child-labour surveys and analysis of child-labour data. The systematization of child-labour information will better enable specific action against extreme and hazardous forms of child labour;
- Strengthen institutional capacity of partner organizations (governmental and non-governmental) to design and implement action programmes on child labour. This subregional component is required for the effective implementation of direct assistance projects within the framework of the five country programmes and for the replication of successful experiences in other countries of the region.

2. Eliminating Child Labor in Guatemala's stone quarry and fireworks industries.

The development objective of this project is to contribute to the elimination of child labor in Guatemala and the region by showing that child labor can be totally eliminated on a sectoral approach. The immediate objective of the project is to create a large demonstration project, with the support and investment of the Guatemalan government, to eliminate child labor in stone quarries and the production of fireworks. This project will build upon existing IPEC pilot projects, one of which is being funded through the Department of Labor's contribution to IPEC. The project would work closely with IPEC and other relevant implementing partners to ensure success.

Guatemala is a multi-cultural and multi-linguistic country. It is estimated that more than 42 per cent of Guatemala's population originates from indigenous groups and 46 per cent are under the age of 15 years. In Guatemala, the participation of minors in economic activity is seen as a structural phenomenon and the economic exploitation of indigenous children has become a tradition. According to the country's 1994 Census, more than 500,000 children between the ages of 7 and 15 years work. Many children are engaged in highly dangerous activities such as the production of fireworks and working in stone quarries.

Child labour in the fireworks industry

An estimated 2,000 children work in the fireworks industry of Guatemala. In San Juan de Sacatepéquez and San Raymundo, two cities known for firecracker manufacturing, children as young as seven years old work in factories or sweatshops under hazardous conditions. These children are often made to work up to 12 hours each day, six days a week.

Child workers in the fireworks industry face hazards to their lives and health. Children are involved in every step of the manufacturing process. They are forced to work long hours in unnatural positions that can permanently distort or disable their growing bodies. These children are also exposed to explosive chemicals such as potassium nitrate and gunpowder, which can cause skin and lung diseases and cancer. Other potential injuries faced by working children are cuts, abrasions and burns from fires and explosions. Notwithstanding these hazards, children are seldom provided with protective material such as masks and protective clothing. Moreover, many firecracker factories in Guatemala lack adequate lighting, ventilation and precaution against fires and explosion.

Most working children come from poor indigenous groups known for their tradition of "family production"; work in the fireworks industry is perpetuated through generations. It is generally recognized that there is a lack of economic alternatives for families of working children;

Although the production of fireworks is one of the most hazardous industries in Guatemala, work conditions in this sector are not strictly monitored and inspected. Labour regulations applicable to the industry are also not enforced adequately.

Child labor in stone quarries

Children as young as five years old work in stone quarries, first chipping stones into pieces and then carrying them to the transportation areas. Many of these children are forced to work under slavery-like conditions to pay off the debts of their parents. In this process, children face many risks such as the loss of eyesight, deformation, bronchitis and other lung diseases, skin disease, and loss of limb. If accidents

occur, prompt medical attention is rare since hospitals or medical centres are located miles away from the stone quarries and transportation is not readily available. Children working in stone quarries of Retalhuleu are often illiterate and seldom attend school.

FAX TRANSMISSION

OFFICE OF INTERNATIONAL ECONOMIC AFFAIRS

U.S. DEPARTMENT OF LABOR

WASHINGTON D.C. 20210

202-219-8098

FAX: 202-219-5071

To: Lael Brainard **Date:** January 30, 1998
Fax #: 395-6853 **Pages:** 5, including this cover sheet.
From: Betsy White
Subject: Chile Summit Declaration

COMMENTS:

Andrew Samet asked that I fax you a copy of our comments on Chile's initial draft of the Santiago Declaration of Principles. We checked with State and have been told that there is no revised version as yet. There are counter proposals from Mexico on our Plan of Action items on labor, but they are just proposals.

U.S. Department of Labor

Deputy Under Secretary for
International Affairs
Washington, D.C. 20210



January 12, 1998

MEMORANDUM FOR AMBASSADOR DAVIDOW

FROM: Andrew J. Samet
Acting Deputy Under Secretary,
International Affairs

SUBJECT: Comments on Chilean Draft of the Santiago Declaration of Principles

Attached are the Department of Labor's comments and suggestions regarding the Chilean Draft Santiago Declaration of Principles.

The main deficiency in the Chilean draft document is that fails to provide any room for dealing with labor issues in the hemispheric integration process. We believe that it is imperative that the Leaders' Declaration emerging from the Santiago Summit be unambiguous in its recognition of the importance of labor issues and establish a clear process for addressing them if the Free Trade Area of the Americas (FTAA) is to be successful. In this regard, we have drafted text (Attachment 1) that could be placed between paragraphs 21 and 22 of the draft Chilean Declaration. Our proposed text would: 1) establish that labor issues are part of the hemispheric integration process; 2) state that Ministries of Labor need to be strengthened to contribute to hemispheric integration; 3) establish a process whereby Ministers of Labor will create a framework to deal with labor issues complementing the FTAA; and 4) call on the OAS, IDB, other regional organizations and the ILO to support the work of Ministries of Labor in pursuit of the integration process. These international organizations are likely to be receptive to a request for assistance to the Ministries of Labor.

