



EVALUATING CHILD LABOR PROGRAMS: UNCOVERING HOW LOCAL NORMS IMPACT FIELD-LEVEL RELATIONSHIPS BETWEEN FARMERS, WORKERS AND CHILDREN

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This is a case study of how **Philip Morris International (PMI)**, a global tobacco company, used participatory evaluation tools to gather information in order to address the “root causes of the most prevalent and persistent issues that keep surfacing”¹ – specifically child labor in their agricultural supply chain.

Over the years, PMI has been gathering data through regular assessments and farm visits, which help the company to monitor the implementation of its labor standards, including zero child labor. However, it is its latest strategy, **Step Change**, that has provided complementary information about local awareness challenges, customs and societal attitudes that normalized children working on tobacco-growing farms. In driving this change, PMI has set itself an ambitious target to eliminate child labor from its leaf supply chain by 2025. Addressing incidences of child labor is important due to the hazardous nature of the agricultural work, which can pose increased health and safety risk to children.² This case study describes how a combination of participatory methods allowed local and affected people to express in their own terms any local realities that run counter to the company’s efforts to reduce the use of child labor on farms.

Specifically, the evaluation uncovered that:

- workers are more accepting of children working on farms than farmers;
- child labor is seen as part of a widespread societal norm of communal work; and
- strong cultural beliefs ingrained in the society including of some local leaders, educators and community representatives weakening the company’s messaging about child labor. ➡➡



QUICK FACTS:



SECTOR:
AGRICULTURE



COMPANY:
PHILIP MORRIS INTERNATIONAL



COUNTRY:
INDONESIA



TIME FRAME:
JUNE - DECEMBER 2019

DEVELOPING A SYSTEMATIC WAY TO DRIVE AND MONITOR IMPACTS IN A COMPLEX SUPPLY CHAIN

PMI's global tobacco supply chain is made up of 335,000 farmers and over 450,000 workers living in 24 countries worldwide. Such an extensive supply chain can be challenging to monitor, so in 2011, the company launched the **Agricultural Labor Practices (ALP)** program to work with suppliers, farmers and workers to align working conditions on farms to a higher international standard. To do so, the program communicates PMI's expectations to suppliers, farmers, and workers through training and internal monitoring conducted by a network of over 2,800 field technicians. Field technicians visit farms regularly to assess the implementation of the requirements as per the ALP Code and to collaboratively solve outstanding problems with farmers. In addition to farm visits, assessments by a specialist third party supply chain auditor present another layer of information about the progress. Together with the information collected from the local grievance mechanisms and other sources, the data is then consolidated and analyzed, allowing the company to track change over time, spot issues that need urgent attention, and compare progress across different geographies.

While this approach has been successful in achieving progress in program implementation at scale and across most of its sourcing markets,³ PMI noticed that in a few countries, including Argentina, Indonesia, Malawi and Turkey, some issues, such as child labor, continue to present a challenge. To understand why this was the case and to get better insights into the barriers to achieving desired impacts in farmers' and workers' lives, the company introduced **Step Change** in 2018. The approach is multifaceted and consists of different components, some of which focus on

strengthening supplier due diligence prior to and during contracting with farmers; empowering women to be drivers of change; and improved support for worker grievances.⁴ Farm-level action plans might include a mixture of these efforts, allowing them to be tailored to a specific issue or concern identified by the company's monitoring system and to the local operating realities of a target farm.

"We asked ourselves: 'Why aren't we seeing positive change?' That is when we decided to take a deep dive, speak to the farmers and workers directly to uncover root causes which were preventing us from achieving desired outcomes."

- JOANNE LE PATOUREL, MANAGER SOCIAL SUSTAINABILITY LEAF, PMI

This case study focuses on one innovative aspect of Step Change: evaluating the impact and effectiveness of the ALP program by *seeking out the perspectives and experiences of farmers, workers, spouses, and children.*⁵ To do this, PMI contracts third-party experts and local NGOs to conduct "**external verification**" using a variety of tools, such as household surveys, interviews and participatory observation.

