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Chair

Mr. Michael Levitt

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● (1305)

[English]

The Vice-Chair (Mr. David Sweet (Flamborough—Glanbrook, CPC)): Good afternoon, ladies and gentlemen. *Bonjour à tous*.

Welcome to meeting number 87 of the Subcommittee on International Human Rights.

Mr. Anderson, you wanted to cover something briefly.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): I want to remind committee members about the letter we discussed last week that people were asked to sign and return to the folks who had lobbied us for it.

I just want to point out that it has a Wednesday deadline on it.

The Vice-Chair (Mr. David Sweet): Is there any input for Mr. Anderson?

No? All right.

Also, two colleagues approached me at the end of the last meeting regarding stand-alone meetings on emerging issues in two other countries. Ms. Khalid was one of them. I'll set aside about four minutes at the end for that.

To give witnesses a heads-up, we'll be going in camera. We'll ask you to give your testimony and then the questions, and then when we go in camera, I'll have to ask you to exit. We'll deal with that business at about four minutes to two.

First off, on behalf of the committee, thank you very much to the witnesses for coming, Michael Messenger and Simon Lewchuk of World Vision Canada; and from UNICEF Canada, Simon Chorley.

From World Vision, will there be one presenter, or are you going to share your time?

Mr. Michael Messenger (President and Chief Executive Officer, World Vision Canada): There will be just one. We may both answer the questions.

The Vice-Chair (Mr. David Sweet): Okay.

Mr. Messenger, please go ahead, for 10 minutes or less.

Mr. Michael Messenger: Thank you, Mr. Chair, and honourable members, for inviting World Vision to be part of this important and timely conversation.

My colleague Simon Lewchuk is our senior policy adviser on child rights and protection.

You also have a written brief in addition to our testimony today.

[Translation]

Thank you for giving us this opportunity to speak to you today about these critical problems. We are encouraged to see that the committee is listening to what Canadians have to say about improving children's lives.

[English]

As I start, I think it's important to remember that the issue of child labour is not just a head issue but a heart issue, and it should be. We fundamentally believe that every child should experience a full life, a life that's free of poverty and full of promise. That's what I want for my son and daughter, as a father. As Canadians, it's what we want for our children. As I've travelled the globe in my work with World Vision, I see that it's what parents everywhere want for their children: a good education, good health, safety, security, protection, freedom from violence and fear, and a bright future. We owe it to today's children, the future leaders of our countries, to make sure that we're doing all we can to help make this come about.

Nelson Mandela once said that there can be no keener revelation of a society's soul than the way it treats it children, so it's in that spirit and in that hope that we are making this contribution today.

I'd like to share a brief description of World Vision's experience related to child labour, and then some of our research, which highlights the fact that child labour and global supply chains are a Canadian issue, the challenges faced by consumers and civil society, and then our recommendations around this, particularly, that the Government of Canada should commit to legislation that would require large companies at a minimum to annually and publicly report on what steps they are taking to prevent and address child labour and forced labour in their global supply chain.

Let me give you a sense of why World Vision is involved with issues of child labour. We are a child-focused organization committed to promoting children's rights and well-being through development, relief, and advocacy initiatives in nearly 100 countries. We've advocated with Canadians on issues of child labour. We have direct programming and advocacy experience with child labourers in more than 25 countries.

As just a couple of examples, in the Philippines we ran a large-scale project that reduced child labour in the sugar cane industry by 74% over a three-year period. We did this by increasing economic alternatives, advocating for laws and policies, providing education and vocational training for children who had fallen behind in school, and empowering children to speak out.

In a regional project across east Asia, including Cambodia, Laos, Thailand, Vietnam, and Myanmar, we operated a project to support children and families at risk of forced labour, including in the seafood industry—an issue you're interested in on this committee—by implementing protection, prevention, and policy initiatives. It involved such things as raising awareness for children in communities on safe migration and helping children transition out of exploitative work.

Earlier this year I travelled to Bangladesh where I saw first-hand how children are being exploited. I know the committee is interested in the seafood and the garment industries, both sectors in which the risk of child labour is high. On that trip we saw children working in both of those sectors.

One person I met there who left a mark on me was a girl named Tania. She is 15 years old. She works in southern Bangladesh's shrimp processing industry. She works eight hours a day. She is the sole provider for her family. She often works overnight shifts peeling piles of ice-cold shrimp in a dark room, only to return home to do a full day's work.

The fact is that Canadians may well be consuming that shrimp. We imported 163 million dollars' worth of shrimp from countries in Southeast Asia with known child labour problems.

Like child labourers elsewhere, Tania is missing out on school. She is putting her health and well-being at risk, and as a girl she is particularly vulnerable to issues of abuse and violence in the workplace.

Child labour is a complex issue, and there are no easy solutions. Not all child work is bad; in fact, age-appropriate work can play an important part in a child's development. That, however, is not what we're talking about today. We're focusing on the 152 million child labourers, including the 73 million child labourers in particularly hazardous jobs whose work jeopardizes their education, health, safety, and dignity.

Poverty is the root driver, and we have to continue efforts to change the conditions that push children to work in the first place.

We can't just look at those push factors. Our submission is that we need to look at the things that pull children into exploitative work. Some of those things are our own Canadian insatiable demand for new, low-cost goods and corporations' desire for rapid production and cheap labour.

Last year, World Vision did some research to try to gauge the extent to which child and forced labour could be present in the supply chains of goods we consume and use here in Canada every day.

