

Ethical issues involving children

1. *Preamble*

- 1.1 Children have unique ethical characteristics, as they are the only class of people who may be discriminated against legally. As minors they are judged not capable of running their own affairs, which are left to adults, normally parents, to act as guardians for them. Historically children have had minimal legal rights, with their parents or guardians having almost unlimited authority over them. A child cannot give informed consent, which can lead to difficulties when medical intervention is required.
- 1.2 Children also have an essentially vulnerability, in that they are often the first to suffer when things go wrong. They are physically small and weak compared to adults, and can be easily coerced into actions they might not wish to do. Their relative weakness can also mean that they are first to suffer from natural disasters such as famines.
- 1.3 When the legal system intersects with a child's life it normally does so in a distinct way from adults. This includes juvenile delinquency, due process for children involved in the criminal justice system, appropriate representation, and effective rehabilitative services. Children may also end up in the care of the state through no fault of their own through parental death, family break-down, or even abandonment. Consequently, care and protection for such children are essential.
- 1.4 Historically children have been subject to corporal punishment in most societies. However, this is now generally outlawed in educational establishments outside the United States, where it remains legal.
- 1.5 As potential future citizens children are normally obliged to attend educational establishments. This impacts corporate behaviour in countries where employment of children can restrict or prevent access to education.
- 1.6 Children's lack of experience means that they can be easily influenced by advertising, which can for example persuade them to consume excessive amounts of snack foods or sweets which are bad for their health. This is of growing societal concern given the epidemic of child obesity in the UK and US.
- 1.7 Children are inherently economically weak. Their lack of employment skills such as job experience and low physical strength means that their opportunities to earn money are limited. In agricultural communities children may be expected to work without pay at harvest time. This might be within an individual family unit struggling to survive as subsistence farmers, but it could also be 'bonded' labour, where children are essentially sold as slaves.
- 1.8 Although child pornography, defined as material depicting children being in a state of undress, engaged in erotic poses or in sexual activity, is a serious crime in most developed countries, it is also a multi-billion dollar industry and among the fastest growing criminal segments on the Internet. According to the *UN Protocol to Prevent, Suppress and Punish Trafficking in Persons especially Women and Children*, child trafficking is widespread through the use of force or other forms of coercion, of abduction, or of fraud and deception, for the purpose of exploitation such as prostitution or forced labour.
- 1.9 Children's human rights are guaranteed by the United Nations Convention on the Rights of the Child which became part of international law in November 1989. By 2007 all member nation states of the United Nations, except the United States and Somalia, had ratified it. The four core principles of the Convention are: non-discrimination; devotion to the best interests of the child; the right to life, survival and development; respect for the views of the child.
- 1.10 UNICEF was created by the United Nations General Assembly in 1946, and aims to provide long-term humanitarian and developmental assistance to children and mothers in developing countries. Currently it focuses on the Millennium Goals, campaigning for preventive and curative health care including immunization, adequate nutrition, and safe water and basic sanitation. Its current priorities are: child

survival and development; basic education and gender equality (including girls' education); child protection from violence, exploitation, and abuse; HIV/AIDS and children, and advocacy and partnerships for children's rights.

- 1.11 Increasingly the CFB comes across issues relating to children in its ethical work, reflecting society's growing focus on child health and protection. Consequently, when the CFB carries out ethical research on a company, children's issues are being identified with greater frequency.

2. Areas of Ethical Concern Relating to Investment

2.1 Healthy and Adequate Nutrition

Child obesity is a major and growing problem in most developed countries including the UK. The UK government has identified heavy advertising of snack foods by food manufacturers during children's television programmes as a contributory factor to obesity as it encourages increased consumption of snack foods. Other concerns include the quality of school meals produced by private contractors (support services), and placing of commercial vending machines for sweets and soft drinks in schools.

At the opposite extreme, it is believed that millions of children in developing countries suffer from acute malnutrition due to famines, with many more suffering from chronic malnutrition. Child malnutrition is not just a problem overseas, as poorer UK families may struggle to eat healthily on a low income.

