Assessment of Unilever Brasil’s Corporate Social Responsibility Programs in Goiás, Brazil
ASSESSMENT OF UNILEVER BRASIL’S CORPORATE SOCIAL RESPONSIBILITY PROGRAMS IN GOIÁS, BRAZIL

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November 10, 2008
ACKNOWLEDGMENTS

We would like to formally acknowledge the many people who shared their time, resources and talents with us over the last six months. First, we wish to thank Dr. Jacqueline Klopp, Professor Eugenia McGill, and our advisor Dr. Scott Martin, for their direction and endless support and encouragement throughout the course of this project.

We are grateful to the Economic and Political Development concentration at Columbia University’s School of International and Public Affairs and the Institute of Latin American Studies for the financial support that helped make this project a reality.

In Brazil, we would like to extend our heartfelt thanks to Dr. João Paulo Veiga and Daniela Sampaio, our invaluable partners in this project and without whom this report would not have been possible. Our warmest thanks also go to Lorena Guimarães, who provided vital interpretation services in the field.

We would also like to thank all of those who participated in informational interviews, providing us with a wealth of information for our research and understanding of this project.

Finally, we extend our sincere thanks to all of the passionate government officials, school administrators, community volunteers, non-governmental organization representatives and Unilever Brasil representatives who gave their valuable time for interviews and focus groups, and helped us to identify the needs and opportunities that we present in this report.
# Table of Contents

**Executive Summary** ......................................................................................................................... III

**Map of Goiás State** ............................................................................................................................. V

**Acronyms** ........................................................................................................................................ VI

**Part 1: Background**

I. **Introduction** ....................................................................................................................................... 1

II. **Client Background** .......................................................................................................................... 2

   Instituto Observatório Social................................................................................................................. 2

   Unilever .................................................................................................................................................. 2

III. **Local Context** ..................................................................................................................................... 5

   Brazil ...................................................................................................................................................... 5

   Goiás State ............................................................................................................................................. 8

   Municipalities ......................................................................................................................................... 8

IV. **Project Background** ....................................................................................................................... 11

V. **Methodology** ....................................................................................................................................... 14

**Part 2: Key Findings**

VI. **Rural Responsável** .......................................................................................................................... 17

   A. Stakeholder Balance ........................................................................................................................... 17

   B. Consortia ............................................................................................................................................. 24

   C. Inspection .......................................................................................................................................... 26

   D. Sustainability ....................................................................................................................................... 28

   E. Mechanization .................................................................................................................................... 29

VII. **Infância Protegida** ......................................................................................................................... 32

   A. Stakeholder Balance ........................................................................................................................... 32

   B. Capacity Building ............................................................................................................................... 37

   C. Bolsa Família, PETI and Infância Protegida ..................................................................................... 39

   D. Monitoring and Evaluation ................................................................................................................ 41

   E. Sustainability ....................................................................................................................................... 42

**Part 3: Conclusion and Recommendations**

VIII. **Conclusion** ...................................................................................................................................... 46

IX. **Recommendations** .......................................................................................................................... 51

**Bibliography** ......................................................................................................................................... 54

**Appendix** ............................................................................................................................................ 55
EXECUTIVE SUMMARY

In 2003, Unilever Brasil initiated two Corporate Social Responsibility (CSR) programs, *Rural Responsável* and *Infância Protegida*, in Goiás following an internal audit revealing concerns of the risk of child labor in the company’s tomato supply chain. A team of graduate students from Columbia University’s School of International and Public Affairs (SIPA) were invited to partner with the Instituto Observatório Social (IOS) to conduct an independent assessment of Unilever Brasil’s *Rural Responsável* and *Infância Protegida* programs. The assessment focuses on analyzing the processes and strategies underlying the CSR programs in order to make recommendations for potential improvements, rather than conducting a formal impact evaluation. The SIPA team’s research methodology consisted mainly of conducting field visits, key informant interviews and focus groups with all of the stakeholders. Based on this research the SIPA team compiled the following main findings and recommendations:

**Key Program Strengths:**
Both programs address the issue of child labor from a holistic approach. In contrast to the traditional approach of fulfilling legal requirements by removing child laborers from the fields, Unilever Brasil has strategically decided to prevent future occurrences of child labor by addressing the multiple socioeconomic factors underlying child labor and recognizing the essential roles of families, community members and public policies. While *Rural Responsável* addresses mainly the business side of the issue by increasing internal inspections, it also seeks to promote the welfare of workers as linked to the protection of children. Under *Rural Responsável* a wide variety of workers’ rights are monitored and promoted, including ensuring the health and safety of the workers. Simultaneously, under *Infância Protegida* Unilever has taken a more inclusive multistakeholder approach to engage and partner with local public authorities and community leaders. Unilever Brasil seeks to take on the role of a consultant to help increase the scope and capability of communities to provide critical services and opportunities for children and their families. Many stakeholders reflected positively on the benefit added by the capacity building and trainings provided by Unilever.