Having an independent expert undertake the evaluation has two related benefits. First, it creates a safe space for stakeholders to share their opinions and insights openly and anonymously. Second, it increases the credibility of the evaluation and allows for unbiased confirmation of the data collected by the company's or suppliers' field technicians. While not an issue in this case, external verification applied in other geographies, can reveal discrepancies between data gathered by third-party experts and those reported by field technicians. Such variation in ►►

the data can signal different challenges, including a lack of skills for monitoring social issues, or other pressures experienced by field technicians, and may highlight the need for additional measures. These could include introducing innovative approaches to training and capacity-building for field technicians, contracting additional field team members experienced in social work or child protection, or updating technology for information gathering, such as tablets, programming, targeted questionnaires, to improve real-time data collection and analysis.



A picture of a woman harvesting tobacco, taken through the participatory photography methodology. Photo courtesy of: PMI, 2019

EVALUATING AND IMPROVING THE ON-THE-GROUND EXPERIENCE OF AFFECTED STAKEHOLDERS IN INDONESIA

In 2019, **PMI** and **Verité**, a global fair labor organization and PMI's partner, worked with over 27,000 contracted farmers⁶ in Indonesia who, in total, hired over 150,000 workers throughout the tobacco crop season. Between June and December 2019, an external verification process was conducted in Central and East Java in Indonesia as part of the Step Change approach to capture farmers' and workers' experiences during harvesting and post-harvesting season.

The external verification process covered three growing areas representing 41% of the company's farmer base in Indonesia. The objective was to better understand the reasons behind slower-than-expected progress in eliminating child labor and achieving greater awareness of health and safety on farms.

The evaluation used the following mix of quantitative and qualitative data collection methods:

- **Household surveys.** Local teams of researchers conducted extensive computer-assisted household surveys to collect information about household conditions, awareness and utilization of Personal Protective Equipment (PPE), as well as information about the workforce and presence of children on a farm. The survey is built on ALP indicators to gain visibility into farm profiles and compliance levels and was answered by farmers, farmers' wives and children, as well as workers and their families.
- **In-depth interviews and follow up discussions.** Researchers trained in qualitative participatory methods conducted interviews with farmers and workers, their families, and other stakeholders.
- **Reality-check assessment.** Researchers also spent time living on the farms, observing and speaking to farmers and workers in informal settings.
- **Participatory photography.** Workers and their children received cameras to document their everyday lives on the farm. The use of photography allowed farmers and workers to capture nuances of their experience.⁷ ➤➤

The local research team, in collaboration with Verité and PMI, subsequently analyzed the collected data. In the case of participatory photography, researchers discussed the photos with the stakeholders who took them, to give them space to interpret the meaning and significance of the images.

Lastly, relevant findings and broader learnings for program improvements in Indonesia were discussed among the program design and implementation teams. Learnings were also shared with other markets and at the corporate level.