We found a couple of things. First, more than 1,200 companies operating in Canada are importing goods that may have been produced by child or forced labour. These companies represent

nearly every sector imaginable, from the garment sector to the food industry to retailers. Together, these companies imported over \$34 billion of goods that could be considered risky for child labour in 2016. That's a 31% increase since 2012.

Whether it's clothes we buy from Bangladesh, tomatoes we eat from Mexico, or even the palm oil from Indonesia—which has had a 9,000% increase since 2012—that ends up in things like shampoo, laundry detergent, or ice cream, we are importing more and more goods with known challenges with child and forced labour.

Now there's nothing wrong with importing these goods in and of themselves. It can be an important source of decent work and sustainable economic growth for many developing countries. However, the prevalence of child labour does mean that companies need to be proactive to minimize the risk of children being exploited in their supply chains.

This brings us to the third key finding of our research. The majority of companies operating in Canada are disclosing very little, if any, meaningful information about the policies, practices, and due diligence that they have in place to ensure that their supply chains are free of child labour.

For Canadian consumers like you and me, it's impossible for us to know what, if anything, these companies are doing to address and mitigate these risks. The lack of public information doesn't mean that companies aren't being proactive. We know some are, but it does raise questions. It makes constructive dialogue and accountability about these issues next to impossible.

World Vision believes that greater transparency by companies can be a powerful catalyst for change. It can be the basis for constructive dialogue with civil society, NGOs, and unions. It can generate accountability and trust, and ultimately, it can lead to greater action. We believe that supply chain legislation is a key tool to support this dialogue and action.

Legislation has been adopted by some of our closest allies: the State of California—Australia has announced it—France, the Netherlands, and notably, the U.K. through its Modern Slavery Act. Each year in the U.K., public companies are required to file a statement signed off at the board level that outlines their risks and the actions they are taking, and that reports on the progress.

We've seen that publicly shining a light on companies' practices is making a difference. The U.K. legislation has led to 39% of companies implementing new policies and systems to prevent labour exploitation, and 50% of companies collaborating more with other stakeholders to take action. We think there are some ways that the U.K. Modern Slavery Act can be applicable to us in Canada, but most importantly, we believe that focusing on the issue of child labour will be a unique and specific action we can take in the scope of any Canadian legislation.

This lines up with our international commitments as well, and it's something we have learned that Canadians want. When we asked them through an Ipsos poll earlier this year, 84% of Canadians told us that they are frustrated at how difficult it is to determine where, how, and by whom the products they buy are made, and 91% of Canadians think the Canadian government should require Canadian companies to publicly report on who makes their products.

This is a step for us to put in place legislation that would not place a heavy burden on business. It is a direction that we feel will allow us to address child labour. The Canadian government can use its convening powers to pull together a multi-stakeholder approach to determine how we can work together. It will break down the barriers for us to address, collectively, the issue of child labour in supply chains. It will help girls like Tania, who we met in Bangladesh, and especially girls who are following behind. We can help children have a brighter future.

Thank you for the opportunity to testify. We look forward to questions.

• (1310)

The Vice-Chair (Mr. David Sweet): Thank you for your timely evidence, Mr. Messenger.

Now we'll go to Mr. Chorley.

Mr. Simon Chorley (Deputy Director, International Programs, UNICEF Canada): I'd like to thank the committee for this opportunity to appear. As UNICEF Canada, we welcome this opportunity to address child labour and supply chains. I understand the ILO has already addressed the scale and scope, and you've already heard from Walk Free and World Vision around some of the legislative issues, so I'll seek to address and touch on some of the other issues that I believe are of interest to the committee.

The first of these is around root causes. A couple of years ago, UNICEF Canada conducted a study of the root causes of child labour in artisanal and small-scale mining in western central Africa. It appeared that there were three main groups of root causes: social norms, lack of protection and support, and limited public and private sector engagement.

In terms of social norms, this includes valuing income over education and valuing boys over girls. In terms of lack of protection and support, that includes lack of access to education and increased gender and environmental vulnerabilities. In terms of limited capacity, that includes weak child protection systems, particularly in low- and middle-income countries, and also lack of private sector engagement on this issue.

That's why UNICEF takes a system strengthening approach, and the Government of Canada also needs to take a system strengthening approach to address child labour in supply chains and provide solutions that are truly sustainable. In one instance, UNICEF in Burkina Faso removed over 20,000 children from artisanal and small-scale mining over a period of five years and placed them in education, training, and employment opportunities.

There's an additional context that the committee should consider, and that relates to fragile states and also emergencies. Global Affairs Canada has supported work in response to typhoon Haiyan in the Philippines, whereby UNICEF-trained police officers and other enforcement agencies identified and responded to child trafficking as a result of that emergency. We're seeing disturbing reports of that pattern being repeated with the Rohingya crisis in Bangladesh right now

I had the privilege of visiting refugee camps in Jordan, where we see major issues around child labour, because the adults are not allowed to work, and they're not allowed to leave the camps. Moves have to be taken to prevent those children from going into child labour.

As well as that, we're also looking at specific security context, so we welcomed the recent announcement of the Vancouver principles to address the recruitment of child soldiers, which ILO Convention 182 identifies particularly as the worst form of child labour. As a result, we now need a multi-sector approach to address these specific forms. One example is where Global Affairs Canada, together with UNICEF and the mining company, Barrick Gold, have produced a child rights and security checklist to address child soldiers and child security issues in volatile contexts.