**Constraints and Areas for Improvement:**
A potential vulnerability to the long-term success of the two CSR projects is the asymmetric power relations among stakeholders and Unilever Brasil. In *Rural Responsável*, Unilever depends mainly on its own inspection team and the cooperation of suppliers in order to implement monitoring and improvements in the application of the Code of Business Principles. Unilever has not actively sought the feedback and support of critical stakeholders including temporary workers and trade unions. In *Infância Protegida*, stronger partnerships have been formed; however, Unilever has not always been sensitive to the different capabilities, interests and possible political consequences of providing support to particular structures of the local government. In addition, despite Unilever’s emphasis on the need for local community ownership, there remains a high degree of dependence on Unilever funding and leadership which undermines the...
programs’ sustainability and possible expansion. Finally, the lack of formal monitoring and evaluation mechanisms restrict the ability of the company to analyze the impact and potential for improvement of the program as well as ensure future support critical to the programs’ sustainability.

**Recommendations:**
While recognizing the need of the company to maintain its competitive advantage by ensuring the profitability of its business, the SIPA team proposes multiple recommendations for Unilever Brasil’s consideration. Among the recommendations made, the following three are prioritized as critical to enhance the success and sustainability of the two programs. First, improvements in stakeholder balance and ownership could be accomplished by increasing communication through feedback mechanisms and open forums with primary stakeholders. In addition, there are opportunities to increase partnerships with actors not currently involved in the implementation of *Rural Responsável* and to increase coordination and cooperation among the multiple stakeholders currently involved in *Infância Protegida*. Second, Unilever could enhance the capacity building and trainings to local stakeholders. In particular, Unilever could focus on training multipliers who could ensure continued capacity building guidance and support independent of Unilever Brasil. Finally, Unilever could improve the accountability and transparency of the programs by establishing formal monitoring and evaluation mechanisms.
MAP OF GOIÁS STATE
<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEDCA</td>
<td>Conselho Estadual dos Direitos da Criança e do Adolescente</td>
</tr>
<tr>
<td>CMDCA</td>
<td>Conselho Municipal dos Direitos da Criança e do Adolescente</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CT</td>
<td>Conselho Tutelar</td>
</tr>
<tr>
<td>CTPS</td>
<td>Carteira de Trabalho e Previdência Social</td>
</tr>
<tr>
<td>CUT</td>
<td>Central Única dos Trabalhadores</td>
</tr>
<tr>
<td>DRT</td>
<td>Delegacia Regional do Trabalho</td>
</tr>
<tr>
<td>ECA</td>
<td>Estatuto da Criança e do Adolescente</td>
</tr>
<tr>
<td>EPI</td>
<td>Equipamento de Proteção Individual</td>
</tr>
<tr>
<td>FETAEUG</td>
<td>Federação dos Trabalhadores na Agricultura do Estado de Goiás</td>
</tr>
<tr>
<td>FIA</td>
<td>Fundo para a Infância e Adolescência</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>IBGE</td>
<td>Instituto Brasileiro de Geografia e Estatística</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>IOS</td>
<td>Instituto Observatório Social</td>
</tr>
<tr>
<td>IPEC</td>
<td>International Programme on the Elimination of Child Labour</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
</tr>
<tr>
<td>MPT</td>
<td>Ministério Público do Trabalho</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>PETI</td>
<td>Programa de Erradicação do Trabalho Infantil</td>
</tr>
<tr>
<td>PNAD</td>
<td>Pesquisa Nacional por Amostra de Domicílios</td>
</tr>
<tr>
<td>PRT</td>
<td>Procuradoria Regional do Trabalho</td>
</tr>
<tr>
<td>SIPA</td>
<td>School of International and Public Affairs</td>
</tr>
</tbody>
</table>
I. **INTRODUCTION**

A team of graduate students from Columbia University’s School of International Public and International Affairs (SIPA) were invited to partner with the Instituto Observatório Social (IOS), a Brazilian non-governmental organization (NGO), the research arm of the largest union confederation, the *Central Única dos Trabalhadores* (Brazilian Trade Union Confederation, CUT), to analyze the progress of Unilever Brasil’s corporate social responsibility (CSR) programs, Rural Responsável and Infância Protegida. The main objective of the investigation was to provide an independent assessment of the programs and to develop recommendations to enhance their impact and sustainability.

Previously, IOS conducted independent assessments of the labor, social and environmental standards of Unilever Brasil. Following an internal audit conducted by Unilever, the *Rural Responsável* and *Infância Protegida* programs were initiated to address the issue of child labor. There has been no formal investigation or evaluation on the programs’ impact to date. The SIPA team’s partnership with IOS and Unilever Brasil will be the first assessment of the two CSR projects in Goiás. The methodology of the research conducted for this report focuses on an analysis of the design and processes of the two CSR programs rather than on the quantitative measures of their impact.

