The Coca-Cola Company
Review on Child and Forced Labor and Land Rights in El Salvador's Sugar Industry
# Table of Contents

- Introduction ................................................................. 3
- Executive Summary ...................................................... 4
- Methodology ................................................................ 5
- Desk Research ............................................................... 12
- Field Study Findings ...................................................... 24
- Conclusions ................................................................ 27
- Appendix A – The National Context ................................. 28
- Appendix B – Stakeholder Engagement Highlights ............ 30
- Appendix C – Interview Questionnaire ............................. 31
- Bibliography ................................................................ 33

---

About UL

UL is a premier global independent safety science company that has championed progress for more than 120 years. Its nearly 11,000 professionals are guided by the UL mission to promote safe working and living environments for all people. UL uses research and standards to continually advance and meet ever-evolving safety needs. We partner with businesses, manufacturers, trade associations and international regulatory authorities to bring solutions to a more complex global supply chain. For more information about our certification, testing, inspection, advisory and education services, visit http://www.ul.com.

UL's Responsible Sourcing group's mission is to be the global leader in advancing sustainable business practices within supply chains worldwide. UL's Responsible Sourcing group provides auditing and advisory services in six areas of expertise; social responsibility and accountability, risk identification and management, environmental responsibility, brand protection and supply chain security, extractives and raw materials sourcing, and capacity building and continuous improvement.

Disclaimer

This document is for general information purposes only and is not intended to convey legal or other professional advice.
Introduction

The Coca-Cola Company (TCCC) has established industry-leading commitments to both protect the land rights of farmers and communities in the world’s top sugarcane-producing regions, and address child and forced labor issues in the countries associated with sugarcane production, as cited in the U.S. Department of Labor’s List of Goods Produced with Child Labor or Forced Labor. These industry-leading commitments have helped to advance TCCC’s ongoing efforts to drive transparency and accountability across its global supply chain.

In support of this goal, TCCC contracted UL’s Responsible Sourcing group to conduct a research study examining the incidence and impact of child labor, forced labor and land rights in El Salvador. Combining field research with robust qualitative research and stakeholder engagement, this study is intended to help improve TCCC’s commitments in the area of human rights and sustainable agriculture. The study includes country specific information on the legal framework for child labor, forced labor and land rights, as well as social and economic factors contributing to these issues, initiatives and organizations working to address these issues, and the actual presence of these issues in the country and TCCC’s supply chain specifically. UL’s Responsible Sourcing group conducted desktop and onsite research, including onsite assessments at mills and farms within TCCC’s supply chain, in order to gather the information presented below.

This report was written by UL’s Responsible Sourcing group. For more information on UL’s expertise and thought leadership, please see here.

---

1 TCCC already implements a Supplier Guiding Principles program that sets human rights and workplace rights requirements for direct suppliers.
Executive Summary

Child Labor

In El Salvador, poverty is one of the main drivers of child labor in the sugarcane industry. Many families face economic pressures and children work to help support the household. The harvest coincides with the school year, therefore, many children drop out of school or have poor attendance. As children who work in the harvest become adults and have families of their own, they typically can only get low-paying jobs that do not adequately support the household. This increases the likelihood that the next generation of children may become involved in child labor.

Lack of opportunity in rural areas is also a driver of child labor in El Salvador. Children from rural areas are more likely to engage in agricultural work, including sugarcane harvesting. Families in rural areas rely mostly on the sugar harvest for their annual income. This likely increases the expectations of children and minors to participate in the harvest. Strong child labor initiatives have been established to address the drivers of child labor, with some reported successes particularly in the sugar industry. During the research study, UL did not find minors below the age of 18 at any of the 20 sampled farms.

Forced Labor

Forced labor is a complex issue and can often be difficult to recognize. Identification of forced labor incidences in the field first involves information gathering through documentation review, private interviews and visual observation; and second, the analysis of the information to assess for indicators and actual occurrences of forced labor. It is common for workers in this industry to frequently work upwards of 13 hours per day. On the sampled farms, workers worked in excess of 12 hours per day. UL found that the lowest average wage paid per farm was USD $3.85 a day. Based on a regular workweek of 44 hours, this wage rate is above the legally mandated wage rate. However, if workers engage in overtime, workers' hourly wages could fall below the legally mandated rate.

UL did not identify any specific occurrences of forced labor during the research study. However the high likelihood of excessive working hours coupled with a low wage paid out by piece, can result in incorrect wage payments, which may pose a risk for forced labor, following the International Labour Organization (ILO) Guiding Principles to Combat Forced Labour.

Land Rights

Land tenure is the relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to land. El Salvador’s land tenure issues stem from weak title-to-market linkages and corruption. These causes are usually tied to the poor institutional capacities of public agencies in charge of land administration.

The mills supplying sugar to TCCC in El Salvador and the associated sampled farms had possession of documentation demonstrating legal ownership or authorized use of the land. One out of the two mills sampled during the research study stated that they have increased their land size in the last 20 years. None of the land that was purchased by that mill was contested by the surrounding communities or indigenous peoples. Five out of the 20 farms visited increased their land size in the past 20 years and five out of the 20 farms visited are planning on acquiring new land. Even though none of the visited mills have policies in place regarding the protection of land rights and access to land, no specific reports of land grabbing or land rights violations in El Salvador were found during the research study. In the studied TCCC supply chain, there is no evidence or claims of land grabs.
Methodology

The purpose of this study was to provide a country specific baseline within TCCC’s sugar supply chain in El Salvador of the possible existence of: individuals under age 18 who are working (i.e. child labor), forced labor, and land rights issues. This scope included farms as well as the sugar industry overall in the country. The findings from the study were intended to inform TCCC of the possible need to mitigate child labor, forced labor, and land rights issues where they appear to exist in El Salvador.

To examine incidences and the impact of child and forced labor and land rights issues at the country, industry and supply chain level, UL conducted stakeholder interviews and customized field research at sugar mills and sugarcane farms between December 2013 and March 2014. Additionally, stakeholder interviews were conducted remotely in two rounds, the first round of interviews concluded in November 2013 and the second round of stakeholder interviews was completed in October 2015. Additionally, UL reviewed publicly available information on child labor, forced labor, and land rights issues in the sugar industry in El Salvador between 2013 and 2015. The research included reviewing information on: El Salvador’s legal framework with regards to child labor, forced labor, and land rights; identification of prevalent child labor, forced labor, and land rights issues in El Salvador’s sugar industry; initiatives in place to address these issues; and specific actions being taken to protect or help victims. Initial desktop research was done before the field visits in 2014 and desktop research concluded in October 2015.

The report was first finalized in March 2015, then reviewed by select stakeholders until September 2015, updated with additional stakeholder interviews and data and re-issued for stakeholder review with a second finalization date of December 2015. This is the second version of the report. TCCC reviewed and commented on all report drafts.

The research and stakeholder engagement elements were extended to all sugar producers including supporting farms, plantations, and cooperatives in the country. However, field visits were only conducted at TCCC suppliers, including all supplying mills, with management engagement, and a sampling of the mills’ supporting farms and plantations, with management and worker engagement.

2 Mill workers were not included in the scope of worker interviews.
Research of Publicly Available Sources and Stakeholder Engagements

In the first phase, UL evaluated publicly available information on:

- The legal framework in El Salvador with regards to child and forced labor, land rights, and illegal settlements.
- Prevalent child and forced labor and land rights issues in the sugar industry.
- The initiatives in place to address these issues in El Salvador and the types of actions these organizations are taking to protect or help victims.