The second issue is around the garment industry, and this has already been touched on by my colleagues at World Vision. The root causes I've already identified are also evident in the garment industry. Bangladesh and Vietnam are the second and fifth largest global exporters of garments. Both employ approximately four million workers, and 80% of those workers are women. The majority of those workers are domestic migrants moving from rural to urban locations to work. In two UNICEF studies in the last two years, we've identified that the major issues they face are lack of maternity protection, little support for breastfeeding, limited child care options, poor health, nutrition, water, sanitation, hygiene, education, and protection. The list goes on, and combine that with low wages and long hours. This should be a concern to business because this affects employee productivity. It affects employee loyalty, absenteeism, turnover, and ultimately business reputation and profitability. This is relevant to this study because these all contribute to child labour, particularly in the 15-, 16-, and 17-year-old age range.

Bangladesh and Vietnam have been relatively successful in eliminating some of the child labour in global supply chains, but in the domestic garment industry in those countries, we still see a very worrying prevalence of child labour. In one particular area, in Dhaka, Bangladesh, of 169,000 workers, 59% of them were under the age of 18, so that also needs to be addressed. That's why UNICEF is implementing a factory engagement program to engage with global retailers, national suppliers, and local factories to address some of these issues.

● (1315)

This brings me to my third point about the important role of the private sector. It is essential to eliminating child labour, and we have to work with them together. Where there is no legislation, companies are already moving to fill the gap. We've seen that in several examples, particularly in the extractive sector. Following civil society pressure, for example, around child labour discovered in cobalt artisanal and small-scale mining in the Democratic Republic of the Congo, we're now seeing that major companies have begun to map their detailed and complex supply chains, from artisanal mine, through the traders, through the smelters, up to the suppliers and the industrial mining. So it is possible.

We've also seen, for example, industry come out and actively advocate for transparency legislation. If you look at the 2014 Extractive Sector Transparency Measures Act, the mining industry actively advocated that so they would have to disclose the payments that they make to governments.

We saw a couple of months ago the Mining Association of Canada require as part of their membership criteria that all member companies independently verify that their mines don't use child labour. Some of those companies are already voluntarily complying with the U.K. and California supply chain requirements. This therefore demonstrates the need, and I echo the comments my colleagues made around the need for Canadian legislation. Europe, California, and Australia are leaving Canada behind, and the private sector is already filling the gap.

In conclusion, I would say that, in line with general comment number 16 of the Committee on the Rights of the Child, the Government of Canada should require business to publish how they have addressed slavery and forced labour, and in line with the UN guiding principles, the Government of Canada should ensure that this requirement includes the identification of a policy commitment, a due diligence process, and access to remedy, which is approved at the most senior level, which is applicable across business supply chains, and which is accessible publicly, and that in line with children's rights and business principles, which the Government of Canada has endorsed, the government should support business in this regard as part of a wider approach to taking a holistic child-rights-centred approach to all of its programming and activities overseas.

Thank you very much.

• (1320)

The Vice-Chair (Mr. David Sweet): Thank you very much, Mr. Chorley.

We'll begin our rotations of questions, beginning with Mr. Anderson.

Mr. David Anderson: Thank you, Mr. Chair.

I want to thank our witnesses for being here today.

Mr. Messenger, it's such a complex issue and I'm trying to get some clarity. You use child or forced labour together. Do you distinguish between the two of them when you're talking about numbers? This is our second hearing on this and these things seem to be mixed together a bit. You have some great material in your submission. I'm talking about your definitions about what constitutes child labour and that. When you're talking about child or forced labour and using numbers, do you break them down or do you leave them mixed together?

Mr. Michael Messenger: I will actually turn to my colleague, Simon, because he has the details and the specifics around that. We are addressing both of those things together, often because some of the global statements and commitments that Canada's been part of also use child labour and forced labour together. They are distinct.

Mr. David Anderson: We got some numbers from the ILO the other day, and it was intriguing the way they fit together.

Go ahead.

Mr. Simon Lewchuk (Senior Policy Advisor, Child Rights and Protection, World Vision Canada): I'll start at the highest level. The ILO estimates there are 218 million children who are in some sort of employment. Of that there is a subset of 152 million children in child labour. Of that there is a subset of 73 million children in hazardous work. Of that there is a subset of 4.3 million children in forced child labour.

To answer your question, we talk about child labour and forced labour as distinct concepts. We often think of them as sitting along a continuum of labour exploitation, but certainly when we're talking about the whole sphere of child labour, we think it's something that needs to be addressed and eradicated. It's something that has a detrimental impact on children.

Mr. David Anderson: When you're using the words "forced labour", you're talking about child forced labour, not forced labour in general.

Mr. Simon Lewchuk: The legislation in the other jurisdictions has looked at forced labour for adults and for children. We talk about both, because in the U.K., for example, they look at forced labour, which involves some 20-odd million people, of which 4.3 million are children.

Mr. David Anderson: Okay. This is going to get me a little off my line of questioning, but you're saying that in the U.K., the legislation touches on child labour and includes adult forced labour. So they're more concerned about, if you want to call it, forced labour rather than just focusing on the children.

Mr. Simon Lewchuk: It's a good question. Modern slavery is a term that's a bit nebulous and not internationally defined. The U.K.'s Modern Slavery Act includes forced labour of adults and children—that 20 million that I mentioned—as well as human trafficking, but human trafficking is a process that results in forced labour.

We feel that explicitly in any Canadian legislation, child labour in its own right should be added to that. The reason for that, as Michael mentioned, is that with children, given the very nature of their age, there are disproportionate power balances. They are disproportionately vulnerable to exploitation. Certainly in the Netherlands, the legislation there is focused specifically on children and child labour.