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1 *Rural Responsável* and *Infância Protegida* will be referred to as “programs” throughout the report due to the decision to translate the Portuguese word “projeto” according to its closest meaning in English rather than the word that sounds the most similar. In English, programs are a broader category that incorporate smaller projects.
II. CLIENT BACKGROUND

A. Instituto Observatório Social

The Instituto Observatório Social is a Brazilian NGO linked to the trade union movement that monitors the behavior of multinational, national and state businesses toward workers’ rights. In 1997, following a discussion on adopting social and environmental clauses in international trade agreements, CUT, the largest trade union federation in Brazil, initiated the creation of IOS in close partnership with the Brazilian Centro de Estudos de Cultura Contemporânea (Center for the Study of Contemporary Culture), the Departamento Intersindical de Estudos Sócio-Econômicos (Inter-union Department of Socio-Economic Studies), and UNITRABALHO, a network of universities studying and researching labor issues. IOS monitors corporations in relation to core labor standards defined by the International Labour Organization (ILO) in its 1998 International Labour Conference. These standards deal with freedom of association, collective bargaining, child labor, forced labor, discrimination and occupational health and safety.  

IOS is increasingly working in partnership with international research institutions analyzing the labor and environmental standards of MNCs operating in Brazil. As part of its partnership with the Netherlands Federation of Trade Unions, IOS published two reports, in 2003 and 2006, on the operations of Unilever Brasil.

B. Unilever

Unilever was created in 1930 with the merger of the Dutch margarine supplier Margarine Unie and British soap maker Lever Brothers. Today, it is one of the largest consumer goods companies in the world, with yearly revenues of €40 million and a global workforce of 174,000 employees. Unilever manufactures and markets over four hundred brands in the food and home and personal care categories. It sees its mission as “to add Vitality to life” by meeting “everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life.” Unilever entered the Brazilian market in 1930 and has since maintained a continuous presence in the country. Unilever Brasil is headquartered in São Paulo City. In 2006, Unilever Brasil employed 12,231 people in twelve plants across four states. Its operating profits were R$9.5 billion, making it the third biggest Unilever operation in the world after the United States and England.

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6 Ibid, p.31
Unilever is one of the leaders in its industry with regards to CSR. It has been a participant in the United Nations Global Compact since it was launched in July 2000. Its commitment to CSR is reflected in its Corporate Purpose and Code of Business Principles, reporting mechanisms and corporate structure. Success, according to Unilever’s corporate purpose, requires “the highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact.” Its CSR policy is to “manage and grow our business as a trusted corporate citizen, respected for the values and standards by which we behave.” The goal is to make CSR fundamental to operations and a driver for competitive advantage.

Unilever’s Code of Business Principles states that the company and its employees are required to comply with the laws and regulations of the countries in which they operate. Through its Global Supply Management program, it requires partners and suppliers to adhere to human rights principles. Within the Unilever group, Unilever Brasil has been at the forefront of CSR. It published its first Social and Environmental Report in 2003, making Unilever Brasil the first of Unilever’s country operations to publish such a report. It has been publishing this report annually since.

Unilever Brasil established the Unilever Institute in 2002 to promote and coordinate the use of its vast resources for social and environmental projects that contribute to the process of sustainable transformation. Unilever Brasil faced a choice between creating a separate foundation independent from the business and creating the Institute, which would serve as a tool to give visibility to Unilever’s brands. Unilever chose to create the Institute to ensure that social projects are strategic and integrated into the day-to-day business of the company. The Institute is composed of representatives from various business functions including human resources, supply chain, finance and other strategic areas. Social projects pass the same “gateway” approval process applied to Unilever’s products, and the Institute provides strategic endorsement for project implementation. Rural Responsável and Infância Protegida are both initiatives supported by the Institute. As they are not directly linked to a specific Unilever brand, their role is to give visibility to the corporate brand, Unilever.

Unilever Brasil’s Tomato Production

Upon the acquisition of Bestfoods in October 2000, Unilever also gained control of Arisco, a Brazilian food company Bestfoods had acquired in February of that same year.

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7 See Appendix 1 for Code of Business Principles and Appendix 2 for Business Partner Code
Unilever Brasil took over Arisco’s Goiâna factory and set about on an expansion and modernization plan. Today, the Goiâna factory is Unilever’s largest food plant in the world. It produces tomato puree products, dressings and dehydrated foods and beverages. Moreover, the Goiânia facility processes approximately 400,000 tons of tomatoes per year.\(^{12}\)

Unilever Brasil purchases tomatoes from forty-five suppliers spread out across fifteen municipalities in Goiás.\(^{13}\) The number of suppliers varies from year to year: in 2007 there were forty-six suppliers, while in 2006 there were fifty-four. In the beginning of each growing season, it negotiates yearly fixed contracts with individual suppliers.\(^{14}\) In these contracts, Unilever Brasil mandates adherence to Brazilian labor legislation, with a specific clause against child labor. However, it has not always achieved full compliance. In 2003, an internal Unilever Brasil audit identified the existence of child labor in its tomato supply chain. The discovery of child labor, which was against the company’s principles, served as an impetus for the creation of the two programs the SIPA team assessed.