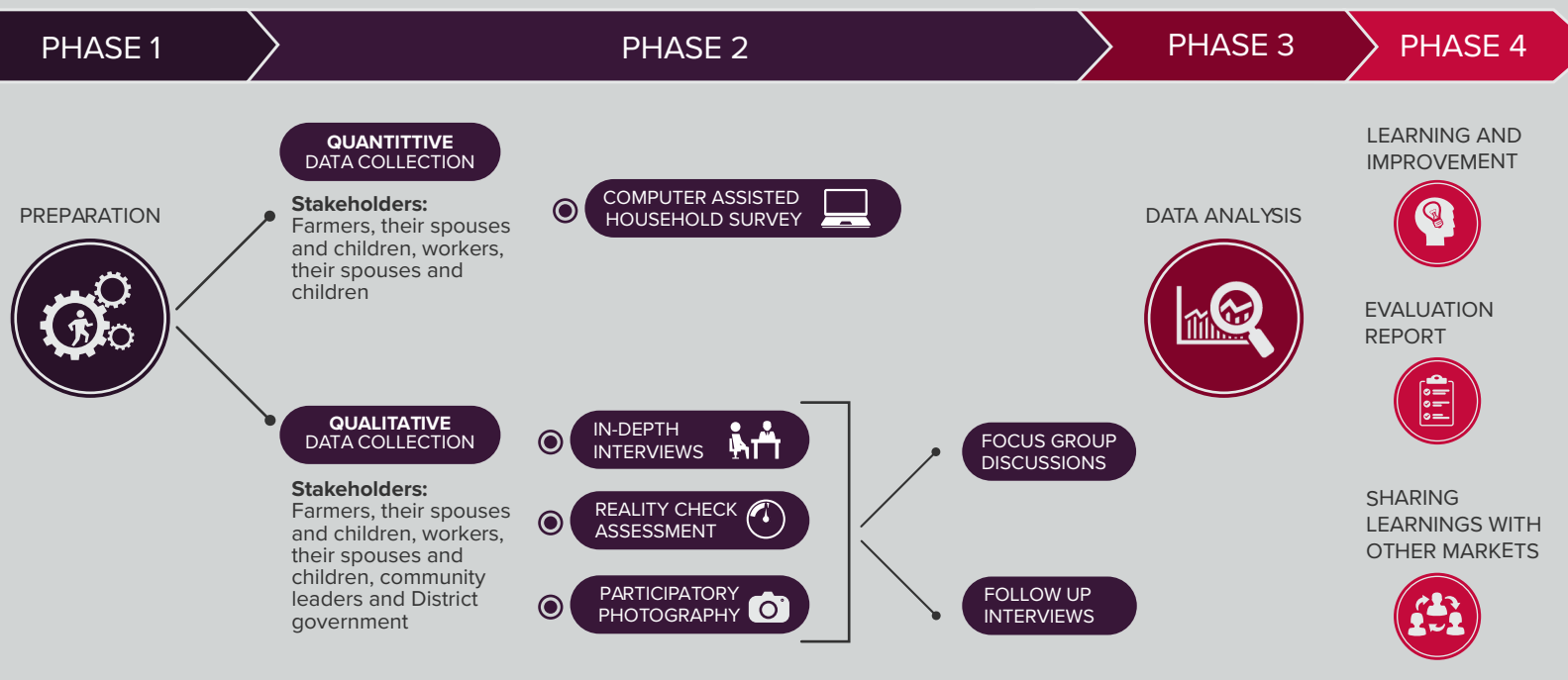


Diagram 1. Step Change external evaluation process in Indonesia . Graphic based on original by Philip Morris International

KEY FINDINGS AND INSIGHTS ABOUT CHILD LABOR AND THE PROGRAM

The evaluation brought to light several interesting findings about awareness, beliefs and practices surrounding child labor, which are part of the root causes and underlying dynamics of child labor in their communities. This not only served to re-affirm some of the PMI’s existing knowledge about the complex drivers of child labor. It also created an opening for a dialogue with community leaders, families and workers about barriers to success of the program.

The participatory methods described above resulted in the following insights:

ATTITUDES TO CHILD LABOR AMONG WORKERS CONTRAST TO THOSE OF FARMERS.

Household surveys revealed that children of workers are more likely to work on farms than children of farmers. This insight becomes even more interesting when combined with an additional finding from the survey, which showed that in the assessed areas, the incidence of child labor was not driven by the need to earn income. The data about worker attitudes to child labor may reflect a couple of contributing factors:

- First is **awareness**. The surveys showed that awareness about child labor among workers in all three surveyed sourcing areas was, on average, ten percentage points lower ➡

than that of farmers and six percentage points lower than that of farmers' spouses. This could, in part, be related to the training program design, which initially prioritized awareness-raising activities among contracted farmers and only later were expanded to spouses and then to farm workers.



A focus group discussion session conducted to capture qualitative insights from workers. Photo courtesy : PMI, 2019

- Secondly, complementary data also found that respondents **perceived** the zero tolerance for child labor to be a **contractual requirement** for suppliers and farmers and **not for workers**. When asked, farmers and their spouses said that the involvement of children in tobacco farming is prohibited – an answer that was less likely to be heard from workers. Therefore, for workers to consider themselves and their children to be subject to the policy, and for the standards to drive change in behaviors, communicating standards must be accompanied by creating a common position, a shared value of zero tolerance of child labor among all stakeholders.

EXTERNAL SOCIETAL RELATIONSHIPS AND ATTITUDES TO CHILD LABOR HINDER THE PROGRAM'S SUCCESS.