● (1325)

Mr. David Anderson: Okay, thank you for that.

I want to touch on something the ILO mentioned the other day. They talked about there being a dramatic decline in child labour since they began monitoring in 2000. I'm just wondering if you can talk about what factors might have contributed to that decline. It actually contradicts something you said, that in Canada there's been a 31% increase in the imports done through child labour since 2012. When they're talking about a dramatic decline over the years, and you're talking about a fairly extensive increase here over the last four years, what are we comparing, or what's accurate?

Mr. Simon Lewchuk: The increase has been an increase in the value of at-risk goods. As Michael said, our research has tried to gauge the extent to which there is risk of child labour, so by virtue of the fact that we're importing a higher value of goods that are at risk, the degree of a risk in that sense has increased.

To your question about the decline in child labour and some of the factors around that, probably the two most significant factors in the decline would be an increase in social protection systems and an increase in the access to universal education, but we're seeing some of that plateau, and the progress is certainly slowing, as the witnesses at the last meeting alluded to. That's why we think some of these very targeted measures are needed.

Mr. David Anderson: Could I ask something specifically about that? We were told by the ILO that 69% are basically contributing family workers. The ILO suggested that we exhausted the low-hanging fruit. I'm wondering if contributing family workers are part of that—I don't know whether you want to call it—higher fruit because they're helping their parents. It's within their families. Is that a more difficult thing to try to deal with and to eliminate than some of the other aspects?

Mr. Simon Lewchuk: It's complex to be sure, but it's certainly linked to the global supply chains at the same time. Child labour most often manifests itself at that input level. You think of agriculture, in the cocoa industry, in coffee, and in picking cotton that ends up in the garment industry, but I think we've seen some really good examples of how companies can address that. With cocoa in west Africa, for example, Mondelez International and others have run some really good programs in which they have worked with local farmers and their families to reduce child labour by setting up co-operatives, microfinance. These are some of the ways that even at the top of the supply chain you can address some of these levels that are in the deep-down tiers of the supply chain.

The Chair: You have 30 seconds.

Mr. David Anderson: Mr. Chorley, you talked about the private sector actually moving prior to legislation. Do we need legislation? Do we need to get the government involved in this and put in some sort of bureaucratic oversight of private enterprise if we can get them to do this on their own? Is that adequate, or do you think we have to bring the government into this?

Mr. Simon Chorley: No, I don't think that's adequate, because you see that the companies that are taking the lead in this are generally the pioneers in their field. They're what you might call the tip of the iceberg. If you look at something like the extractive sector, where we have thousands headquartered out of Canada—Canada is

the largest home to the extractive sector globally—you'll see there are thousands of companies which are not yet compliant with that. Whilst we have pioneers in the field, we have not yet reached a tipping point in terms of that approach, and that's where legislation comes in. You see, for example, I think in the French legislation, if 50% of the companies haven't signed up, the government would bring in legislation. I don't think we can wait for that. I think it's time to create a level playing field so that Canadian companies can engage at the same level as our Australian, European, and Californian counterparts, but also, ultimately, of course, in the best interests of children.

The Vice-Chair (Mr. David Sweet): Thank you very much, Mr. Chorley. Time, like life, is always our enemy in committees.

Mr. Fragiskatos.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you very much, Mr. Chair.

Thank you, witnesses, for your testimony today.

You mentioned, Mr. Lewchuk, that there is no standard international legal definition of modern slavery. Can you provide us with something of a definition that aligns with how World Vision understands the problem?

• (1330)

Mr. Simon Lewchuk: We would often equate modern slavery with forced labour, again, forced labour of adults and children, because I think it denotes this most abhorrent, extreme form of labour rights violations. But as I said, I don't think that in any way minimizes the reality of the other 148 million children once you subtract the 4.3 million children who are in forced labour. In the ILO's recent estimates around modern slavery, the estimates include forced labour as well as forced marriage, which is a decision that the ILO has made. We're not explicitly addressing forced marriage in our comments here, but I would say there still remains to be a standardized agreed-upon definition of modern slavery. This creates some challenges certainly for companies, and even in the U.K., with the Modern Slavery Act. Now companies are actively asking the U. K. Home Office if they should be reporting on all forms of child labour and which ones. That's why I think guidance and clarity are absolutely key.

Mr. Peter Fragiskatos: An emerging theme that we will see, and indeed, we're already seeing it take shape, is that the supply chain is the crux of the matter, monitoring the supply chain, getting in and understanding what is taking place at each level of the supply chain before a good is purchased on the shelves here in Canada.

Can you tell us the best practices in terms of what you've been able to ascertain from your research about how to best monitor all this at the supply chain level? We can have legislation, but unless there are robust mechanisms in place to look at what's happening at the level of the supply chain, I fear that legislation would, in effect, be toothless.

That goes to whomever, although, Mr. Messenger, perhaps you might want to take that question.

Mr. Michael Messenger: I'll start.

I think it's important. What we're looking at and where we've seen success is really a fairly light touch. Even though different jurisdictions have approached it differently, the U.K.'s example is probably the one that's the most mature at this point. It's a focus on reporting. Rather than going through, it's absolutely a conversation we should have at a policy level of how we can address issues of supply chain in specific circumstances all the way down. Of course, as my colleague from UNICEF said, we can't ignore the social factors and others at the grassroots level as well.

What we're suggesting here is actually that reporting is a means to an end, not an end in and of itself. It provides a basis for greater dialogue by having companies simply be required to say that they are considering what this looks like.

