

Project Factsheet

Project duration: May 2014 – April 2015
Implementation partner: International Cocoa Initiative
Further partners: IDH the sustainable trade initiative, International Finance Corporation, Jacobs Foundation, World Cocoa Foundation
Direct beneficiaries: actors involved in cocoa sustainability
Indirect beneficiaries: cocoa farmers and their children
Focus areas covered: increasing the understanding about the farmers and their environment

Researching the potential and actual impact of increased cocoa production on the labor market and child labor Ghana & Côte d'Ivoire



Background

Cocoa production in West Africa has been characterized as low-yielding with low productivity due to poor agricultural practices, the age of the tree crop and its high susceptibility to prevailing pests and diseases. The 25-30% projected increase in cocoa demand by 2020 in the context of a declining supply has therefore propelled efforts to assist small-scale farmers in enhancing their productivity. While in theory the increase in cocoa productivity is expected to increase farmers' incomes and have a positive impact on the reduction of child labor (as farmers will be more able to pay for children's school fees and hire adult laborers), this is heavily dependent on a number of factors. These include: the farm gate price for cocoa; the household head's/parent's/children's view of education (opportunity cost); current household labor decisions according to various basic needs and different productivity and income classes; labor costs; children's roles and responsibilities on the farm; and most importantly the existence of an adult labor market, and the extent to which it is elastic enough

to respond to increased demand. As the families of smallholder farmers have traditionally been the main source of household labor, it is important to understand what impact production increases may have on the labor needs and decisions - specifically with regards to children.

Objectives

The research study aims to fill the research gap by examining the following four interrelated questions: (1) what agricultural projects are being implemented to increase productivity, and what implication does this have on the labor demand (2) what are the conditions that determine the supply/ demand of adult and child labor (3) to what extent may incomes derived from improved cocoa productivity allow for the increased labor demand to be met and (4) what actions can be taken at the local and national levels to mitigate the child labor risk while ensuring productivity gains are made?



About the Lindt Cocoa Foundation:

The Lindt Cocoa Foundation was found in 2013 and has the declared purpose of working to achieve social and ecological sustainability in the cultivation, production and processing of cocoa and other raw materials used in chocolate production.

Learn more:

www.lindtcocoafoundation.org

Investigating and responding to this research gap is of paramount importance at this moment in time, when the cocoa industry is investing in productivity gains as one of the main conduits for higher incomes and cocoa sustainability. Sustainability in its broader sense not only means ensuring the supply and availability of quality cocoa, but also that future generations can benefit from cocoa production, that economic and social conditions are favorable, and more specifically that potential child labor risks in the supply-chain are both understood and mitigated. The International Cocoa Initiative (ICI) intends to support stakeholders in the cocoa industry (including cocoa and chocolate companies, governments of cocoa producing countries and international donors) through this research, by testing relevant hypotheses and identifying the prerequisites for ensuring that investments in cocoa productivity do not increase the child labor risk. The secondary aim is to develop a labor market risk indicator that can be measured and tracked to determine those communities and types of households where investments in productivity might increase the risk of child labor. The belief is that this research will enable the cocoa industry to understand, and mitigate these risks in their expanding sustainability strategies.

Project/Research Elements

The research activities include the following:

- Review of the literature and analysis of existing data sets
- Finalise research questions, hypotheses and design data collection instruments
- Inception report submitted to the research steering committee (composed of the ICI secretariat and project funders)
- Preparation of training materials and training of data collectors
- Primary Data Collection (field research and data entry)
- Data analysis and report writing
- Development of a labor market risk indicator
- Draft report submitted to the research steering committee
- Final Report and Policy Brief submitted to the research steering committee

Main Research Questions

1. What agricultural projects are being implemented to increase productivity, and what implications does this have on the labor demand?
2. What are the conditions that determine the supply/demand of adult and child labor?
3. To what extent may incomes derived from improved cocoa productivity respond to the labor demand?
4. What actions can be taken at the local and national levels to mitigate the child labor risk while ensuring productivity gains are made?



Research Outputs

- Final Report
- Policy Brief
(including a set of clear recommendations)
- Labour Market Risk Indicator

Serving the Mission of the Lindt Cocoa Foundation

This research project provides the base for improving the labor practices of cocoa farmers while they are improving their yield and income. A specific focus is put on assuring that yield improvements do not lead to increasing child labor incidents. The research outcomes will lead to an increased understanding about the farmers and their labor relevant environment, and therefore improves the effectiveness of programs that aim at improving the sustainability in cocoa sourcing.

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