The qualitative component of the evaluation revealed a complex set of local social norms, which contribute to the persistence of child labor. Specifically:

- Child labor is considered to be part of a widespread local practice referred to as communal work or “gotong-royong.” Tobacco cultivation, alongside other often manual types of labor, is treated as a “family” type of work. In line with this tradition, children, other family members, and sometimes even neighbors would help workers on a farm without any contracts and sometimes without pay when they do not have other things to do. This practice is common in Indonesia, and it is not unusual to find a situation when families of workers or farmers help out on contracted farms. The presence of relatives on farms, who are often untrained, can increase the risk of child labor, including under hazardous conditions. The practice of communal work can, thus, blur the line between contracted and non-contracted farmers and workers and make monitoring and awareness-raising more difficult. In other words, the norm of communal work appears to have greater weight than messages from training and labor requirements. ▶▶

“When designing a program you assume certain things are going to be delivered. But social structures and power on the ground mean that you don’t always see the desired results. That is where the external verification helps us connect the dots.”

- PAULINE TIFFEN, VERITÉ

By way of illustration, using participatory photography, a 15-year old junior high school student took pictures of his everyday activities over two days and then talked about them with a local research team. Most of his photographs showed him helping his uncle in the field: hoeing, cutting tobacco stalks, transporting, hanging, and curing it. The work was done from 6 a.m. to 4:30 p.m. (or 6 p.m.) on off-school days. When asked why he performed the work, he responded: “I prefer to help. I have no friends to play with.” Even though the boy himself was the son of a farmer who did not sell to PMI’s supplier, he lived in a village with other farmers who did. As a non-contracted farmer, his father would not take part in PMI’s awareness activities, leaving him and others like him at a higher risk of child labor or risks to their health and safety. The exchange between the evaluation team and the boy also pointed to the second prevalent and related attitude described next.

“We have a strong due diligence system in place in our tobacco supply chain with visibility to over 90% of our farmer base; we have introduced ambitious targets, and want to bring sustainable change and make a real, positive impact on the farming communities. Our key objective is to address these systemic issues once and for all.”

- ANNA KLETSIDOU, HEAD OF SOCIAL SUSTAINABILITY & HUMAN RIGHTS, PMI

- **Children themselves expressed a preference to work, particularly in times when they are idle.** Additional interviews with children in tobacco-growing

communities suggested that children helped their families either spontaneously or when asked and in their free time. This finding is consistent with a prevalent mindset that children should contribute to household activities, of which helping with tobacco cultivation would be one example.

- **Attitudes of community leaders, educators, and district government officials can also undermine the efforts to eradicate child labor.** Interviews with those who have the power to influence norms and practices at community and district-level uncovered a spectrum of perspectives about child labor. The majority of respondents were tolerant of child labor as long as it is voluntary, outside of school hours, and in line with gotong-royong tradition. A common rationale was that work might actually be good for children as it offers valuable experience. However, some stakeholders, including parents, also believed that children do not face the same health risks as adults working in tobacco. A local leader shared his view that as long as children are physically able to perform certain activities, the work is not hazardous. Other beliefs are closely tied to respondents’ own experience of working in childhood as some of the respondents have been involved in the tobacco business since they were children and never suffered from any health impacts.

LOOKING AHEAD

In recognition of the local contextual factors highlighted through the evaluation, PMI has worked on tailoring its approach to work with farmers, workers and their families, and: ➡➡

- **has introduced a mobile training van** which integrates visual and practical demonstrations to convey the key messages about child labor in more interactive ways. This allows training staff to engage with smaller groups of farmers, workers, and spouses, creating a more comfortable environment to ask questions and raise concerns.
- **plans to launch a new reward scheme titled “ALP Ambassadors.”** The objective of the scheme is to encourage the best-performing farmers to become agents of change and spread their learnings and experience with the ALP program within their broader communities, alongside the field technicians. The ambassadors, appointed annually, will be trained in communication skills and will be empowered to share the significance of PMI’s standards beyond compliance.
- **intensified its collaboration with local NGOs to put in place holistic, community-based interventions to tackle child labor.** A program of focusing on after-school activities in a form of art classes, study classes and sports games aims to not only to keep children occupied and stimulated, but also to bring together children, community, farmers and workers to create a shared understanding of children’s experiences. An additional activity focused on women’s empowerment is currently being designed as a direct response to the evaluation findings.
- **continues to work closely with other stakeholders to align the standards in tobacco-growing regions in Indonesia.** This includes collaborating with the Eliminating Child Labor in Tobacco