We've seen in the U.K. that it's not toothless at all. In fact, companies are drawing greater attention to the issue. They're recognizing it, and it has become part of the conversation. As a result, it's driving change and conversation with organizations such as ours and companies to ask how we can address those critical policy issues that might be more substantive as we consider and work together, and move our way up and down the chain.

Mr. Peter Fragiskatos: Can I ask you a question about thresholds?

As you know, in the United Kingdom, the companies impacted by the legislation have an annual turnover in the equivalent of \$60 million Canadian. Do you think that's an appropriate threshold? Do you believe in thresholds?

Mr. Michael Messenger: One key thing is we want this to work. It shouldn't be another barrier to business with red tape and bureaucracy that slows things down. One of the benefits of just focusing on the larger companies is that, first of all, you have a greater impact because of their global reach. Second, larger companies tend to be those with the capacity and resources to be able to meet the requirements and create effective change.

If we see that some of the larger companies are willing to lead the way, it can also then be an example for others of best practice. We have some of those large companies that are committed to processes such as this, whether we look at Amazon, IKEA, Marks and Spencer, or Tesco in the U.K.

We feel that there needs to be a cap. What that threshold should be needs to be part of the conversation as we look at the different levels in the emerging legislation in other jurisdictions, as we bring together a multi-stakeholder approach to consider where that becomes an undue burden, but where we can set the level.

Mr. Peter Fragiskatos: It would be difficult to see how firms that don't have an annual turnover of \$60 million would have the monitoring abilities to carry out what would be called for in any piece of potential legislation.

(1335)

Mr. Peter Fragiskatos: I want to ask a question on fair trade. As you know much better than most, fair trade has become something of a movement among consumers and democratic societies. That includes Canada. However, there is a problem. Many products that are advertised as fair trade are indeed not fair trade; they are produced in very unfair ways. This has only been uncovered as a result of investigative journalism and other whistle-blowers coming forward and making it clear that what is advertised is not actually the case. I'm not saying this applies writ large, but it's a significant issue.

How can we learn from that experience and apply those lessons here to the issue of modern slavery and child labour?

The Vice-Chair (Mr. David Sweet): Please be as succinct as possible.

Mr. Simon Lewchuk: Really briefly, there's no perfect certification system. I think even fair trade acknowledges that buying fair trade doesn't certify completely that there's no child labour involved. It means they're taking proactive steps to try to reduce that likelihood. The beauty of supply chain reporting legislation is that it's not imposing a one-size-fits-all on companies, saying, "You must certify that your supply chains are absolutely free of child labour."

We know it's complex. It's simply saying, "What are you doing this year and what are you going to do next year to address that? Let's have a constructive dialogue."

Mr. Peter Fragiskatos: It sounds pragmatic. Aiming for perfection is not going to get us very far at all.

Thank you very much.

The Vice-Chair (Mr. David Sweet): Thank you very much, Mr. Fragiskatos and Mr. Lewchuk.

Now, we'll move to Madam Hardcastle.

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Thank you very much, Mr. Chair.

Thank you gentlemen for your insightful comments.

We know that this is an issue that's been long standing, but what's emerging is consumer realization about the issue and that we need some kind of legislative framework as well. Different countries are responding in different ways. One of the more significant milestones in this has been the sustainable development goals, particularly identifying the end of child labour by 2025.

Further to my colleague's point about fair trade, we do understand now that there is a lot of fraud surrounding this issue. People and corporations think they are accessing a fair supply chain but actually fraud is being committed, particularly in seafood, as I've learned through my research. I'd like to hear from each of you. I'm just going to give a preamble and then you guys can use up the rest of my time. That's been my practice generally, so we use the time wisely.

Is this child rights and security checklist something that...? How can we legislate that at our end and help countries where the child labour is taking place build capacity? Is that a tool? What are some of the other ways we could be legislating and using that? Maybe there's some other approach we should be using. I'll leave it at that.

Thank you.

Mr. Simon Chorley: To address that initial comment, I think under the Convention on the Rights of the Child, which Canada has obviously ratified, and then the convention's general comment 16, there are a variety of measures which governments can and should take to address children's rights and child labour in particular. That includes the legislative approach, but it does also include other, I guess what you might call, softer approaches, in terms of policy and capacity building.

To address an earlier comment, I would say we need to.... The reporting assists with compliance, but it also helps us move beyond compliance to shape a business culture where it's a race to the top and not a race to the bottom, when it comes to sustainability performance. With respect to the child rights and security checklist, we already have provisions, which governments are inundated to implement, such as ILO conventions 182 and 138. In terms of the minimum requirements for what governments should be implementing, those are already covered.

The checklist is a tool that companies and governments have committed to pilot around the world. It's one of the suite of tools which will be relevant to different companies depending on their situation. At that stage, legislation might not be the most appropriate way, but companies are after practical solutions. They want an example of what another company has done that they could then adapt and replicate in their context. We already have the pioneers in the field and we now need to encourage the rest of the field to adapt and replicate.

I don't know if my colleagues want to add something.

• (1340)

Mr. Michael Messenger: I'll just speak to this idea of pioneers in the field because I think this is a really interesting point.

What are the factors that led to the extractive industy having some identified pioneers in the field, for example? Some of it was due to public attention and challenge from consumers and stakeholders over issues in mining practices. World Vision has been involved in some of those conversations along the way. It's during those moments when an issue surfaces and rises up that we begin to have the opportunity for dialogue to speak to that issue.

