When you last savored a bar of rich chocolate, a cup of hot cocoa, or a piece of chocolate cake or scoop of chocolate ice cream, did you know that you may have unwittingly been consuming a product made with child slaves?

Chocolate is one of the most-traded agricultural products in the world. The top 10 chocolate-consuming nations are all developed countries in Europe or the United States, yet about 70 percent of the world's cocoa is produced in West Africa. In practice, beans from different nations are usually mixed together during their exportation and transport to processing plants in the importing nations. So Hershey bars, Snickers, M&Ms, KitKats, Nestlé chocolates, fudge, hot chocolate—essentially all of these delicacies that are regularly enjoyed by hundreds of millions of consumers—will include cocoa from West Africa, especially the Côte d'Ivoire (Ivory Coast). With about 46 percent of the world's total cocoa production, Côte d'Ivoire produces nearly twice the level of the second-largest cocoa producer, Ghana.

Results of a survey on child labor in West Africa, released in 2002, found that 284,000 children were working in hazardous conditions on West African cocoa farms, with the majority (200,000) working in Côte d'Ivoire. Nearly two-thirds of the child laborers were under the age of 14. Working conditions were described as slave-like, with 29 percent of the surveyed child workers in the Côte d'Ivoire indicating that "they were not free to leave their place of employment should they so wish." Many of these children had been brought into the cocoa-growing areas from distant regions of the Côte d'Ivoire or from poverty-stricken countries such as Burkina Faso, Mali, and Togo, often after being kidnapped. Some of the child laborers had been sold by their parents in the expectation that the child's earnings would be sent home. Although paid less than 60 percent of the rate of adult workers, children frequently worked for more than 12 hours per day, 6 days a week, and were regularly beaten. More than half of the children applied pesticides without protective gear. Only 34 percent of the children working on cocoa farms went to school, which was about half the level for children who were not working on cocoa farms. The rate of school enrollment was even lower for girls.

These child laborers seemed to be trapped in a vicious cycle: they were forced into work due to kidnapping or economic circumstances faced by themselves and/or their families; they earned subsistence wages; and because most had not been to school and had minimal skills, their prospects for seeking other employment options were limited.

Efforts to raise awareness of the exploitation of child labor in the cocoa industry faced great challenges, and even today, a majority of consumers seem unaware of the circumstances behind the production of their favorite chocolate treats. Yet the atrocious nature of the child labor situation in the cocoa industry compelled the media, public interest groups, and others to continue their efforts. Hard-hitting news stories began to appear on television and radio and in magazines and newspapers across North America and Europe.

Fearing the implications of boycotts, trade sanctions, or certification and labeling requirements in key markets such as the United States and Europe, representatives from the chocolate industry attempted to develop a strategy for dealing with the problem. The Chocolate Manufacturers Association hired former senators George Mitchell and Bob Dole to lobby against legislation establishing certification and labeling requirements. Once that defeat was secured, the industry agreed to self-regulate and attempted to change the child labor practices. A protocol for the industry was developed that established a timetable for eliminating child labor and forced labor in the production of cocoa. A self-imposed deadline was set for establishing a viable monitoring and certification system: July 1, 2005.

Some important cocoa-producing nations have worked with the International Labor Organization and the International Programme on the Elimination of Child Labour (IPEC) to establish national programs to eliminate child labor in their countries. However, as of 2010, there was evidence suggesting that child labor continued to be a widespread problem in Côte d'Ivoire and Ghana. Industry representatives have complained that progress toward eliminating child labor in cocoa production has been hindered by traditional culture in the agriculturally based producing nations, compounded by civil war and other complications.

In the absence of prompt and effective action by the chocolate and cocoa industry, a number of companies have begun producing fair-trade-certified chocolate. Through observing a strict set of guidelines associated with fair-trade certification, these companies guarantee that a consumer of one of their chocolate products is "not an unwitting participant in this very inhumane situation." Fairtrade Labeling Organizations International, a consortium of fair-trade organizations from Canada, the United States, Japan, Australia, New Zealand, and 15 European nations, establishes certification standards.

Fair-trade practices essentially involve international subsidies to farmers in developing countries, ensuring that farmers who are certified as engaging in fair-trade practices will receive a price for their produce that will at least cover their costs of production. By providing a price floor, fair-trade practices protect Third World farmers from the ruinous fluctuations in commodity prices that result from free trade practices. At the same time, fair-trade certification requires that farmers engage in appropriate social, labor, and environmental practices, such as paying livable wages and not using child or slave labor. In addition to the cocoa program, fair-trade certification programs have been implemented for a range of other products, such as coffee, bananas, nuts, spices, tea, and crafts.

Although still a nascent movement, sales of fair-trade certified products are growing and are projected to reach $9 billion in 2012. Will there be a similar result for chocolate? Already, more than 50 companies make fair-trade chocolate products in the United States, including ClifBar, Cloud Nine, Newman's Own Organics, Scharffen Berger, and Sweet Earth Chocolates.

Questions

1. Should labor practices in another country be a relevant consideration in international trade? Why or why not?
2. With regard to trade in products such as cocoa, what options are available to governments, businesses, and consumers for dealing with practices such as child labor or slave labor in other countries? What are the implications associated with each of these options?
3. How would international trade theorists view the fair-trade movement?

Source: "Cocoa Production in Cote d'Ivoire," http://en.wikipedia.org/wiki/Cocoa_production_in_C%C3%B4te_d%27Ivoire (June 23, 2011); Jose D. Perezgonzalez, "Child Labor in Cocoa Production—2010," *Journal of Knowledge Advancement and Integration*, 2011, pp. 1–4, www.lulu.com/product/ebook/child-labour-in-cacao-production/15575910 (accessed June 23, 2011); "Fairtrade Certification," http://en.wikipedia.org/wiki/Fairtrade_certification (June 23, 2011); "Slave-Free Chocolate," http://vision.ucsd.edu/~kbranson/stopchocolateslavery/main.html (June 23, 2011); and "Fair-Trade Q&A," www.globalexchange.org/campaigns/fairtrade/fairtradeqa.html (accessed June 23, 2011).