\(^{12}\) Unilever Goiâna factory introduction video viewed 17 March 2008.

\(^{13}\) Rangel, Rogério. Personal interview. 17 March 2008.

\(^{14}\) These comprehensive contracts contain a series of stipulations including: exclusive supply, pre-determined fixed prices, technical assistance and training from Unilever, 100% guaranteed purchase of production and Unilever control over the production process from planting to harvest, among others. Suppliers are expected to cede autonomy over production choices to Unilever, as well as ensure compliance with Brazilian legislation.
III. LOCAL CONTEXT

A. Brazil

Brazil is the largest country in Latin America in terms of landmass, population and size of its economy. The country’s economy is the tenth largest in the world while its population, which exceeds 184 million people, is the fifth largest. Despite its wealth of resources and recent economic growth, however, issues of poverty and inequality persist. With a Gini index of 0.57, the country is considered to be a global outlier in terms of inequality and comprises the largest proportion of Latin America’s poor. In 2007, Brazil’s GDP increased by 5.4% compared to 3.7% in the previous year and amounted to $2.3 trillion reais, of which agriculture contributed to 5.3%. Brazil is comprised of the Federal District, twenty-six states, and 5,564 municipalities.

Overview of Child Labor in Brazil

According to Brazilian legislation, child labor is defined as any working person under the age of 16. At 14 years of age, however, children are allowed to work under a condition of apprenticeship. Adolescents between the ages of 16-18 are forbidden to work under harsh labor conditions, where there is a threat to mental or physical health and/or safety.

Much like other industrialized nations, the use of child labor was a significant contributor to the development of Brazil. In the 1920's, child labor was estimated to be around 40% of the workforce in the textile industry, and the use of children in other sectors of the economy continued to grow until the 1980's. Following the fall of the military regime in 1988, the Brazilian government adopted the Statute on the Child and Adolescent (Estatuto da Criança e do Adolescente, ECA) in July of 1990, which outlined the specific rights to which children are entitled and established several national agencies to combat the use of child labor.

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The Councils of the Rights of the Child and Adolescent (Conselho de Direitos da Criança e do Adolescente) were established under Article 88 of the federal law at national, state and local levels to develop public policies for children and to ensure the protection of the rights of the child. In addition, the National Forum for the Eradication of Child Labor (Fórum Nacional de Proteção e Erradicação do Trabalho Infantil - FNPETI) was created in 1994 to bring together various stakeholders, employers’ associations, labor unions, various government bodies as well as NGOs, in order to discuss the situation of child labor. Finally, the Program for the Eradication of Child Labor (Programa de Erradicação do Trabalho Infantil), or PETI, a government cash-transfer program conditional on school attendance, was introduced in 1996 with the aim to take children out of the workplace and place them in schools. For the first few years, the program was piloted in three Brazilian states and targeted the most extreme cases of child labor within, for example, the charcoal and sugar cane industries. Since 1999, however, the program has been extended to other sectors and states throughout the country and recently, in 2005, the program was integrated into Bolsa Familia.\(^\text{23}\)

In addition to creating domestic initiatives, the Brazilian government also joined the ILO International Programme on the Elimination of Child Labour (IPEC), in 1992. The overall goal of IPEC is the “progressive elimination of child labour, which [is] to be achieved through strengthening the capacity of countries to deal with the problem.”\(^\text{24}\) In 2000, Brazil ratified the Worst Forms of Child Labor Convention (182) and in 2001, it ratified the ILO Minimum Wage Convention 138. In addition Brazil is party to ILO Conventions 29 and 105 against forced labor.\(^\text{25}\)

According to a 2006 ILO report titled, “The End of Child Labour: Within Reach”, as a result of new initiatives aimed at the eradication of child labor, “the activity rate for the 10-17 age group declined by 36.4 percent from 1992 to 2004 (from 7,579,126 to 4,814,612). The decline was sharper in the 5-9 age group, which fell by 60.9% during the same period. In 1992 (from 636,248 children to 248,594).\(^\text{26}\) Despite this general decreasing trend over the long term, however, IBGE statistics for child labor within the 5-14 age group in 2005 showed a growth of 10.3% in relation to 2004. Though the exact causes of this growth are unclear, the recent increase may have stemmed from the country’s economic growth, especially in agricultural production.\(^\text{27}\)

Within agriculture, statistics from the 2006 National Household Sample Survey (PNAD) indicate that 62.6% of child laborers between the aged 5-13 in Brazil worked in the agricultural sector.\(^\text{28}\) Due to extreme weather conditions, the use of heavy machinery

\(^{23}\) For more information regarding PETI and Bolsa Familia, see related section under Key Findings for Infância Protegida


\(^{28}\) According to the IBGE this figure reflects “a scenario which has remained practically unchanged between 2004 and 2006.” (Source: “Complementary Aspects of Education, Household Tasks, and Child Labor - 2006.” Instituto Brasileiro De Geografia E
and sharp tools, the possible usage of pesticides and the propensity to work long hours, agriculture can be one of the most dangerous occupational sectors, especially for children. With tomatoes, there is an additional incentive for workers to bring their children to the farms created by the fact that workers are increasingly paid by the box instead of by the days/hours worked. Additionally, as tomatoes are similar to other small-to-mid-size farm cultures such as beans or garlic which are cultivated close to the ground instead of high above ground on trees, children are more susceptible to aiding families during the harvest of these crops which are easy to reach. The following graphs show the statistics for child labor across the various economic sectors and age groups, highlighting its contribution to agriculture.

