

## Case Study: Child Labor in Bangladesh

Shortly after our Terms of Engagement (TOE) were implemented, factory assessors discovered that two factories in Bangladesh were employing workers under the minimum working age. While a clear violation of the TOE, Levi Strauss & Co. (LS&CO.) management found itself in a difficult situation when it came to addressing the problem.

The issue of underage labor is a complicated one in Bangladesh — a country where it is not uncommon for a child (defined in the TOE as a person younger than 15 or younger than the mandatory schooling age) to support an entire family on his or her wages. Further, many children born in Bangladesh are not issued birth certificates and due to malnutrition, many people can look younger than their age.

Other companies facing the issue of child labor at the time simply instructed their contractors to fire underage workers. LS&CO. management decided to take a different approach — one that would be informed and guided by the company's values: empathy, originality, integrity and courage.

Several LS&CO. managers and consultants met with the contractors to develop an agreement on what to do in the immediate situation and how the contractors would operate going forward.

Under the agreement, the factories agreed to continue to pay the already employed underage workers their salaries and benefits while they attended school and offer them full-time jobs when they reached the legal working age. LS&CO. agreed to pay for the students tuition and books. If there was no room in the nearby public school, LS&CO. and the factories would rent space and hire a teacher for the students.

The factories also agreed that going forward, their personnel would require any youth who applies for a job to present a school certificate stating that the applicant is 15 years old or older. In the event an applicant appears much younger, a dental examination may be used to establish the worker's age.

Our approach to this difficult situation earned LS&CO. the praise of Bangladeshi and U.S. government officials, academics and several nongovernmental organizations (NGOs). Subsequently, the Bangladesh Garment Manufacturers and Exporters Association along with other groups set aside approximately \$1 million for the education of about 75,000 underage girls who previously worked in factories.