UL also consulted the following stakeholders to corroborate information and to obtain additional country- and industry-specific information about prevalent child and forced labor and land rights issues:

- Attorney General’s Office for the Defense of Human Rights
- Bonsuco
- Catholic Relief Services
- Ecoviva
- Fe y Alegría
- Fundación Salvadoreña para la Salud y el Desarrollo Económico y Social
- FUNDAZUCAR
- FUNDE
- International Labour Organization (ILO) - El Salvador
- Plan International
- Sugar Association of El Salvador
- U.S. Department of Labor Bureau of International Labor Affairs
- World Vision
Supply Chain Mapping

In the second phase, UL mapped TCCC’s sugar supply chain to the farm level. A self-assessment questionnaire (SAQ) was developed and delivered to the two supplier mills in El Salvador that TCCC sources from. The SAQ collected information on:

- General characteristics of the mills;
- Production expectations for the upcoming harvest;
- Policies and initiatives around child and forced labor and land rights issues; and
- Information on each of the supplying farms, including contractual relationship with employees, management of the labor force, and increases in farmland size.

Both mills supplying to TCCC in El Salvador participated in this supply chain mapping process.

Onsite Research

UL visited both mills that TCCC sources from in El Salvador. UL also sampled 10 farms per mill, through onsite visits, according to scheduling availability and responsiveness, and the four main types of farms that supply to the mills: cooperatives (2.5% of TCCC’s supply chain), mill-leased (1% of TCCC’s supply chain), mill-owned (0.2% of TCCC’s supply chain) and independent farms (96.3% of TCCC’s supply chain). The goal behind this sampling methodology was to account for the different types of labor relationship between workers and employers. A cross-section of 20 farms from 1,736 identified in TCCC’s supply chain (approximately 1.2% of farms in TCCC’s supply chain) was included in the research, and while small, it composed a feasible sample size that could provide initial diagnostic and background information on the issues of interest, and would align with time and budgetary constraints.
The intention was to have approximately 40% of the audited farms be owned or leased by the mill, as these farms would have similar employment relationships. The other 60% of the audited farms would be independently owned, as the mills reported that they were unaware of how these farms managed their labor force, which resulted in a higher allocation of onsite assessments. However, in order to account for the cooperatives in TCCC’s supply chain in El Salvador, which were not present in other countries studied, audited farms that were owned or leased by the mill accounted for 30% of audited farms, while independently owned and cooperative farms accounted for 70%. In the case of one mill that used a labor contractor, the assessments were distributed across the six contractors used, with some contractors having a second round of assessments to ensure that all of the labor practices were assessed. Visits to the mills and farms focused on evaluating the policies and management systems in place to control and minimize the risk of child labor, forced labor, and land rights violations. UL also used the visits to the farms as an opportunity to quantify the number of workers that were underage at the time of hire as well as workers that were in forced labor situations.

<table>
<thead>
<tr>
<th>RELATIONSHIP BETWEEN MILLS AND FARMS</th>
<th>PERCENTAGE OF TCCC’S SUPPLY CHAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill-owned farms</td>
<td>0.2%</td>
</tr>
<tr>
<td>Mill-leased farms</td>
<td>1%</td>
</tr>
<tr>
<td>Independent farms</td>
<td>96.3%</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RELATIONSHIP BETWEEN MILLS AND FARMS</th>
<th>OF THE 20 FARMS VISITED BY UL (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill-owned farms</td>
<td>30%</td>
</tr>
<tr>
<td>Mill-leased farms</td>
<td></td>
</tr>
<tr>
<td>Independent farms</td>
<td>70%</td>
</tr>
<tr>
<td>Cooperatives</td>
<td></td>
</tr>
</tbody>
</table>
The visits to the mills evaluated the following topics:

- Policies the mills have established to address the use of forced and child labor and land expansions and disputes.
- The type of due diligence the mills carry out to determine the presence of child labor, forced labor, and land rights issues.
- The ways the mills communicate, train, and monitor their expectations regarding these three issues to the farms and all associated employees.
- The type of management systems the mills require the farms to establish in order to make sure that the mill’s policies, the client’s specific requirements, and all legal requirements are being met.
- The grievance mechanisms established to provide sugarcane cutters confidential tools to report violations of their working rights or the mill standards and policies.
- The approaches used to remediate farms that violate the mill’s social responsibility requirements.
- The use of labor contractors, and their compliance to the mills’ policies.
- Plans mills have to increase the amount of land they own or operate.
The visits to the farms evaluated the following topics:

**Management Systems**
The mill policies implemented at the farm level.

The types of mechanisms used to alert farm personnel of standards that the farm must comply with.

Verification of employee age documentation.

The way the farms communicate, train, and manage the legal requirements in the areas of child labor, forced labor, and land rights.

The type of grievance mechanisms in place, either mill or farm managed, to allow workers to report violations to the social policies in place.

**Forced Labor**
Whether workers are in debt and the amount of debt that they are in.

Type of abusive practices found on the farms.

Working conditions on the farms.

The type of employment relationship between employees and employers.

**Child Labor**
Number of children between ages 14-17 working on the farms.

Number of children below 14 working on the farms.

Types of tasks that individuals under age 18 who are working are performing.

Hazard level of tasks and work performed by individuals under age 18 who are working.

**Land Rights**
Documentation and evidence demonstrating legal ownership or authorized use of land.

If new land was acquired since 1994.

If land(s) were contested by native or indigenous communities.

If land was acquired or used with the consent of these communities.

If expanding farms take into account social and environmental impact.
### MILL VISITS

During the mill visits, researchers carried out the following activities:

- **Document review:** The researchers reviewed policies related to forced labor, child labor, and land rights as well as documents indicating legal ownership and authorizations to use the land.

- **Interviews:** The researchers interviewed management personnel with knowledge on the policies, as well as labor contractors and/or labor brokers (if applicable and present).

### FARM VISITS

During the farm visits, researchers carried out the following activities:

- **A farm tour:** This was an opportunity for the researchers to verify working conditions and identify any minors participating in the harvest season.

- **Document review:** The researchers reviewed policies, payroll and time records, age documentation, and documents relating to land ownership or use rights (lease).

- **Interviews:** The researchers interviewed farm management staff, labor contractors (if applicable and present), adult farm workers, and child farm workers (if identified through the farm tour). The sampled 20 farms reported a total of 2,597 workers, of which UL interviewed 164.
Desk Research

The Sugar Industry in El Salvador

El Salvador, the smallest and most densely populated country in Central America, has experienced a long history of violence and political instability. After a violent 12-year civil war and subsequent peace agreement in 1992, the country has made significant progress toward strengthening its democracy. In terms of economic structure, El Salvador is now the fourth largest economy in Central America. However, El Salvador still faces many challenges in terms of economic growth and social development.

Sugarcane is a traditional crop in El Salvador and the sugar industry has great social and economic importance for the country. According to the Sugar Association of El Salvador, the production and processing of sugarcane contributes 2.28% of the national Gross Domestic Product (GDP). There are currently six sugar mills in the country and approximately 7,000 sugarcane growers.

According to the Sugar Association of El Salvador, 60% of sugar-producing farms are organized by agrarian reform cooperatives and 40% by small and medium independent producers. Since the government privatized the sugar industry in the early 1990s, sugar mills are formed by more than 3,000 shareholders that include private domestic investors, sugarcane producers (mills), and the government. The relationship between plantations (or sugarcane growers) and the mills is regulated by law, but the individual relationship between the plantations and the mills is informal and depends on proximity of the plantation to the mill, provision of technical advice and financing, and mill productivity (i.e. pounds of sugar per ton of cane extracted).