Thus, despite the actions of various international and domestic institutions, the use of child labor continues in Brazil. This can be attributed to various constitutive socioeconomic causes, among which are:

- Poverty and Inequality
- Lack of efficient public policy (e.g., deficiencies in labor inspection)
- Lack of full-time, integrated and quality education for children
- Lack of awareness and education of the family
- Cultural acceptance – the belief held by both families and employers that the way out of poverty is through work, no matter the age

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<http://www.ilo.org/ipecinfo/product/searchProduct.doc>
30 Pires de Lima, Kalleem Maria. DRT. Goiânia. Personal Interview. 10 Mar. 2008
As public policies for children grow and develop in Brazil, it is the countering of local perceptions embedded in such socio-economic causes specified above that also presents a significant challenge. Social myths that poor children are dangerous or delinquent if not working continue to exist among poor and rich Brazilians alike. Such myths had been strengthened during the 1980’s through draconian policies of arresting children on the streets and placing them in detention centers, often unjustly. During the decade, 60% of children held in detention centers were there without evidence of having committed any crimes. Brazil’s democratic opening and newfound focus on the rights of the child in the aftermath of the military regime has greatly improved the overall situation. However, a profound social transformation has yet to be realized.

B. State of Goiás

Goiás is located in the center-west region of Brazil and has a population of 5,647,035. Goiás is ninth in the economic ranking of Brazilian states. Important sectors include mining, agriculture and tourism. Agriculture in particular is responsible for a significant portion of employment in the state and a major source of tax revenue. Important crops include beans, sorghum, tomato, garlic, soybeans, and corn. In 2006, the state’s tomato production amounted to 747,130 tons or 23% is of the nation’s total, exceeding all other Brazilian states.

From the capital, Goiânia, various state-level bodies work towards the protection of the rights of workers and children within the state of Goiás as a whole. These include: the local labor inspection office of the Ministry of Labor division known as the Delegacia Regional do Trabalho (DRT), which coordinates labor-related activities such as the planning of state-wide inspections of labor conditions; the Public Ministry of Labor (MPT), where workers file complaints and cases of labor violations are managed; and the Conselho Estatal dos Direitos da Criança e do Adolescente (CEDCA), which communicate with their municipal counterparts and take part in the regional forums to discuss child labor-related issues.

C. Municipalities

Unilever Brasil operates both of their CSR programs in five municipalities in Goiás: Itaberaí, Morrinhos, Silvânia, Turvânia and Vianópolis. The five municipalities are located in what is referred to as the “tomato belt.” With regard to Infância Protegida, all seven projects are operating in these municipalities. Below is a description of the individual municipalities, outlining their general characteristics as well as those specific to the Rural Responsável and Infância Protegida programs:

34 The IP program was terminated in Turvânia. For more information, refer to Turvânia section under Municipalities
35 In addition to these five, Rural Responsável works in all the municipalities where Unilever Brasil conducts its business. In total there are 14 municipalities benefiting from Rural Responsável.
36 See table below for relevant sources.
Table 1: Municipality Summary

<table>
<thead>
<tr>
<th></th>
<th>Silvânia</th>
<th>Itaberaí</th>
<th>Vianópolis</th>
<th>Morrinhos</th>
<th>Turvânia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population(^{37})</td>
<td>18,443</td>
<td>30,621</td>
<td>12,187</td>
<td>38,991</td>
<td>4,998</td>
</tr>
<tr>
<td>Area (km(^2))(^{38})</td>
<td>2,265</td>
<td>1,471</td>
<td>954</td>
<td>2,846</td>
<td>472</td>
</tr>
<tr>
<td>Real GDP (in thousands of Reais)(^{39})</td>
<td>169,643</td>
<td>251,302</td>
<td>102,367</td>
<td>335,323</td>
<td>44,159</td>
</tr>
<tr>
<td>% Contribution to Unilever Brasil’s Tomato Production(^{40})</td>
<td>3.1</td>
<td>31.1</td>
<td>4.8</td>
<td>13.2</td>
<td>10.7</td>
</tr>
<tr>
<td>Unilever Brasil Tomato Production(^{41}) - Area Planted (hectares)</td>
<td>127</td>
<td>1,287.1</td>
<td>391.5</td>
<td>544.8</td>
<td>443.5</td>
</tr>
<tr>
<td>Start Date of Unilever Brasil’s Programs</td>
<td>2004</td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2005-’07</td>
</tr>
</tbody>
</table>

**Silvânia**

Of the five municipalities, Silvânia is the third largest in terms of population and GDP while it is second in terms of total area. Of the population, 49% live in rural areas. The most important agricultural products are soybeans and milk. Tomatoes represent a small portion of agricultural production in the municipality. In comparison to all of the municipalities in which Unilever Brasil works, Silvânia is not among the top five contributors to the company’s supply. Unilever Brasil purchases the tomatoes from only three suppliers in the municipality and it contributes to 3.1% of Unilever Brasil’s total tomato supply. The CSR programs were initiated in Silvânia in 2004.