What we're really looking for here is that, rather than driving it that way, we can look across sectors to see how we can start to support this ongoing dialogue. It's actually similar to the fair trade movement, which has become it's own piece. The fact that there may be some controversy now around some companies which are claiming fair trade but aren't is only a starting place, because we've identified it as an issue that Canadians are concerned about. If companies are saying that they're fair trade and they're not, it's

become part of our desire as consumers—and it's also good business practices, for companies to be able to point to practices that they think are supporting the concerns and the policy reasons behind fair trade.

Mr. Simon Chorley: Following on from that, the certification is key in terms of independent verification. What we see in the fair trade movement is often a limited capacity to meet the demand.

What you see in different commodities markets, whether it be cocoa, minerals, or others, is a multiplicity of suppliers at the base, whether it's artisanal miners or cocoa farmers, but then they will funnel up to a relatively few number of traders. We need to go beyond tier one of supply chain due diligence, where retailers and the consumer-facing corporations will just apply due diligence to their initial suppliers. It's looking beyond that, to traders or smelters or other levels in the industry. We're beginning to see industry do that.

As industry drives this approach, combined with legislation, it will help us reach that tipping point.

Mr. Simon Lewchuk: I was going to briefly add that the options for companies, the actions they can take and the tools they can use to address child labour are actually quite endless. It's going to depend on the context.

Fundamentally, though, the biggest challenge we have right now is a lack of openness and dialogue around this. That's why I think transparency in the legislation can be so crucial.

As a quick case in point, in 2015 the Associated Press did a big story about child and forced labour in the Thai shrimp industry, and the connections to European and North American supermarket and restaurant chains. World Vision saw that, and working with our supporters, we reached out to four of Canada's largest grocery chains to simply say, ""We saw this in the news. We're aware that these products are on your shelves. What action are you taking to mitigate these risks?"

It was really challenging to even have a conversation. Until we get to a place where we can have a constructive conversation with companies.... The light and the openness that transparency legislation could help create in opening that dialogue are so crucial if we're going to get beyond these postures of defensiveness or companies seeing NGOs as a threat. We need to actually have a dialogue where we can look at these issues and the complexities around them, and figure out what the best tools are to address them.

The Vice-Chair (Mr. David Sweet): Thank you very much. That's all the time we have.

Now we move to Ms. Khalid.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Chair, before I start with my questioning, I'm wondering if I can have unanimous consent from our committee to put aside five minutes at our next meeting for committee business to talk about future studies.

The Vice-Chair (Mr. David Sweet): Can we do it next week, on Tuesday?

Ms. Cheryl Hardcastle: Next week is fine with us.

Ms. Iqra Khalid: Thank you, Chair.

Thank you, gentlemen, for your very compelling testimony today. We just finished a study on sex trafficking in south Asia and understand the factors at play when we look at trafficking and child labour, which are very much interplaying in all that.

We look at the possibility of eliminating child labour, but the real question I am finding more and more as we try to eliminate the main source of income for a lot of these families who are highly dependent on the income these children are bringing into the home is how we can work towards eliminating child labour but at the same time maintain these households. In helping to eradicate this problem, what are some of the measures your organizations have taken, and what can the Government of Canada do with that piece of it?

● (1345)

Mr. Simon Chorley: If I may refer to the programming we're doing, for example, in Bangladesh and Vietnam, the main focus is on women as the primary caregivers of children, ensuring that although they might be paid the minimum wage, the gap between that and the actual living wage is closed through better working conditions and better care. As you increase the livelihood of the caregiver, there is less need to put children in situations of child labour. That includes working with government, but also working with industry and looking at how we equip children and young people to apply for the gaps in the workforce that there will be as a result.

Looking at it holistically and looking at that community approach to providing the families and caregivers with those kinds of measures is something we're starting to pilot now in those two countries.

You also see a gender-responsive approach, where you have double duties on women. They might have to go to work for 12 to 18 hours a day, but then they also have their domestic duties, whereas men in many societies don't have that double burden. Focusing on women as the caregivers and ensuring their quality of life is such that they don't have to take on those double duties is essential to making sure we don't have children in child labour.

Mr. Michael Messenger: Maybe I can add to that.

A good example is the girl Tania, who I talked about. Actually, supply chain legislation right now is not going to assist Tania in having to meet the economic needs of her family. World Vision, supported by other government actors and Canadian supporters, has to come alongside and deal with what I think of as the push factors, providing alternative economic opportunities and trying to transition from more hazardous work to less hazardous work to try to improve the economic situation in the whole community so that there aren't those factors and necessarily having to push them to go and find work.

It's also important to remember that in addition to addressing those things and the broader complex social norms, there is a pull factor involved here as well that will have an impact in that particular situation. If we can address supply chains and encourage companies to figure out how we can improve the lives of folks involved all the

way down.... One of the factors we see is that in the expectations for low-cost employment, pushing to the lowest-cost employees, often those are children and those who can be exploited, not adult workers. If we can actually incentivize companies through the supply chain, looking at the pull factors, to be concerned about this and so that there's an expectation around this, we can actually improve the economic likelihood that an adult can actually go to work, not making the companies look to the lower-cost alternative so that children can actually be doing things we think kids should be involved in like education and opportunities for safety and security.

Ms. Iqra Khalid: How important is the collection of data and how do you tackle it?

Mr. Simon Lewchuk: I think one of the key challenges around the U.K.'s Modern Slavery Act has been the lack of a central repository for company reports. I'm not sure if that's exactly the sort of data you talked about, but I think one of the ways that legislation could certainly be strengthened is in making sure that citizens, NGOs, civil society, and trade unions know who's actually captured by the legislation and where we can go to find that so we're not searching in a thousand other places.