2.2 Alcohol, Tobacco, and Gambling

Poor adult health resulting from alcohol or drug abuse has a particularly negative impact on children. Alcohol abuse and excessive gambling are also major contributors to family break-up, which can also arise from debt problems.

Similarly, the use of alcohol, tobacco products and involvement in gambling are major concerns for children's physical health and general welfare. The CFB's avoidance of alcohol producers, tobacco producers, and gambling services would seem appropriate. However, many retailers derive a substantial proportion of their turnover from these products, with particular concern about products designed to attract children such as alcopops, and cheap own brand cigarettes.

2.3 Bonded Child Labour

There is increasing concern in a variety of areas about the use of bonded child labour, i.e. children effectively sold into slavery. The CFB has investigated West African cocoa plantations in this context. Serious concerns have also been voiced about the use of bonded child labour in textile manufacturing in Asia. It is important that UK based companies and their suppliers enforce global standards limiting the use of child labour and setting clear standards for child protection where it occurs.

2.4 Companies with Military Exposure

Warfare can obviously have a catastrophic effect on people, but children may be particularly badly affected. The CFB Policy Statement on *Investment in Companies with Military Exposure* provides guidance about what may be an acceptable level of corporate exposure in this complex and difficult area.

However, it is worth noting that there are certain military products, such as land mines, that are of particular concern regarding children's safety given their indiscriminate nature. Indeed, it has been estimated that land mines kill and injure far more civilians than they do military personnel. However, their production has declined since the signing in 1997 of the Ottawa Treaty on the *Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction*. It should also be noted that cluster bombs, which sprinkle mini-bombs, are not covered by the Ottawa Convention, and so continue to cause harm to children, although this omission might change following the Oslo Conference in December 2009.

2.5 Risks to Child Safety through New Media Outlets

New media services resulting from the growth of the internet offer new opportunities for child entertainment and education, but they also raise questions of child safety on the internet and mobile phones through potential contact from undesirable people. There are also concerns about media companies failing to restrict children's access to pornographic and gambling services.

The Children's Charities' Coalition for Internet Safety (CHIS) campaigns on internet issues, warning about the threats to children that can arise. These include: children and young people inadvertently or deliberately accessing either illegal or inappropriate sexual or violent material; the targeting and grooming of children by predatory adults through chat rooms, possibly by adults posing as children and the abuse of children in order to provide material for paedophile news groups.

2.6 Children and Pharmaceuticals

Recent years has seen growing concern about the impact of the pharmaceutical industry upon children. The CFB has engaged with pharmaceutical companies on concerns ranging from the inappropriate testing of new drugs, often involving children in developing countries, to the concealment of adverse medical data about the effect of drugs on children. Medicinal compounds may affect children in way that are significantly different from the way they affect adults.

On the other hand, the pharmaceutical industry has been criticised for its lack of research and development spending on potential new drugs for illnesses that kill millions of children each year such as pneumonia, diarrhoea, malaria and measles. Critics claim the industry is more interested in focusing on highly profitable 'lifestyle' drugs such as Viagra for consumers in affluent countries.

2.7 HIV/AIDS

Although HIV/AIDS is a global problem, it is believed that adolescents and young adults, particularly in Africa, face the greatest risk from HIV and AIDS. It is estimated that every day 1,400 children die from an AIDS-related illness and another 1,800 are newly infected with HIV. Particularly in southern African countries such as Uganda, Botswana, and South Africa this has led to many children suddenly becoming orphaned through both parents dying of AIDS. Leading pharmaceutical companies such as GlaxoSmithKline have faced specific allegations that they were blocking access to their products for patent reasons to critically ill HIV/AIDS patients in developing countries such as Brazil and South Africa. However Glaxo has subsequently changed its policies on this issue, including cutting the price of its antiviral drugs. Indeed, in many developing countries the problem now is not the price of drugs to treat HIV/AIDS but the lack of any health infrastructure to deliver effective treatment.