**Itaberaí**

Itaberaí is the second largest municipality in terms of population and GDP and third in terms of total area. Tomatoes represent a large portion of agricultural production in the municipality. The municipality is the largest tomato supplier in the nation, producing about 129,000 tons and contributing to 3.7% of the nation’s total tomato production. It also ranks number one among the municipalities relevant to Unilever Brasil, contributing to 31.1% of the company’s total tomato supply. Unilever Brasil purchases the tomatoes from approximately twenty suppliers in the municipality. The CSR programs were initiated in Itaberaí in 2004.

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\(^{39}\) Please refer to the appendix for more detailed information.


**Vianópolis**

Vianópolis is significantly smaller than Silvânia in terms of population, GDP and total area. With less resources, Vianópolis does not boast a large amount of social, health and education services. The local economy’s main contributors (in order of significance) include ceramics, soy, tomatoes, garlic and beans. The municipality ranks number five among those relevant to Unilever Brasil, contributing to 4.8% of the company’s total tomato supply. The CSR programs were initiated in Vianópolis in 2005.

**Morrinhos**

Morrinhos is the largest municipality in terms of population, GDP and total area. As the wealthiest municipality in the group, the municipality has the largest number of social, health and education services. Tomatoes represent a significant portion of agricultural production in the municipality. It is the third largest tomato supplier in the nation, producing about 68,250 tons and contributing to 2% of the nation’s total tomato production. It ranks number two among the municipalities relevant to Unilever Brasil, contributing to 13.2% of the company’s total tomato supply. The CSR programs were initiated in Morrinhos in 2006.

**Turvânia**

Turvânia is the smallest municipality in terms of population, GDP and total area. As a less affluent municipality, Turvânia has the least amount of social, health and education services. Cattle, sugar cane and tomatoes represent a significant portion of agricultural production in the municipality. The municipality ranks number three among those relevant to Unilever Brasil, contributing to 10.7% of the company’s total tomato supply. The CSR programs were initiated in Turvânia in 2005. The Infância Protegida project was suspended in 2007 due to allegations of corruption against the town mayor whose court case is still pending. Rural Responsável, however, is still operating in the municipality.

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42 See table of statistics for the municipalities in the Appendix
43 See Appendix
44 Members of the Conselho dos Direitos da Criança e do Adolescente (CMDCA) had close familial ties to the mayor as half of the members of this government body are directly nominated by the mayor (Prefeito). The CMDCA is responsible for controlling the funds, which has led to suspicions of money embezzlement. See the Infância Protegida Stakeholder Section for more information regarding government bodies relevant to the project.
IV.  PROJECT BACKGROUND

After an internal audit in 2003 conducted by Unilever Brasil that discovered the risk of child labor in its tomato production supply chain, Unilever Brasil started the Infância Protegida project, and as the first step contracted Mr. Maurilo Casemiro Filho, a child labor specialist, to conduct field research in Silvânia and Itaberaí during September and October 2004 to understand why children were working. By working with the local communities and conducting a broad-based survey, he discovered that Brazilian children often worked because their family needed them to do so for financial reasons. The consultant also found that the local fear of children behaving badly when left alone by their parents is another key factor to why children were made to work. Through his research, the consultant identified seven major issues that contribute to the problem of child labor in Brazil. They include: unsupervised children left at home alone, inadequate amount of daycare centers, school absenteeism, child labor, domestic violence, malnutrition, and lack of education in the families.

At the end of his research, it became clear that for Unilever Brasil, there are three sides to the child labor issue: the business, the child, and public policy. Together, they form a triangular problem where all three sides must be addressed in order to prevent the situation from becoming a grave dilemma. As a result, Rural Responsável was created to deal with the business side of the child labor problem, and later expanded to cover adult workers’ health and safety. At the same time, Unilever Brasil also wanted to go beyond just solving its own problems. It wanted to make sure that there were programs in place to take care of the children and address their needs once they were no longer working. With this aspect in mind, Unilever Brasil also created Infância Protegida, to resolve the child and the lack of public policy aspects of the triangle. Initiated with common objectives in mind and working in parallel, Rural Responsável and Infância Protegida aim to address the issue of child labor in a holistic manner.