The Sugar Association of El Salvador is an industry organization that provides its members with resources related to the production and marketing of goods derived from sugarcane. FUNDAZÚCAR, or Sugar Foundation, is the social arm of the Sugar Association of El Salvador and is a social service, non-profit agency that works to improve the quality of life for people working in sugarcane production. FUNDAZÚCAR implements initiatives related to education, health and nutrition, child welfare, and the eradication of child labor.

---

3 Small producers are defined as having an estimated 1-18 hectares; medium-sized producers are defined as having an estimated 19-53 hectares.
SUGAR INDUSTRY IN EL SALVADOR

<table>
<thead>
<tr>
<th>Job Creation</th>
<th>50,000 direct jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>200,000 indirect jobs</td>
</tr>
<tr>
<td>Percentage of GDP</td>
<td>2.28%</td>
</tr>
<tr>
<td>Percentage of Agricultural GDP</td>
<td>20%</td>
</tr>
<tr>
<td>Number of Mills in the Country</td>
<td>6 mills</td>
</tr>
<tr>
<td>Number of Mills The Coca-Cola Company Sources from</td>
<td>2 mills</td>
</tr>
<tr>
<td>Planted Hectares</td>
<td>79,530 hectares (in 2014/2015)</td>
</tr>
</tbody>
</table>

Sugar production for 2014/15 is estimated at 725,000 metric tons. This represents less than 1% of the total global production of raw sugar in 2014. Sugar consumption by the candy and juice industry continues to provide stability to internal consumption numbers. Domestic consumption reached 285,000 metric tons, approximately 0.2% of global consumption in 2014/15. Exports for 2015 are expected to reach 430,000 metric tons.

THE SIX SUGAR MILLS ARE SPREAD THROUGHOUT EL SALVADOR AND INCLUDE:

- Ingenio Jiboa
- Ingenio Chaparrastique
- Ingenio Central Izalco
- Ingenio El Angel
- Ingenio La Cabaña
- Ingenio La Magdalena

TCCC SOURCES FROM TWO OF THE COUNTRY’S SIX SUGAR MILLS. MILLS ARE NOT IDENTIFIED BY NAME IN THIS REPORT TO PROTECT THE RELATIONSHIP BETWEEN TCCC AND THEIR SUPPLIERS.

---

Detailed Review - Child Labor

Legal Framework

El Salvador ratified the International Labour Organization’s (ILO) Minimum Age Convention (No. 138) in 1996 and Worst Forms of Child Labor Convention (No. 182) in 2000. El Salvador’s Law for the Protection of Children and Adolescents (LEPINA) defines the worst forms of child labor, which, by nature or by conditions, can harm the health, safety or moral development of children and includes provisions for the protection of children from child labor and trafficking.

El Salvador’s Constitution and Labor Code prohibit the employment of children below the age of 14, or those who are already 14 years old but are still subject to mandatory schooling. The Constitution permits exceptions to the minimum working age if it is necessary for the minor’s or his/her family’s subsistence. The Labor Code allows minors 12 years of age or older to perform light work, which is defined as work that does not endanger the minor’s health and development and does not interfere with school attendance or participation in professional training programs.

In addition to minimum age restrictions, the Labor Code prohibits hazardous work for minors below the age of 18. A 2011 governmental agreement lists 29 categories of hazardous activities prohibited for minors and includes work that requires the use of bladed tools, such as machetes, and work that implies contact with infectious microorganisms transmitted in agricultural work. The agreement allows minors that are at least 16 years of age to work in the cultivation of sugarcane and coffee, provided that the health, safety and moral development of minors is guaranteed, along with the provision of necessary vocational training.

According to the U.S. Department of Labor’s 2014 Findings on the Worst Forms of Child Labor, violations of the Labor Code are subject to fines of no more than $60 per violation, as well as suspension and dissolution. However, the ILO deems these penalties as insufficient. Investigations into violations are carried out by the Ministry of Labor and Social Welfare, which has a unit for monitoring child labor. While resource constraints remain an issue in the enforcement of child labor laws, the U.S. Department of Labor recognized the government of El Salvador for increasing the budget for and number of labor inspections and employment of additional labor inspectors focusing on child labor, as compared to 2012. Nevertheless, enforcement continues to be undermined by the country’s traditional and cultural attitudes that support child labor (e.g. families bring their children to work with them in the plantations).

The U.S. Department of Labor’s 2014 Findings on the Worst Forms of Child Labor report cited that the Salvadorian government has made significant advancement in efforts to eliminate the worst forms of child labor by focusing efforts on improvements to education and vocational training through the provision of additional resources. Further, the Special Law Against Trafficking in Persons was passed in 2014 which has increased penalties for trafficking of persons; child labor in agriculture in El Salvador is sometimes the result of human trafficking.
Social and Economic Factors Driving Child Labor

In El Salvador, there are three interconnected social and economic factors that contribute to the incidence of child labor: poverty, lack of education, and cultural beliefs.

One of the biggest drivers of child labor in the sugarcane industry is poverty. Many children face economic pressures from their family and have to work to support the household. As the harvest coincides with the school year, the situation is compounded when children drop out or miss days of school because of their work, affecting their development and limiting their future opportunities. This perpetuates a cycle, as children who work in the harvest become adults, have families of their own, and can only obtain low-paying jobs that do not adequately support the household. This, in turn, increases the likelihood that the next generation of children will also become involved in child labor.

Child labor during the sugar harvest is aggravated by geographic location. Children from rural areas are more likely to engage in agricultural work, including sugarcane harvesting. An ILO and International Program on the Elimination of Child Labor (IPEC) study found that 92.7% of the boys and girls interviewed worked close to the area where they lived.

The U.S. Department of Labor’s Office of Child Labor, Forced Labor, and Human Trafficking (OCFT) identified a key driver of child labor to be school quality. The government and the municipalities are plagued by lack of funding, which leads to an underdeveloped infrastructure of education, health, and the economy, according to Chief Technical Advisor for the International Labour Organization in El Salvador, Jesus de La Peña. The lack of secondary schools and employment opportunities in the country promote a cycle where children or young adults have no option but to continue working in the fields, with minimal education and skills training. The school quality is so poor in El Salvador that parents do not see value in sending their children to school after the 6th grade.

Finally, there are deep cultural factors that aggravate the issues of child labor in the country. The OCFT “Eliminating Child Labor in El Salvador through Economic Empowerment and Social Inclusion” program aims to provide educational services to 13,000 children and livelihood opportunities to 5,100 households. The OCFT identified this as one of the most challenging programs that has been implemented in the country in the past 10 years. According to Mrs. Eileen Muirragui, the Latin American Specialist at the OCFT, many families lack motivation to participate in economic support programs due to their dependence on remittances, despite the significant poverty level in which they live. Instead, many of the disadvantaged were more interested in migrating to the U.S. than changing their current situation in El Salvador. The OCFT found it very challenging to develop job programs that were attractive to both the older and younger population of the country. Parents or other relatives who work in the sugarcane harvest bring their children to help in the fields. Nevertheless, the 2014 Findings on the Worst Forms of Child Labor report noted significant progress. As of October 2014, the program provided education services to over 3,600 working or at-risk youth and household services to over 1,500 households with working children.

Human Rights Watch confirmed that some owners of sugar plantations justify the presence of child workers who cut sugarcane as “helpers,” not employees, and children are not paid for their work. This allows plantation owners to circumvent the legal provisions against child labor.