Certainly, if your question is referring to the data challenges of companies and contracting their supply chains, supply chains are super complex. I think there are some great tools out there, but there's a lot of information to get on top of. We always tell companies to assess their risk, figure out where they're most at risk, and start somewhere. Start in the first year with one or two suppliers and there can be a cascading effect.

The Vice-Chair (Mr. David Sweet): Thanks, Mr. Lewchuk.

By the way, gentlemen, I think you've presented briefs, but upon reflection, after all the questions, if there's anything that you didn't get an opportunity to speak to, please don't hesitate to put in another written submission. We'll gladly aggregate that with our report.

Mr. Anderson.

● (1350)

Mr. David Anderson: Thank you again, Mr. Chair.

I should maybe know this, but I don't. Is the U.K. legislation currently under review? Where does it sit right now? It was passed, right? Are they reviewing it?

Mr. Simon Lewchuk: It's been in force from about the fall of 2015. We have the benefit of about a year and a half to two years of reporting under the U.K. legislation.

Mr. David Anderson: Do they have a planned review or an evaluation of it at any point? Do you know?

Mr. Simon Lewchuk: Not that I'm aware of, although I understand with the Australian legislation, they are planning a three-year review process once that legislation is eventually in place.

Mr. David Anderson: We talked earlier, Mr. Lewchuk, about the forced labour, the child labour within that bill. Can you give us more of a prescriptive description of what you'd like to see covered?

I'm concerned we might end up with something that's so large we're not going to be effective. Mr. Fragiskatos talked about compliance and making sure that it takes place. Should we start off fairly modestly in trying to focus on one or two of these aspects, or is it good to be very ambitious and cover a modern slavery bill and try to put the compliance measures in place for something as big as that? What would your advice be for us to start out?

Mr. Simon Lewchuk: Really briefly, I'll just acknowledge that the Modern Slavery Act in its entirety is a very broad-reaching piece of legislation, so my comments are fairly specifically on the supply chain provisions, which are in section 54 of the Modern Slavery Act.

We think that for some degree of equivalency with these other jurisdictions, certainly looking at forced labour as part of modern slavery would be important for any Canadian legislation, but again, we would say to explicitly add child labour to that. In practice, even under the U.K. Modern Slavery Act and some of the guidance that the U.K. Home Office has created, it is encouraging companies to look at child labour; it's just not explicitly in the face of the legislation. We think that would be really key to add here. Our written submission outlines a number of other recommendations where we think the U.K. legislation could be strengthened.

Mr. David Anderson: In terms of compliance, one of our previous witnesses talked about corporations based in the global south facing less scrutiny than corporations based in countries such as Canada. Is that an accurate assessment? Is it more difficult to assess them? Are they not being held to the same standards, or is that inaccurate?

Mr. Simon Lewchuk: They're all linked. If we're talking about public scrutiny, I look to the U.K. and say that British companies have been under more scrutiny than Canadian companies. As to where that leaves companies to date—and I think that's changing—I can't really speak too well to the situation of companies in the global south and what citizen and NGO movements are like there.

I would say that increasingly, global supply chains are complex and interlinked. A Canadian company is thus not just a Canadian company; it is linked to suppliers in the global south or in east Asia. By focusing on what we can focus on here in Canada, on the companies at the top of that supply chain, I think we can have a cascading effect and bring about change in the lower tiers of those supply chains.

Mr. David Anderson: Mr. Chorley, you look interested. Do you have something you want to say?

Mr. Simon Chorley: I would just say that one key issue here is obviously around building the capacity of civil society in low- and middle-income countries, and particularly around involving the social norms and behavioural changes, communications, and a broader approach to addressing child labour. When that is the result, and particularly when companies and government have to focus on engaging hard-to-reach and vulnerable groups such as women and children, you will then see increased due diligence. Legislation in this regard would avoid some of the cases we're seeing at the moment, for example of extraterritorial jurisdiction, whereby we're seeing community groups having to bring their cases all the way to Canada for alleged abuses overseas by Canadian-headquartered companies.

Mr. David Anderson: I'm running out of time here fairly quickly.

Can you tell us what role armed conflict plays in child labour? Also, what role does it play in terms of compliance and being able to make sure that companies are compliant throughout the supply chain?

Mr. Simon Chorley: Obviously armed conflict places children in particularly vulnerable situations in which they no longer have access to school or health care, in which income-generating activities are therefore not as available to them and their families and they are forced into particularly dangerous and hazardous forms of child labour, maybe being recruited by armed groups, but also into support services to those armed groups, such as portering and supplying child sexual exploitation. It is quite difficult to then engage in supply chains, and you'll see only a very few companies that have a presence in particularly volatile situations such as those. Some of them are, for example, extractive companies.

This is why you have an initiative such as the voluntary principles on security and human rights, which looks to engage public and private security providers on human rights, thus looking at engaging governments and the armed forces as well as the private sector security providers. What we're seeing is that companies are taking the lead in providing human and child rights-based training to the governments. They're actually leading the way. I think that's a promising step.

● (1355)

The Vice-Chair (Mr. David Sweet): Thank you very much, Mr. Chorley.

Now we go to Mr. Tabbara.

Mr. Marwan Tabbara (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair.

My first question will be for the panel. I'm going to talk about smugglers. I will be within the scope once I've finished the question.

I was watching a video and reading an article online about smugglers smuggling individuals from the Mexican border to the U. S. These children were making roughly \$200 to \$300 per individual from Central America and \$500 for smuggling individuals from Latin America. Within a night they were making more than their families were making in certain industries.