Less obviously, the development of oilfields and mines often involves the establishment of mining camps where men live a long way away from their families. It is believed that prostitution linked to such camps, particularly in South Africa, has been a vector for the spread of HIV/AIDS. In this situation it is important that mining and energy companies have effective anti-HIV/AIDS policies, such as health education and the provision of anti-viral drugs, and the CFB has engaged with a variety of companies on these issues.

2.8 Access to Education

There are a variety of corporate activities that can adversely impact children's access to education. For example, the development of mines or oilfields may lead to the displacement of local communities. In such cases it is important that the company involved creates educational provision for those children affected. It is also essential that in countries where child labour is permitted companies monitor their supply chains to ensure that such child labourers can attend schooling.

2.9 Impact of Climate Change

It is hard to be specific about global warming given the range of uncertainties about climate change, but there seems little doubt that it is children in developing countries who will be most severely affected. The *Fourth Assessment Report of the Intergovernmental Panel on Climate Change*, published in 2007 warns that its impact will include greater flooding at high latitudes combined with greater incidence of drought at lower latitudes and an acceleration in desertification. The rise in sea levels threatens numerous heavily populated areas in both the developed and the developing world, and also threatens

the viability of some small island nations, particularly in the Pacific and Indian Oceans. It could also be argued that global warming is the ultimate children's issue since its impact will be felt mostly by future generations.

2.10 Door Step Lending

Children's charities have noted that lower income families are particularly vulnerable to stress caused by excessive debt levels, which can lead for example to parents cutting back spending on food, or even to family break-up. This should be taken into account in discussions on predatory lending.

2.11 Water Stress

The combination of global warming and rapid economic development in relatively arid areas is leading to increasingly severe water stress in many countries. This impacts not only the quantity of available water if aquifers become drained, and rivers or water holes run dry, but also its quality through pollution by chemicals, human waste, or through saline intrusion into previously fresh water. In such cases the availability of potable, i.e. safely drinkable, water is diminished. The Millennium Development Goals, agreed by the United Nations in 2001, included the objective of halving the proportion of people without sustainable access to safe drinking water and basic sanitation. In 2004 the UN calculated this to be about one billion people. Children, particularly young children are particularly vulnerable to drinking unsafe water. It is clearly essential that companies whose operations can contaminate local water supplies ensure that this does not happen. Other companies with high water usage, such as food companies, need to ensure that their operations do not damage water supplies in arid or semiarid areas.

2.12 Breast Milk Substitutes

This is covered in the CFB Policy Statement, *Ethical Issues Relating to the Food Industry*, which noted that breast milk substitutes and in particular their marketing have been a major source of ethical concern for many years. The *Policy Statement on Nestlé* states that:

"Breast milk substitutes have an important life-saving role in certain circumstances. This would indicate that these products are not inherently unethical and therefore an exclusion policy based on their manufacture and sale is not appropriate." Section 2.1

"The marketing of breast milk substitutes in developing countries has attracted particular criticism and calls into question the ethical acceptability of the company." Section 2.3

"There are some products whose manufacture and sale may be considered incompatible with Methodist aims and values. The opinion of JACEI is that breast milk substitutes manufactured and sold by Nestlé do not fit into this category." Section 4.1

3. Policy

3.1 The widespread nature of children's issues means that they should be managed within the CFB's existing ethical framework rather than as a category in their own right.

3.2 However, there is a need for an extra ethical dimension for issues such as children's rights that transcend the traditional company sector based ethical framework. The CFB should ensure that its research on companies identifies the particular areas of ethical concern relating to children.

3.3 This extra dimension also needs to be taken into account when engaging with companies on ethical issues. Engagement work should be proactive in bringing children's ethical issues to companies' attention.

3.4 Many of the issues relating to children are global in nature, and when possible children's issues should be raised in partnership with other UK and overseas church investors, and with children's charities.

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