There are conflicting expectations between parents and children regarding the jobs and job training that should be made available. Parents believe their children should continue their agricultural tradition and look for opportunities for their children to learn skills applicable in the fields. Yet, their children are interested in skilled work, mostly related to technology and professional jobs.
Child Labor Initiatives

The government and international and local NGOs in El Salvador have developed several initiatives to tackle issues of child labor in the sugar industry. According to the 2014 U.S. Department of State Human Rights report, the Ministry of Labor conducted two campaigns in 2014 to raise awareness about child labor. In cooperation with the European Union and CARE International, an international humanitarian agency, the government focused on labor law enforcement and public awareness on child labor and access to education. Additionally, the government continued to work with the ILO to provide education services to children while addressing household livelihoods. The Ministry of Education had supported 2,000 after-school programs by 2014.

As poverty is a main driver of child labor, presenting families with a high opportunity cost for sending children to school, the Ministry of Education began an initiative in 2003 to eliminate school fees. The program allocated $40 million to schools, which was intended to replace school fees, and distribution was based on a school’s enrollment. The goal of this initiative was to relieve the economic burdens of schooling. The government also provided materials on combating child labor to be integrated into the elementary school curriculum. The Ministry of Governance and the Ministry of Agriculture have also conducted awareness campaigns on child labor.

The government works with NGOs and other government agencies such as United Nations Children’s Fund (UNICEF) and United States Agency for International Development (USAID) to provide students with complementary school supplies, again in an effort to alleviate the demand constraints for schooling. In another example, a Human Rights Watch report described the efforts of the National Secretariat of the Family and the Ministry of Education to combat child labor by distributing school supplies, food and beverages to students in the department of Cuscatlán.

FUNDAZÚCAR is part of the National Committee for the Eradication of Child Labor and its work centers on four main areas: education, health and nutrition, rights, roles and responsibilities of children, and the eradication of child labor in the sugar industry. In 2003, FUNDAZÚCAR issued a directive banning child labor in its sugar mills as well as on plantations that supply unprocessed cane. Farms or cooperatives that are found to employ child labor are fined through a reduction in cane prices and repeated violators risk losing important business relationships with mills. The Sugar Association of El Salvador and FUNDAZÚCAR have set up child labor monitoring systems in the mills, provided social workers to raise awareness on child labor and collaborated with the Ministry of Labor and third party inspectors. FUNDAZÚCAR also provides direct support services in terms of educational donations, such as notebooks, pencils and athletic equipment. The foundation, furthermore, helps to train teachers so that child labor concerns are included in the school curriculum.

The government also participates in ILO-sponsored projects that address the underlying causes for child labor, notably educational opportunities for children and livelihood alternatives for families. El Salvador is one of five countries in the Central American region to participate in the ILO Time-Bound Program, which is an initiative that addresses the worst forms of child labor. As sugarcane work was identified as one of the sectors for the Time-Bound Program, the program aims to withdraw children from hazardous work in sugar production and promote access to quality basic education through a national program. The Time-Bound Program was started in 2001 and is a collaborative effort by the Ministry of Labor, the Sugar Association of El Salvador, FUNDAZÚCAR and other NGOs, and administered by the ILO’s IPEC and the United Nations.

According to Human Rights Watch, the Time-Bound Program has provided school supplies and improved teacher training in the principal areas of sugarcane cultivation in El Salvador. The program also targets adult sugarcane workers through the provision of literacy workshops and training in other economic activities related to sugarcane, such as making paper from unused parts of the sugarcane plant. These efforts have benefited a significant number of children as well as adults linked directly and indirectly to the sugarcane industry. Human Rights Watch reported that such partnerships between the government, the Sugar Association and ILO have been successful.

IPEC has also established ongoing relationships with the Sugar Association of El Salvador and FUNDAZÚCAR to improve the enforcement of existing labor laws through expanded
monitoring systems, financial assistance for education and work alternatives for children coming out of sugarcane harvesting. Specific initiatives include the development of non-formal education centers, alternative work and skills training, remedial education, and literacy and accelerated education programs. Primary schools in rural areas were specifically targeted to support re-enrollment and retention of children removed from sugarcane harvesting.

In 2009, the government approved the Law for the Protection of Children and Adolescents (LEPINA) and the Roadmap to Make El Salvador Free of Child Labor in its Worst Forms (Roadmap). According to the U.S. Department of Labor, LEPINA establishes the legal framework for the protection of children’s rights while the Roadmap contains policy provisions to eliminate the worst forms of child labor by 2015 and child labor in general by 2020. As of October 2013, it was reported that the project has provided education services to 3,623 children engaged in or at high-risk of entering child labor. To further modernize its monitoring efforts, the government launched a web platform in partnership with the ILO, which would allow government agencies to share and analyze information related to their respective efforts to eradicate child labor.
An estimate by ILO-IPEC and cited by Human Rights Watch from 2003 found about 5,000 children working in El Salvador’s sugarcane harvest. Another 25,000 children were reported by Human Rights Watch to be “indirectly involved” in the harvest by assisting family members with their respective tasks. Children were found to be regularly engaging in hazardous forms of work, with injuries amongst them frequent.

Since then, the sugar industry has made strides in tackling child labor in El Salvador’s sugar industry. In 2009, Human Rights Watch published a follow-up report and recognized wide improvements across the industry, with a 70% drop of child labor achieved between 2004 and 2008. Overall, The U.S. Department of Labor’s 2014 Findings on the Worst Forms of Child Labor report noted that the Salvadorian government has made significant advancement in efforts to eliminate the worst forms of child labor.

Nevertheless, the U.S. Department of Labor’s 2014 List of Goods Produced by Child or Forced Labor still associates sugarcane production with child labor. The most recent School Registration Census from 2013 identified approximately 74,431 child workers between the ages of 4 and 18, with the largest number engaged in agricultural work. The 2014 U.S. Department of State Human Rights Report for El Salvador provided a higher estimate – 144,168 child workers, with 75,164 working in agriculture. El Salvador’s Ministry of Education reported that in 2014 approximately 28,694 minors worked in the agricultural sector. Even though the data does not provide a clear breakdown between the different agricultural industries, the 2014 U.S. Department of State Human Rights report stated that the worst forms of child labor are concentrated in coffee and sugarcane cultivation, fishing, mollusk shucking, and fireworks production.

An estimate from the 2013 Ministry of Education’s Enrollment Census cites a total of 1,408 children working in sugarcane plantations while also attending school, though the number does not account for children that are strictly working. There are a total of 1,661,187 enrolled students in El Salvador in primary and secondary school.

During a 2012-2013 Sugar Harvest Monitoring Project UL conducted in conjunction with the Sugar Association of El Salvador, 285 sugarcane farms were visited. This amounted to approximately 10% of the total producing farms in El Salvador. 131 minors out of the total 23,240 cane cutters working on the farms were found during this study. This represents 0.5% of the total workforce for these farms and does not constitute a representative sample. Therefore, the number of children working cannot be generalized to the industry as a whole in El Salvador. Representatives from Bonsucro, Catholic Relief Services and World Vision did report, however, that child labor specifically in the sugar industry has decreased overall due to increased focus by both government and non-governmental organizations (NGOs) on the issue within the industry.