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45 Mr. Filho wrote his dissertation at the Universidade Estadual Paulista on the use of child labor in Brazil. In particular, he analyses the use of children in the shoe production industry, which is the number one export of Brazil, and the subsequent adaptation of the child labor free seal to combat the use of child labor in the factories around Franca.

46 Over 6,000 surveys were conducted between Itaberaí and Silvânia, with the help of unions, current program coordinators and CMDCA members.
**Rural Responsável**

For Unilever Brasil, the presence of child labor is a problem not only because it is against the company’s code of business principles, but because it is also against the Brazilian law. When cases are reported, such incidents tarnish the reputation of the company worldwide. The primary objective of *Rural Responsável* is to eradicate the use of child labor along its tomato production supply chain. To this end, educational trainings on the hazards of using child labor are provided to suppliers and permanent workers, and internal audits are conducted at random to ensure that the suppliers are indeed complying with the law.

However, given how quickly the issue of child labor was resolved on the farms, *Rural Responsável* has also expanded to include health and safety protection for the workers. In addition to banning the use of child labor in its contracts, Unilever Brasil also requires that individual protection equipment (EPI) with which the workers need to use on the job is provided by the supplier. Health protection measures such as access to water tanks, bathrooms, and shade from the sun must also be available on the fields. In addition, technical assistance on how to deal with pesticides and equipments is given to the producers and workers by Unilever Brasil technicians to ensure that safety procedures are followed.

Formally, *Rural Responsável* does not receive any funding from Unilever Brasil because according to the law, the prohibition of child labor and assurance of workers health and safety at work are the responsibility of the suppliers. However, Unilever Brasil has informally contributed to *Rural Responsável* by allocating money to staffing and transportation costs associated with its execution. In addition, Unilever Brasil has provided extra funding to help enhance *Rural Responsável*, such as donate money to build a workers’ center in Itaberaí where workers can enjoy the benefits of a cafeteria, bakery, and day care center.47

**Infância Protegida**

In addition to taking care of the business side, Unilever Brasil also wanted to ensure that social issues surrounding the use of child labor are addressed. However, as a private company, Unilever Brasil was limited in its role, since the management of social concerns is traditionally seen as the responsibilities of the local government. As a result, *Infância Protegida* was created to facilitate the development of projects that would foster public policies to address the problem of child labor. The primary objective of *Infância Protegida* is to transform the social perception of the local community to the point where people no longer believe child labor is acceptable and public policy prohibiting the use of child labor is institutionalized. It also attempts to create a protective network for the children. Given that there were seven emergencies that were identified, seven projects were created to address each emergency. See the table below for more details:

47 “Infância Protegida & Rural Responsável: Sustentabilidade an a ano,” Unilever pamphlet (November 2007): 20
<table>
<thead>
<tr>
<th>Emergency</th>
<th>Project</th>
<th>Main Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Labor</td>
<td>Trabalho Infantil, Não!</td>
<td>• To prevent and combat child labor</td>
</tr>
<tr>
<td>School</td>
<td>Estou Estudando</td>
<td>• To prevent and combat school absenteeism</td>
</tr>
<tr>
<td>Absenteeism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adolescent</td>
<td>Caminho Jovem</td>
<td>• To provide guidance to at-risk teens</td>
</tr>
<tr>
<td>Day Care</td>
<td>Nossa Creche</td>
<td>• To provide a space for children to socialize and learn while parents are working</td>
</tr>
<tr>
<td>Center Facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>Orientação Familiar</td>
<td>• To provide guidance to families and improve family dynamic</td>
</tr>
<tr>
<td>Guidance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>Paz na Família</td>
<td>• To prevent and combat domestic violence</td>
</tr>
<tr>
<td>Violence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adequate</td>
<td>Orientação Alimentar</td>
<td>• To ensure that children have adequate nutrition</td>
</tr>
<tr>
<td>Nutrition</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To ensure the success of these seven projects, *Infância Protegida* provides extensive educational trainings to local government officials, community leaders, school and daycare administrators, and parents. Through these key participants who each contribute to an important part of the protective network for the child, *Infância Protegida* aims to spread awareness to the local community and educate people on the harmful effects of using children as workers. Since social transformation is the ultimate goal of *Infância Protegida*, Unilever Brasil also provides technical assistance to the main governmental agencies in order to develop capacity-training on the local level. Each month, a meeting between key officials and the Unilever Brasil consultant is conducted so that concerns regarding the issue of child labor and the seven projects could be discussed in greater detail.

*Infância Protegida* is funded by the income tax that Unilever Brasil pays to the federal government. According to Brazilian law, companies are allowed to direct one percent of their tax to the Fund for Children and Adolescent (Fundo para a Infância e Adolescência, FIA fund), which is a public fund that is reserved specifically for social programs that deals with children and adolescents. Unilever Brasil divides the total amount of tax it pays to the FIA fund evenly between the four municipalities, and the amount each municipality receives varies by year depending on the amount of tax Unilever Brasil has to pay that year. For the year 2007, each of the five municipalities received R $80,000 and Morrinhos received an additional 50,000 for the day care, amounting to a deposit of 450,000 in the FIA. In 2008, each municipality excluding Turvânia received 100,000 each, totaling R$ 400,000 into the FIA.