In addition to the insertion in Attachment 1, we believe that the Draft Declaration would also be enhanced by making small changes to the first paragraph and inserting language throughout the document that foreshadow some of the labor issues likely to be addressed in the Action Plan under the Democracy, Education and Poverty baskets. These suggestions are given in Attachment 2.

Please, let me know if you have any questions regarding our suggestions.

Attachments

cc Amb. Richard Brown
Bryan Samuel
Nelson Cunningham
Karl Hoffman
Peter Allgeier

DRAFT

Attachment IDepartment of Labor's Comments on
Chilean Draft of the Santiago Declaration of Principles

Add the following between paras. 21 and 22:

Labor

A strong and viable labor sector is vital to the achievement of hemispheric integration and to the equitable distribution of its benefits. Consistent with the Declaration of Buenos Aires of the Tenth Inter-American Conference of Ministers of Labor, held in October 1995 under the auspices of the Organization of American States, we are committed to policies that will foster a healthy, educated, productive and secure workforce, which shares in the benefits of economic growth.

Labor Ministries can and should make a positive contribution to the hemispheric integration process. We recognize the need to strengthen the capacity of Ministries of Labor to more fully support the hemispheric integration process. We direct our Ministries of Labor to work together to exchange information and experiences regarding best practices and to enhance cooperation on innovative labor market policies.

We also recognize the need to establish a framework that addresses the labor dimension of hemispheric integration, complementing the Free Trade Area of the Americas. We direct our Ministers of Labor to meet before the end of 1998 to begin the construction of such a framework and to report to us at the III Summit of the Americas on progress made.

We call on the Organization of American States, the Inter-American Development Bank, other appropriate regional and sub-regional organizations and the International Labor Organization to support the efforts of Ministries of Labor to further the hemispheric integration process.

January 12, 1998

DRAFT

Attachment 2Department of Labor's Comments on
Chilean Draft of the Santiago Declaration of Principles

1. Amend the first paragraph of the Declaration as follows (addition in bold):

We, the democratically elected Chiefs of State and Governments of the countries of the Americas, meeting in Santiago, Chile, within the framework of the II Summit of the Americas and with the purpose of examining the current situation in the region, of evaluating the hemispheric cooperation and integration process and adopting measures required to give a renewed momentum to this joint effort, so as to better use the capacities of our countries, to contribute to resolve the severe problems still afflicting an important segment of our people, respond to the concerns and demands of our citizens, **raise standards of living, improve the working conditions of people in the Americas and better protect the environment.**

2. Make the following additions to the document to foreshadow labor matters in the Action Plan.

- In the "Democracy and Human Rights" section, amend the second sentence of para 3 to highlight modernization of the state and of ministries of labor.

By **modernizing government structures so that they are increasingly more agile and responsive to the needs of our citizens and strengthening judicial systems,** we will ensure that important principles of respect for human beings and the full development of their capacities attain the effectiveness they deserve.

- Also in the "Democracy and Human Rights" section, add the following paragraph after para 4:

We reaffirm our commitment to human rights, as stipulated in the Universal Declaration, and to international and interamerican human rights instruments, to which we are parties, respectively. In particular, we recognize the importance of economic, social and cultural rights, and within these we underscore the basic rights of workers, and reaffirm our commitment to ensure compliance with the Constitution and Conventions of the International Labor Organization, as respectively ratified by our governments. [This language was agreed to in the San Jose Declaration of the Leaders.]

- In the "Globalization" section, modify the second sentence of para 10 as follows:

Similarly, we reaffirm that only by means of interdependence founded on the sovereign

equality of States and on common principles and values permitting economic growth based on practices of free trade; on respect for the rights of workers; on a healthy environment, and on policies that ensure **that the benefits of economic growth are widely distributed**, shall we strengthen the peace and sustained progress in which the Hemisphere lives.

- In the "Education" section, modify the second sentence of para 17 as follows:

These plans should contemplate the development of **worker training programs that respond to the needs of the labor market so that the broadest number of workers and employers will have the opportunity to benefit from economic growth.**

- In the "Poverty, Social Equity and Preventing Discrimination" section, modify the third sentence of para 20 as follows:

The region as a whole must make an additional effort to finally overcome this situation in the next years, **creating the conditions that will generate quality jobs and respect for the rights of workers**, and thus achieve the required equilibrium that will permit not only better and more fair living and development conditions for our peoples, but also to reinforce the legitimacy and efficiency of the system. **We recognize the positive contributions of an enhanced dialogue between workers and business people and in that regard, encourage greater labor-management cooperation and the adoption of innovative systems of labor-management relations.**

January 12, 1998