### Child Labor in El Salvador

<table>
<thead>
<tr>
<th>National Estimates5</th>
<th>74,431 minors (2013 est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Estimates5</td>
<td>28,694 minors (2013 est.)</td>
</tr>
<tr>
<td>Sugar Industry Estimates6</td>
<td>There were 131 minors found out of the total 23,240 cane cutters working in the 285 visited farms visited by UL for the Sugar Association of El Salvador (2012-2013 Harvest).</td>
</tr>
</tbody>
</table>

---


6 UL, The Sugar Association of El Salvador Case Study
Detailed Review – Forced Labor

Legal Framework

El Salvador’s Constitution and Labor Code prohibit forced labor. The Labor Code defines forced labor as work or service required under the menace of any penalty that the worker has not volunteered for. Moreover, the law prohibits employers from requesting, accepting, or retaining employee property. In its definition of the worst forms of child labor, the Law for the Protection of Children and Adolescents includes all forms of slavery or practices similar to slavery, debt bondage and serfdom, and forced and compulsory labor.

According to the U.S. Department of Labor, the National Council against Human Trafficking, led by the Ministry of Justice and Public Safety, oversees efforts to combat trafficking in persons. The Attorney General’s Office and the National Civilian Police enforce child labor laws through special units that cover child trafficking. The police force also maintains an emergency hotline for reporting cases of commercial sexual exploitation and human trafficking. Despite government efforts, the ILO has raised concerns about the low number of prosecutions and convictions for crimes involving child trafficking.

The U.S. Department of Labor’s 2014 Findings on the Worst Forms of Child Labor conclude that El Salvador has made significant advances in eliminating the worst forms of child labor, which include conditions of forced labor. However, the entities in charge of enforcing laws do not have sufficient resources to effectively carry out their responsibilities. The U.S. Department of State’s 2014 Human Rights Report emphasizes this shortcoming notably in the agricultural sector and specifically in coffee and sugarcane production.

Forced Labor Initiatives

Regarding initiatives to address forced labor, the 2015 U.S. Department of State Trafficking in Persons report stated that efforts to identify and investigate forced labor remain weak and that services for child and adult victims are inadequate, particularly in cases related to sex trafficking. It went on to highlight corruption among public officials as another challenge that undermines government efforts to combat forced labor and human trafficking. No initiatives addressing the issue of forced labor specifically in the sugar industry were found in El Salvador. However, the U.S. Department of State reported calls for development of a national action plan to combat trafficking, though efforts around this remain weak.

Forced Labor Presence in the Sugar Industry

Based on conducted research, forced labor in the sugar industry was not found to be endemic in El Salvador. Some workers have reported working more than 13 hours a day, but situations of forced labor in the sugar industry were not reported by any of the interviewed stakeholders.

Even though forced labor in El Salvador is not widely reported, the U.S. Department of State’s 2014 Human Rights Report stated that men and women were subjected to forced labor in agriculture, domestic service, and the informal sector, though not specifically in the sugar industry. The 2015 U.S. Department of State Trafficking in Persons report also highlights the prevalence of forced labor in agriculture and domestic service. The report ranks El Salvador as a Tier 2 country, because the government does not fully comply with the Trafficking Victims Protection Act’s minimum standards but is making significant efforts to bring itself into compliance.

According to the 2014 Global Slavery Index, there are an estimated 13,800 people in conditions of modern day slavery in El Salvador. The number is obtained through analysis of existing surveys and reports as well as random sample surveys. This estimate includes victims of sexual exploitation, which may constitute the largest portion of forced labor victims. In 2014, the Global Slavery Index also analyzed government responses to the problem of modern day slavery, where El Salvador’s government received a response rating synonymous with a limited response – largely basic victim support services, a limited criminal justice framework, limited coordination or collaboration mechanism, and few protections for those vulnerable to modern slavery.

<table>
<thead>
<tr>
<th>Forced Labor in El Salvador (2014 est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Estimates</td>
</tr>
</tbody>
</table>

8 Source: Global Slavery Index, 2014.
Detailed Review – Land Rights

Legal Framework

Land conflicts and the system of land distribution can be traced back to the period when El Salvador was under Spanish rule and land was concentrated in a small group of Spanish-descendant landowning elites. In the early 1880s, legal reforms abolished communal property and a process of land consolidation and peasant displacement commenced. Communal lands were changed into private property and resulted in the displacement of peasant families who were then pushed to work on large estates owned by the newly landed elite. It was during this period that land conflicts and tensions grew between the landed elite and landless peasants, who at the time worked to produce the cash crop coffee and lived off small rented plots of land. This tension was exacerbated by the world economic slump of 1929 and the collapse of the coffee market, forcing down wages and employment levels.

In 1931, a military coup replaced the labor government with a military dictator, General Maximiliano Hernandez Martinez. Shortly after, marginalized indigenous peasants participated in a rebellion led by Agustín Farabundo Marti. The military-led government responded with brutal repression that was unprecedented in the history of El Salvador and ended with the massacre of 30,000 peasants. This massacre would become known as “La Matanza” and resulted in two significant impacts. First, it sent a definitive message to El Salvador’s peasants, if not all Salvadorans, that any serious challenge to the power of the oligarchy would be violently crushed. Second, it sped up the process of land consolidation in the hands of a few powerful families. The result was a severe decline in the expression of indigenous culture; as such, many indigenous hid their origins in order to survive, which further supported the highly inequitable land distribution that favored a few wealthy families.

In 1979, the Farabundo Marti National Liberation Front (FMLN) came into power and soon gave rise to an armed insurrection that led to El Salvador’s 12-year civil war from 1979 to 1992. According to a 2006 U.S. Agency for International Development (USAID) report, the country’s highly unequal land distribution was blamed as one of the more significant factors that incited the war.

In 1983, during the civil war, El Salvador’s current constitution was enacted and included a land reform measure that outlined three phases. As part of Phase I, all landowners with more than 500 hectares were allowed to retain 100-150 hectares, with the remainder to be farmed by a cooperative. Phase II was expected to have the most impact, since it would have removed land from owners with 100-500 hectares. However, it was never implemented. Instead, only landowners with 500 hectares or more were affected.

In Phase III, the Land to the Tiller program allowed tenants of land holding up to 7 hectares to claim legal ownership title for the plot from the lessor/owner. In 1987, a voluntary transfer to peasants was added to Phase III (Decree 839). According to a USAID report, the maximum allowable landholding was increased from 100 to 245 hectares. This meant that any land, either owned by a single person or
private company, over 245 hectares was confiscated and transferred to small farmers. However, the law does not apply to cooperatives or to community groups, who have no legal limit to the amount of land they can hold. According to USAID, this affected more than 400,000 hectares, approximately 20% of the country’s area and almost 50% of the country’s total productive land, and benefited approximately 830,000 people. However, at the end of the civil war, about 330,000 (54% of the country’s labor force) remained landless, land-poor, or unemployed.

During the peace negotiations in the early 1990s, thousands of Salvadorans who had fled to Panama, Honduras, and Nicaragua during the civil war returned. Most did not go back to their home villages but instead settled on coastal lands and claimed agricultural plots that were later granted as part of the 1992 Peace Accords. However, during the negotiations, the government chose to resettle thousands of former army soldiers in the same area as the refugees and former guerillas, perpetuating a tense situation in which former enemies were now forced to be neighbors. Despite the participation of indigenous organizations in the peace process, there were no provisions for indigenous rights or issues of self-determination. According to the 2014 U.S. Department of State Human Rights report, there are no existing laws that provide indigenous people with the rights to share in revenue from exploitation of natural resources on indigenous lands. This lack of legal protection remains a root cause of poverty among the indigenous populations.

To this day, there are still problems related to land rights and recognition of indigenous populations. However, as a sign of some progress, in 2012, Article 63 of El Salvador’s Constitution was modified to acknowledge native languages and other expressions of indigenous culture that the state never previously recognized. According to USAID, El Salvador’s land registry system began to be modernized in the early 1990s and in 1996, the Centro Nacional de Registros (CNR) was established, using modern technology to process registration applications. The new modern land registry process is viewed as a positive step in creating and protecting the property rights of both small and large landowners.