Growing (ECLT) Foundation, which led to the establishment of the Partnership for Action Against Child Labor in Agriculture Alliance (PAACLA). The Alliance is a multi-stakeholder forum of industry peers, buyers of other commodities, civil society organizations, and governmental representatives to discuss future cooperation and to share challenges as well as successes in the effort to eliminate child labor.

“Working with social issues is like facing an iceberg. Despite years of working on the issue, sometimes we can only see the tip of the iceberg. External verification on the other hand, lets us discover more underlying insights from the community.”

**- ADELINE LIM,
MANAGER SOCIAL RESP. ASIA**

PMI conducted a second external verification work in Indonesia in the second half of 2020. Despite the COVID-19 crisis, the exercise took place as scheduled and results are currently being analyzed. The objectives of this external verification are to cover an additional growing area and to capture variations in stakeholders’ experience during a different phase of tobacco cultivation unobserved in the previous assessment: namely, harvesting.

At the corporate level, after finalizing external verifications in the other targeted markets, PMI will incorporate country-level learnings to improve the Step Change approach and design standardized guidance for its local partners and third-party experts.

The overarching intention for the future of the ALP program is to be more proactive in ►►

responding to well-identified but very complex and multi-layered challenges that farmers and workers in the supply chain face. The linchpin for this effort is an integrated strategy combining various sources of data, ranging from regular farm visits collecting basic information and monitoring the ALP requirements, to deeper dives using participatory methods to account for the direct experiences of affected stakeholders.



This is one of three case studies focusing on quality of relationships developed by Shift as part of the Valuing Respect project. To access other resources of this series, visit valuingrespect.org.

ENDNOTES

1 PMI: Guiding Principles. ALP Step Change. https://www.pmi.com/resources/docs/default-source/pmi-sustainability/alp-step-change-guiding-principles.pdf?sfvrsn=702092b5_2

2 According to the PMI's progress report, in 2018 25% of recorded incidents of child labor on tobacco-growing farms was in hazardous work. This included harvesting or handling green tobacco, which if done without proper equipment and training can pose serious health risks to people. Read more in ALP Progress Update 2-2019 at: <https://www.pmi.com/sustainability/our-approach-to-sustainability/sustainability-resources>

3 <https://www.pmi.com/integrated-report-2019>

4 For more information about ALP Step Change, please visit: https://www.pmi.com/resources/docs/default-source/pmi-sustainability/alp-guiding-principles-for-step-change.pdf?sfvrsn=41b591b5_2

5 This case study does not cover the remediation part of the monitoring system in cases when child labor is identified and reported by a field technician. You can learn more about remedy in the Progress Update 2/2019: Taking Action To Eliminate Child Labor From Our Leaf Supply Chain. Available on: https://www.pmi.com/resources/docs/default-source/pmi-sustainability/alp-progress-update-2-2019.pdf?sfvrsn=760192b5_2

6 PMI has no direct relationship with the farmers or workers as, in Indonesia, farmers are contracted through third-party suppliers.

7 Participants gave consent for researchers to use the photographs, which, if published, would be blurred or blocked to protect stakeholders' identity.

ABOUT SHIFT

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights. Shift's global team of experts works across all continents and sectors to challenge assumptions, push boundaries and redefine corporate practice in order to build a world where business gets done with respect for people's dignity. We are a non-profit, mission-driven organization headquartered in New York City.

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ABOUT VALUING RESPECT PROJECT

Valuing Respect Project is a global collaborative platform, led by Shift, to research and co-create better ways of evaluating business respect for human rights. Our aim is to develop tools and insights that can help both companies and their stakeholders focus their resources on actions that effectively improve outcomes for people. Valuing Respect is generously funded by the Ministry of Foreign Affairs Finland, the Norwegian Ministry of Foreign Affairs and Norges Bank Investment Management.

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