I'm going to revert to how this relates to this study. Do you believe that change in a nation's education laws will decrease child labour? The example I just gave shows that many families weren't able to fund their children's education. If the state did it at a national level, do you think we could help decrease child labour in the main areas we've been focusing on, which are Southeast Asia, Bangladesh, and the Pacific?

Mr. Simon Lewchuk: Absolutely, I think an increase in access to good-quality education will make a significant difference, as will social protection systems, in making sure that families have viable economic options for a livelihood. That's why we think a holistic approach is needed. We need to be working on all these different levels. We need it through Canada's development assistance: how can we be changing the systems of the environment, supporting civil society and local governments to provide these basic services for their citizens?

Any of these things on their own are necessary but not sufficient. That's why, specifically on the supply chain legislation ask, we're saying here is one way—it's not a silver bullet, but it's one way—we can address this problem, in addition to all the other worthwhile and essential interventions such as those you're talking about, education being key amongst them.

Mr. Simon Chorley: If I might, I would quickly add that often education is free but the costs associated with education are not, costs such as transport, uniforms, resources, etc., and so we need to take a child-friendly approach to looking at education programming to ensure that all of those are addressed as well.

Mr. Marwan Tabbara: How much time do I have, Mr. Chair? The Vice-Chair (Mr. David Sweet): You have two minutes.

Mr. Marwan Tabbara: I'll pass that over to my colleague, Mr. McKay.

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you. I appreciate it.

As Mr. Lewchuk and Mr. Messenger know, I'm fairly persuaded that this is a good initiative. Canada ties itself up in knots trying to decide whether this is a federal problem or a provincial problem, and there's a lot in this initiative to recommend that it be a federal issue, primarily because of the international scope of Canadian companies.

I'm interested in your thoughts with respect to how to frame an initiative in a way that does not run afoul of the forever Canadian conundrum of whether this is federal or provincial.

Mr. Michael Messenger: I can speak to that.

We actually, as part of our work, engaged a leading law firm to ask exactly that question, and it brought me back to my law school days of constitutional law.

Hon. John McKay: You have my sympathy.

Mr. Michael Messenger: Essentially, we do believe that it's constitutionally appropriate for federally enacted supply chain legislation. Just looking at the federal trade and commerce power, it's probably the most promising source of federal authority. There's a basis to argue that supply chain legislation could be enacted under either branch of the trade and commerce power, either the general clause or the international and interprovincial trade branch.

The advantage, in our view, of using it under the general power is that it could constitutionally apply to all companies in Canada, including those that carry on business entirely within a province. We can certainly provide some additional information on this, but because supply chain legislation has an extraterritorial effect, because it would require companies doing business in Canada to report on their overseas activities and disclose information about

their monitoring of suppliers globally, it's our view that the federal government, as opposed to governments of the provinces, has the constitutional power to meet this type of law.

● (1400)

The Vice-Chair (Mr. David Sweet): Thank you, Mr. Messenger.

With the indulgence of the committee, Ms. Hardcastle has one last question.

Ms. Cheryl Hardcastle: Thank you very much.

What about free trade agreements? We have right now environmental issues that speak to sustainable development goals as well, and labour issues. They are side agreements. What would you like to see happen in trade agreements? It kind of makes us uncomfortable politically when we talk about how certain countries get to exploit other countries, but we've heard even the Pope talk about predatory capitalism. How do you think we should be addressing that in terms of fair trade?

Mr. Michael Messenger: That's a tricky one. If we stand back and look at where we, as a country, are making commitments, and start perhaps at the sustainable development goals, and our goal of by 2025 seeing child labour and forced labour eradicated—I should say, by the way, that we were talking about the ILO earlier, and that if we continue the trend now, even though it's declining, we would still have millions of children and people involved in forced labour at that time.

Whether we're looking at G7 commitments, G20 commitments, or commitments that we're signatories to at the general assembly, in all of those places, and presumably with trade agreements, we should be at least considering the issue of what positive effect we can ensure takes place, through Canada being part of these agreements so they can positively affect and support the goal of Canada and the international community to eradicate this particular issue.

The Vice-Chair (Mr. David Sweet): Mr. Chorley, do you have any comment on that?

Mr. Simon Chorley: I can't comment specifically on the trade agreements but I think there's a much greater role that the trade department as a whole and trade commissioners can take around equipping companies and host governments to address child rights, and particularly, child labour. We've already worked with them to equip trade commissioners on children's rights and on companies' obligations overseas, and I think there's opportunity to do much more around that, which would then influence our trade relationships between Canadian companies and host communities overseas.

The Vice-Chair (Mr. David Sweet): Thank you very much, gentlemen, for your testimony, and for your answers.

Hon. John McKay: Just before you close it off, Mr. Messenger mentioned a legal opinion that they have obtained. I don't know whether that is available publicly, but whenever these matters bubble up to the surface of the government, there are always a hundred lawyers telling you why you can't do something. I'd be interested in the opinion as to why this could be done.

The Vice-Chair (Mr. David Sweet): Mr. Messenger, if you would be willing to submit that documentation in regard to that legal opinion on federal versus provincial jurisdiction, that would be great.

I want to thank you very much. I've been intimately aware of World Vision's work for 35 years.

Mr. Chorley, Mr. Fragiskatos and I witnessed the great work that UNICEF is doing in the Zaatari camp when we were in Jordan. I just want to say thank you very much for all of your good work. There are many children who have hope for the future because of your organization. Thank you very much.

The meeting is adjourned.

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