### Land Rights Initiatives

El Salvador has established a land registry and cadastral system under the Centro Nacional de Registros (National Registration Center – CNR) with the support of the World Bank. The new system replaced an old manually administered registry with modern technology to process and record land registration applications. The goal of CNR is not only to create and protect the property rights of small and large land owners, but also to promote smallholder access to credit and asset mobility, as land titles can provide a source of collateral against which credit can be accessed. According to USAID, the new system is said to reduce corruption and increase productivity. Importantly, the CNR is generally perceived by the public to be efficient and fair. Land titles and land title transfers are recorded, sorted and examined electronically. However, despite the CNR being one of the most technologically advanced registries in the region, it is still very much underutilized by the poor due to the prohibitive costs of registering properties.

In terms of settling land disputes, the CNR system is highly trusted by the public and can be used to resolve disputes through a conciliation process. According to USAID, other mechanisms for resolving land disputes are limited if they cannot be resolved administratively or in the civil courts. In 2002, the government enacted a Law on Mediation, Conciliation, and Arbitration. However, implementation has been weak. Employees lack proper training and resources are limited. Additionally, conciliation services are only available on a limited basis and there is little confidence among the public with this method.

While the modernization of the land tenure system has improved the efficiency and quality of registration services, USAID reports that there have been no impacts in terms of addressing poverty and socioeconomic exclusion. USAID found that, despite the new registration system, corruption still remains an issue. Importantly, the CNR has not benefited the poor, as access is still relatively difficult, especially in terms of affordability.
Presence of Land Grabs in the Sugar Industry

According to the Sugar Association of El Salvador, there are about 7,000 cane producers in the country. Individual cultivators do not have large tracts of land and the average landholding is 50 hectares. A USAID report published in 2011 found that approximately 60% of indigenous people live on communal lands, 35% rent land, and only 5% own land. For those who own land, tenure rights are undocumented. As such, indigenous groups constitute the poorest segments of an already poor rural population. Human Rights Watch found that the sugar fields owned by both individual Salvadorans and small cooperatives had more widespread issues of child labor than land rights’ violations.

USAID reports that land tenure problems in El Salvador do not come close to the severity of land conflicts in other countries in the region, such as Guatemala and Honduras. Land tenure problems in El Salvador are caused by weak title-to-market linkages and corruption, which is usually tied to the poor institutional capacities of public agencies in charge of land administration. Corruption within the context of land issues in the sugar industry includes bribes for registering or changing titles, changing or recording titles in favor of the bribe payer or requesting unauthorized fees for services.

Mr. Arroyo, the General Director of the Sugar Association of El Salvador, stated that land rights issues are not prevalent in El Salvador. At a national level, the agrarian reform in the 1980s promoted collective ownerships and cooperatives, which has been successful at granting land access to small farmers. Mr. Arroyo confirms that they work with cooperatives that manage their own land and attests that these small farmers get a share of the communal profit.
Field Study Findings

Overview of Gender in TCCC’s Supply Chain

UL gathered information on worker population from all farms visited as well as breakdown of worker populations by gender. 2,599 people worked in total at all sites visited. Of this population, only 46 workers (1.77%) were female.

<table>
<thead>
<tr>
<th>TOTAL MALE POPULATION</th>
<th>TOTAL FEMALE POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,553</td>
<td>46</td>
</tr>
</tbody>
</table>

Child Labor in TCCC’s Supply Chain

UL carried out visits to two mills and 20 of 1,736 farms identified in El Salvador that belong to TCCC’s supply chain. UL did not find any minors ages 14 to 17 or children younger than 14 years old working in the farms and mills during the research study.

The two mills that supply sugar to TCCC have strong processes in place to prevent child labor from occurring on the farms they source from. Both mills have a written zero-tolerance policy for the use of child labor. As part of the child labor prevention and zero-tolerance policies, both mills have established the following practices to manage the farms they source from:

- The mills have a monitoring system to oversee sugarcane cutting activities on the farms.
- The agronomists and internal monitors for social responsibility are responsible for implementing the procedures.
- The mills have established sanctions for farms that violate the child labor policy.
- Regardless of ownership relationship, both mills communicated their zero-tolerance policy to the farms:
  - Mill One holds an annual meeting with all the administrative personnel of all sugarcane suppliers.
  - Mill Two holds six meetings throughout the year and specifically before the sugarcane harvest begins to communicate to the farms the internal policy as well as the local laws regarding child labor.
  - Both mills have established training programs for all employees to communicate the policy on child labor.
Forced Labor in TCCC’s Sugar Supply Chain

Forced labor is a complex issue and can often be difficult to recognize. Identification of forced labor incidences in the field first involves information gathering through documentation review, private interviews and visual observation, and second, the analysis of the information to assess for indicators and actual occurrences of forced labor. From the 20 farm visits carried out in El Salvador in 2013-2014, there were no identified situations of forced labor or bonded labor. There were no reported cases of employees indebted to the mills or farms. UL did not find any cases of workers whose identification (i.e. passports, state provided ID, etc.) had been taken from them as a condition of employment and to limit their mobility. At one farm, deductions were made in addition to legally mandated deductions. Employees had their salaries deducted monthly to pay for a personal loan that the cooperative provided.

17.3% of workers are hired by contractors. These farmworkers are employed on a farm but compensated by a third party such as a contractor, recruiter, or broker. This employment relationship is more susceptible to labor non-compliances, such as wage discrepancies and lack of protection of workers’ rights.

Both mills do not have a specific policy against the use of forced labor for sugarcane harvesting. The mills also do not actively monitor whether employees are subject to any forms of abuse, harassment, coercion or corporal punishment on the farms and there are no checks to assess whether overtime is voluntary for farm workers. Both mills in TCCC’s supply chain have systems in place to allow workers to voice complaints, however these systems do not permit anonymity. No cases of workers whose identifications (e.g., passports or state provided ID) had been taken from them as a condition of employment and/or to limit their mobility were identified during this research study.

All 20 farms visited paid their sugarcane cutters through a piece-rate system. Cutters were paid either by the number of rows of sugarcane cut or by the ton of sugarcane collected. This incentivizes workers to work as hard and as long as possible, impacting both the number of hours worked as well as the overall health of the cutters.

Beyond the hazards present during sugarcane harvesting, UL did not identify any working conditions that are associated with forced labor on the sampled mills and farms. Even though UL did not encounter any specific cases of forced labor in El Salvador, the mills and farms have limited processes to oversee and protect workers from potential abusive employment conditions.
Presence of Land Grabs in TCCC’s Sugar Supply Chain

UL did not identify any recent land rights disputes in the sugar industry in El Salvador. All 20 of the sample farms had possession of documentation demonstrating legal ownership or use rights (lease). Additionally, both mills had official titles demonstrating ownership and legal lease of their associated farms.

In the past 20 years, five out of the 20 farms increased their land size. Of these five farms, four were cooperative farms and one was an independently-owned farm. The largest increase took place in the state of Sonsonate by a cooperative farm. This farm purchased 25 manzanas (approximately 43.5 acres) in the past 20 years. The farms had documentation to show that the land was purchased legally.

Five farms had plans of expansion. One cooperative farm is planning on expanding its sugar plantation to 40 manzanas (approximately 69 acres) in the next two years. Three out of the five farms that plan to expand are evaluating environmental impacts and water sources.

