



## Fair Economy

### Retail and Supply Chain Standards

Authors: Silvia Borello (IT), Sang-Jin Kim (GER), Emma Young (EU/IE), Sofia Pais (EU/PT), Yolanda Stabel (GER),  
Nada Ladraa (IT), Gurujot Singh (CN), David Zuther (GER), Mizuki Sato (JPN)

#### Preamble

This position paper is the outcome of the J7 Summit taking place from the 6-14<sup>th</sup> May 2015 in Berlin. Teams of young people from all G7 countries, as well as delegations from the EU, Africa and Central America come together to discuss and debate the most pressing issues of our time in the run up to the G7 negotiations in June.

#### Description of Problem

Currently, how the global economy operates is profoundly unfair. 150 million children aged 5 to 14 around the world are engaged in child labour. Child labour perpetuates a cycle of poverty which prevents children from accessing an education and slows down the development of a country. Millions of people in the developing world work hard for wages too low to meet the cost of living, often under dangerous conditions. For example, a 2011 investigation by the British charity War on Want found that in Bangladesh, some 80 per cent of workers worked longer than the legal limits allowed<sup>2</sup>.

#### Solution 1: Increasing Consumer Awareness

The education and awareness of consumers in the developed world, especially in G7 countries is vital in the battle for a fair economy. We would introduce worldwide media campaigns in partnership with non-governmental organisations (NGOs) and lobby groups to raise awareness. We also support concepts such as 'FashionRevolution', a movement working to make manufacturing conditions a talking point and thereby trying to achieve fair working conditions and a production without child labour.

#### Solution 2: Tackling Child Poverty through Cash Transfers

One of the root causes and effects of child labour is poverty. By empowering families economically, children have an increased chance of gaining an education. Inspired by Brazil's 'Bolsa Família' initiative, we would introduce conditional cash transfer programs (CCTs), which are grants for families in extreme poverty so that their children can attend school. For example, in Brazil if a child on CCT fails to meet a certain attendance quota, payment to their family is suspended. This incentivises families to send their children to school, while simultaneously providing them with a steady income. An additional step would be to establish programs to provide free food in schools in order to promote attendance.

#### Solution 3: Holding Corporations Accountable for their Actions

We believe that multinational corporations have a responsibility to combat child labour and thus create a just economy.



We also believe that they should be held accountable for their actions on a global scale. In order to be effective, companies need to comply with legal standards that don't allow child labour.

There also needs to be a sanction protocol in place for companies who do not comply with the law. A fair economy must be a sustainable economy, and environmental aspects need to be included within the legal framework as well.

#### **Solution 4: A Living Wage and Fair Working Standards**

Poor working conditions and safety demonstrated in the 2013 Rana Plaza disaster in Bangladesh are intolerable and an injustice to workers. We encourage developing countries to increase their minimum wage relative to the cost of living. We also endorse introducing a universal workplace standard which would include environmental criteria, the workers' right to organise in trade unions and basic workplace safety standards (e.g. legal limits on working hours and protection measures for workers handling hazardous material).

#### **Solution 5: Putting Children on the Agenda**

You, as heads of the G7, lead the richest and most influential countries in the world. Therefore, it is your responsibility to pursue crucial issues that need to be addressed. Goal 1 of the post-2015 Sustainable Development Goals (SDGs) mentions that poverty concerning men, women and children must be eradicated in all its forms in the next 15 years. However, we are concerned about how this will be financed in relation to children. The first draft of the outcome document for the International Conference on Financing for Development in Addis Ababa does not mention any specific funding for children. As powerful G7 nations represented at the conference, we call on you to make a financial commitment to ensure that the SDG targets relating to children are achieved. In addition to upholding your existing commitments to overseas development aid, we encourage you, as G7 governments, to prioritise tackling child poverty within the SDGs and give every child everywhere an opportunity to live a full and healthy life.

#### **Conclusion**

Today's global economy and trade is unsustainable and unfair. We do have, however, the ability to change this. Through media campaigns, we will raise awareness for the problems in the global economic system and help consumers make informed decisions about what to buy. We will continue pressuring governments, corporations and individuals to behave responsibly and address the issue of the fair economy. Civil society must actively work to ensure the products they buy are sustainably and ethically manufactured. You, the G7 leaders, also need to play a leading role in this struggle - you have the possibility, yet also the responsibility to actively make our world a better place for everyone.

**RECOGNISE THAT ALL LIFE MATTERS!  
PROTECT WHAT IS IN THE BROADER PUBLIC INTEREST!  
PROTECT WHAT SUSTAINS US!**

**# ActNow**