The mills and farms in the TCCC sugar supply chain only partially follow the TCCC Human and Workplace Rights Issue Guidance:

Do mills and farms demonstrate that acquisition has not been assembled through expropriation or other form of legal seizure without a Free, Prior, Informed Consent process and fair compensation for land, resettlement, and economic impact to the affected communities?

- Only one out of the two mills visited in El Salvador had acquired land over the past 20 years. According to the documents provided and various interviews with mill staff members, none of the acquired land was contested by native or indigenous communities and there were no forced evictions.

Do the mills and farms demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts on affected communities?

- Because the expansions took place over land that was not contested, there is no evidence that the farms or mills considered alternative options for expansion. The mills do not have a policy in place that requires this type of practice before expansion.

Do the mills and farms ensure the presence of grievance mechanisms to receive and address specific concerns about fair compensation and relocation, if applicable?

- The mills do not have a policy or process in place to assess social impact and there are no grievance mechanisms to receive or address specific concerns about compensation and/or reallocation.
Conclusions

This research study has identified poverty, lack of education, and cultural beliefs as significant drivers of child labor in the sugar industry. The harvest season coincides with the school year and children drop out of school or have poor attendance to help support the household. Additionally, the costs of education (e.g., textbooks and other school-related fees) become prohibitive and increase the opportunity costs of abandoning work. As children who work in the harvest become adults and have families of their own, they typically can only get low-paying jobs that do not adequately support the household. This increases the likelihood that the next generation of children may become involved in child labor. Also, it is culturally and socially acceptable for children to accompany their parents to the sugarcane fields. As most of the lands on which sugarcane is grown are owned by local cooperatives, large families in rural communities are accustomed to bringing their children to the fields to work. For these reasons, the government along with local and international NGOs and the Sugar Association has implemented several initiatives to incentivize schooling, while providing families with expanded economic opportunities.

During the research study, UL did not find any instances of children under the age of 18 working on farms. The strong policies and procedures put in place by both mills to address child labor have likely made a significant contribution to the absence of children found working. Although reports still point to child labor existing in the sugar industry, stakeholders report that the industry has seen improvement over the past decade due to a stronger focus by government and NGOs.

Beyond the hazards present during sugarcane harvesting, UL did not identify any working conditions associated with forced labor. Even though UL did not encounter any specific cases of forced labor in El Salvador, the mills and farms visited have limited processes to oversee and protect workers from abusive employment conditions. Specific situations of forced labor in the sugar industry were not reported by any of the interviewed stakeholders.

Land rights issues in El Salvador were not found to be as severe as in other countries in the region or in the sugar industry as a whole. The Agrarian Reform of the 1980s promoted the creation of cooperatives and communally owned land, which gave many small farmers access to land. Although 5 of the 20 farms assessed had expanded in the last 20 years, and TCCC’s supplying mills and farms only partially follow the TCCC Human and Workplace Rights Issue Guidance (including following the Free, Prior, and Informed Consent process), this research study did not find current issues related to land struggles or illegal land expansion in the sugar industry in TCCC’s supply chain in El Salvador.
APPENDIX A – The National Context

El Salvador, the smallest and most densely populated country in Central America, has experienced a long history of instability. After a 12-year civil war and subsequent peace agreement in 1992, El Salvador has made significant progress in terms of economic structure. El Salvador is now the fourth largest economy in the region. However, El Salvador still faces many challenges in terms of economic growth and social development.

GDP per Capita:
$8,000 (2014 est.)

Exports:
$4.521 billion (2014 est.), including offshore assembly exports, coffee, sugar, textiles and apparel, gold, ethanol, chemicals, electricity, and iron and steel manufactures.

The Main Economic Activities:
Services (64.9%), industry (25.1%) and agriculture (10%).

Labor Force:
2.752 million people (2014 est.), 47.6% of the adult female population is employed, while 79% of the male population participates in the labor force. Services employs 58%, agriculture employs 21%, and industry employs 20% of the labor force.

Foreign Investment:
The lack of foreign investment in El Salvador is attributed to the country’s political uncertainty, difficult business climate, public security challenges and a low-skilled labor force that is too expensive to compete with other low-cost producers. Despite taking steps to attract foreign investment, El Salvador lags behind the region in this area.

Human Development:
Human Development Index: El Salvador’s score (0.662, with 1 being the best score) falls below the Latin America and Caribbean regional average (0.74) and ranks 115 out of 187 countries (2013 est.).

Population Below Poverty Line:
29.6% (2013 est.)

Infant Mortality Rate:
17.86 deaths per 1,000 live births, ranking 97th in the world out of 224 countries.

Education:
Males and females average 12 years of schooling; and while education is free, universal, and compulsory through the ninth grade and nominally free through high school, poor and rural families still find school-related costs to be too high.

Crime:
El Salvador is one of the most violent countries in the world with a per capita murder rate of 69 per 100,000 in 2014. Between more than 20,000 Salvadoran youth belong to gangs.

Political Structure:
Democratic Republic

Political Parties:
Two party political system: FMLN party is a leftist party and was involved in a 1980s insurgency in El Salvador’s civil war. The ARENA party represents the conservative factions of the country. The ARENA party governed El Salvador from 1989 to 2009, rebuilt democracy and implemented market-friendly economic reforms. FMLN is currently in power, with most recent election win in February 2014.

2014 Presidential Election:
Two party political system: FMLN party is a leftist party and was involved in a 1980s insurgency in El Salvador’s civil war. The ARENA party represents the conservative factions of the country. The ARENA party governed El Salvador from 1989 to 2009, rebuilt democracy and implemented market-friendly economic reforms. FMLN is currently in power, with most recent election win in February 2014.

In sum, the country suffers from endemic crime, impunity resulting from weaknesses in the judiciary and security forces and rampant violence. According to the U.S. Department of State’s Bureau of Diplomatic Safety, El Salvador is one of the most violent countries in the world, with annual homicide rates having risen from 43.7 per 100,000 inhabitants in 2013 to 68.6 per 100,000 inhabitants. According to the Congressional Research Service (CRS), in March 2012, a historic truce involving the country’s largest gangs resulted in a large reduction in homicides. However, the truce was broken in 2014, likely contributing to the increase in homicide rates. CRS reports that drug trafficking, corruption, and proliferation of illicit firearms, coupled with poverty, inequality, and unemployment, have contributed to El Salvador’s development challenges. These economic, political, and social challenges leave El Salvador’s population in vulnerable conditions and contribute to issues of child and forced labor and land rights challenges.
APPENDIX B – Stakeholder Engagement Highlights

A total of twenty-seven primary stakeholders were identified in El Salvador. However, only thirteen chose to participate in the study.

Stakeholder Interview Methodology

The researchers identified and engaged with important stakeholders working on the issues of interest in El Salvador. The primary focus was on stakeholders with a physical presence in the country and who are currently implementing or have recently implemented initiatives to address these challenges. The researchers identified stakeholders from the private sector, government and civil society so that a variety of perspectives on the issues of interest were heard.

When conducting stakeholder interviews, the researchers approached organizations with broad, open-ended questions that allowed stakeholders to express their views on the topics. Because stakeholder interviews provide context to the research, the questions were designed to be impartial and capture child and forced labor and land rights issues through a national as well as an industry-specific lens. The researchers raised these topics in a neutral language that did not demonstrate any preconceived opinions. Follow-up questions varied from stakeholder to stakeholder and depended on the work they conducted and the view they related.

Key Perspectives

- The most successful approaches to reduce instances of child labor have been those that teach parents about the rights of their children and programs that help strengthen the education system in the country.
- The least successful approaches are those programs that try to diversify a family’s income through skills training programs for young workers.
- There is a strong link between poverty and the use of children to supplement family income.
- Forced labor is not found in the sugar industry.
- Land rights violations do not usually take place in El Salvador.
- The issue of security is a rising concern in the industry.
- The Sugar Association and FUNDAZÚCAR have put forth great effort to promote strong management systems in the industry to address the violation of the rights of workers.
- A key challenge in El Salvador is the government’s resource constraints.
- The international community and the industry should promote better working conditions, health and safety trainings for safe handling of equipment, and health management programs for young workers.
- The government is not spending enough on education.
- The government needs to strengthen the monitoring and evaluation processes of education programs.
- The disruption in the education of children is one of the most impactful outcomes of child labor.
- Awareness programs for parents are crucial to develop an understanding of the dangers of child labor and to promote the withdrawal of children from the fields.
APPENDIX C – Interview Questionnaire

Stakeholder Engagement Questionnaire

Land Rights

- Are there any land rights issues affecting the country?
- Specifically, with regards to the topic of gender and land rights, what insights can you provide on this topic?
- Who are the major stakeholders (institutions) involved in land rights issues in the country?
- What are the challenges facing land rights (ownership/ titling, appropriation, misappropriation, etc.)?
- Do you know if the sugar industry in the country is involved in any of these issues?
- What is your experience with these issues in the country?
- How is your organization involved in addressing ____________ (land appropriations, issues with titling, land misappropriation, etc.)?
- Does the government have in place any initiative or program to address ____________ (land appropriations, issues with titling, land misappropriation, etc.)?
  - Are these initiatives or programs successful?
- Are there any NGOs addressing ____________ (land appropriations, issues with titling, land misappropriation, etc.)?
  - What are they doing?
  - Do you work with them?
  - How?
  - Are these programs/policies/initiatives successful?
- Is the sugar industry addressing the issue of land rights?
  - What are they doing?
  - Do you work with them?
  - How?
  - Are these programs/policies/initiatives successful?
  - Who usually holds the land title? (name, gender, relationship to the farm/mill)
Child Labor

- Are there any child labor issues affecting the country?
- What is the experience of your organization with the problem of child labor:
  - In this country
  - In the sugar industry
- Does your organization have programs that focus on prevention and eradication of child labor?
- In general, what is the government doing to address the problem of child labor?
  - Have these been successful measures? Why or why not?
- In general, what is making the sugar industry to address the problem of child labor?
  - Have these been successful measures? Why or why not?
- What are the biggest challenges to eliminate child labor in this country?
- What are the factors that are causing child labor in the sugar industry?
- Know of any recent studies that estimate the average minors working in the sugar industry?

Forced Labor

- What is your experience with forced labor problems?
  - In this country
  - The sugar industry
- Do you have a way to know if workers' rights are violated?
- What programs does your organization focus in prevention or eradication of forced labor?
  - What challenges do you face?
- What are the greatest social challenges that impact the sugar community?
Bibliography

Asociación Azucarera de El Salvador,
http://www.asociacionazucarera.net

Central Intelligence Agency, The World Factbook — El Salvador,

Código de Trabajo de la República de El Salvador, Organización Internacional del Trabajo, 2010,
http://www.ilo.org/dyn/travail/docs/1742/Cod_Trab_ESalv%5b1%5d.pdf

Congressional Research Services, El Salvador: Political and Economic Conditions and U.S. Relations, 2013,

CONSAA Web, Consejo Salvadoreño De La Agroindustria Azucarera, 2013,
http://www.consaa.gob.sv/

Constitución de la República de El Salvador, 1983,

FAO, Corporate Document Repository: What is land tenure?
http://www.fao.org/docrep/005/y4_307e/y4307e05.htm

Fairtrade Foundation, Fairtrade and Sugar — Commodity Briefing, 2013,
http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2013_Fairtrade_and_Sugar_Briefing.pdf

Global Slavery Index, 2014,
http://www.globalslaveryindex.org/

Human Rights Watch, Child Labor in Sugarcane Plantations in El Salvador Drops by 70%, 2009,

Human Rights Watch, El Salvador Oídos Sordos, 2004,
https://www.hrw.org/sites/default/files/reports/elsalvador604sp_o.pdf

Human Rights Watch, Turning a Blind Eye: Hazardous Child Labor in El Salvador’s Sugarcane Cultivation, 2004,
http://www.hrw.org/reports/2004/elsalvador604/5.htm

ILO, Handbook for Employers and Business- Booklet 3 Guiding Principles to Combat Forced Labour, 2015,

ILO-IPEC, Hoja de Ruta para hacer de El Salvador un país libre de trabajo infantil y sus peores formas,

ILO, Tackling Hazardous Child Labor in Agriculture: Guidance on Policy and Practice

ILO, Worst Forms of Child Labor,

Land Tenure Center, El Salvador Country Brief: Property Rights and Land Markets,
http://www.nelson.wisc.edu/ltc/docs/elsalvadorbrief.pdf

Lehoucq and Sims, Reform with Repression: The Land Reform in El Salvador, 1982,

Ley de Protección Integral de la Niñez y la Adolescencia, 2009,
http://www.oei.es/pdf2/ley_ninez_el_salvador.pdf

Ministerio de Educación, Educación de El Salvador en cifras, 2009-2013,

Ministerio de Trabajo y Previsión Social, Acuerdo No. 241. Listado de actividades and trabajos peligrosos en los que no podrán ocuparse niños, niñas y adolescentes, 2011,

Oxfam, Rush, Land rights and the supply chains of the biggest food and beverage companies,

The Coca-Cola Company, Sourcing Sustainably, Coke Takes Leadership Role to Protect Land Rights of Farmers and Communities,

The Coca-Cola Company, The Coca-Cola Company Commitment – Land Rights and Sugar,

UL, The Sugar Association of El Salvador Case Study,

U.S. Department of Labor, 2014 Findings on the Worst Forms of Child Labor,

U.S. Department of Labor, List of Goods Produced by Child Labor or Forced Labor 2014,

U.S. Department of State, 2015 Investment Climate Statement - El Salvador,
http://www.state.gov/e/eb/rls/othr/ics/2015/241548.htm
U.S. Department of State, Human Rights Report 2014,
http://www.state.gov/documents/organization/236900.pdf

U.S. Department of State, Trafficking in Persons Report 2015,
http://www.state.gov/documents/organization/245365.pdf

U.S. Department of State, El Salvador 2015 Crime and Safety Report,

USAID, USAID Applauds Coca-Cola's Commitments to Protect Land Rights, 2013,

USAID, El Salvador Country Profile Property Rights and Resource Governance, 2011,
http://usaidlandtenure.net/sites/default/files/country-profiles/full-reports/USAID_Land_Tenure_El_Salvador_Profile.o.pdf

USDA Foreign Agricultural Service, Sugar: World Markets and Trade, 2015,

USDA GAIN, El Salvador Sugar Annual, 2015,

United Nations Development Programme, Human Development Reports – El Salvador,

United Nations, World Statistics Pocket Book – El Salvador,

Revision History: December 2015
The field visits concluded in April 2014. Stakeholder interviews were conducted in two rounds, the first round of interviews concluded in November 2013 and the second round of stakeholder interviews was completed in October 2015. The report was first finalized in March 2015, then reviewed by select stakeholders until September 2015, updated with additional stakeholder interviews and data and re-issued for stakeholder review with a second finalization date of December 2015. This is the second version of the report. TCCC reviewed all report drafts.