In addition to its contribution through the FIA fund, Unilever Brasil also provides some of its financial resources for projects components such as salaries, equipment, logistics and transportation. Additional funding for the projects from the direct budget of Unilever Brasil amounted to R$ 350,000 in 2008 and R$ 316,000 in 2007.

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48 Ferreira, Waleska. Email. E-mail to the author. 06 Oct. 2008.
49 Ferreira, Waleska. Email. E-mail to the author. 06 Oct. 2008.
V. METHODOLOGY

Our team’s research methodology has centered on a multi-stakeholder approach to our interviews and investigations, while maintaining independence from particular stakeholder interests. Our approach incorporated methodologies used by IOS and similar research institutions to evaluate CSR and labor standards of MNCs, taking into consideration Unilever and other MNCs’ own criteria used for internal evaluations.

A. Preliminary Data Collection

Contextual Research
Our research methodology began with determining the global, regional, and local socio-economic and political contexts of the Unilever Brasil CSR programs in Goiás. This research included analysis of CSR principles and evaluation processes conducted by similar MNCs, as well as the history and current developments of international standards related to child labor. In addition, our team worked to develop a thorough understanding of relevant policies of the Brazilian government, labor unions, social services and other actors involved in combating child labor.

The SIPA team also conducted a comprehensive stakeholder and context analyses of the local socio-economic and political factors related to Infância Protegida and Rural Responsável.

Existing reports and documents
Past evaluations conducted by IOS on Unilever provided an excellent source of background information in developing our research tools to evaluate the CSR programs. In addition, program documents describing the objectives, and current status of Infância Protegida and Rural Responsável were closely analyzed. These documents, as well as phone conversations with the client contact in Brazil, were used by the SIPA team to reconstruct the logframe of the programs. The reconstructed logframes of Infância Protegida and Rural Responsável were then utilized by the SIPA team to analyze detailed purpose, objectives, activities, and inputs for the SIPA team’s assessment of the two programs. The SIPA team also conducted a comprehensive literature review on issues related to these themes.

Informational Interviews
While in New York, our team conducted informational interviews in order to broaden our knowledge of the key issues and stakeholders in our project. Interviews were conducted with professors, specialists at the United Nations, NGOs, and at for-profit organizations. A list of interviewees is included in the appendix of this report.

B. Field Data Collection

Site Visits, In-depth Interviews & Focus Groups
The SIPA team conducted two visits to Brazil to conduct research in January and March of 2008. During these trips, the team visited and interviewed key stakeholders in São Paulo, in the city of Goiânia, and in the surrounding municipalities of Silvânia, Itaberaí, Morrinhos and Vianópolis. Although while in Goiânia the team was able to interview a representative from the municipality of Turvânia, the team was unable to conduct a site visit there due to constraints in scheduling that had been previously organized for the team.

During the January 2008 trip, two SIPA team members, accompanied by João Paulo Veiga, the team’s consulting partner at IOS, conducted preliminary research for a week in São Paulo and a week in Goiânia. The second field trip in March of 2008, which included four different team members and accompanied partly by Mr. Veiga, and full time by IOS researcher Daniela Sampaio and interpreter, spent the majority of their time conducting research in the municipalities outside of Goiânia. The site visits and interviews included follow-up meetings to the initial trip, as well as interviews with new stakeholders.

Research covered by both trips included interviews at the São Paulo offices of IOS, Unilever and the Instituto Ethos,50 and in Goiás consisted of visits to Unilever’s factory in Goiânia, as well as farms and schools in the municipalities. Additionally, key participant interviews were conducted with labor union leaders, municipal government leaders, Unilever managers, tomato suppliers, school teachers, counselors, worker recruiter called a gato,51 city and state lawyers. A total of 64 people were interviewed between the two trips.

During the second field trip, the SIPA team spoke informally with children enrolled in the Unilever funded schools, as well as conducted three formal focus groups, two with the rural field workers employed on the tomato farm and one with school principals at Vianópolis.

C. Constraints

While our field visits yielded a large amount of information for our investigation, there were limitations as well to our research. Some constraints included the following:

Language Barriers and translators: Due to the fact that not all team members were proficient in Portuguese, there were language barriers in communication and understanding in some interviews. During the second field trip an interpreter accompanied the team which aided in understanding, however this method could result in misrepresentations of ideas conveyed by interviewees, and a loss of cultural nuances and messages that are not represented verbally.

50 The Ethos Institute is an NGO in São Paulo working with companies and CSR. Their mission is “to mobilize, encourage and help companies manage their business in a socially responsible way.”
51 For a detailed description of the gato, please see the stakeholder section under Rural Responsável
**Time Constraints:** The SIPA team had only a limited amount of time in the field—four weeks total—which in turn did not allow the team to visit all of the municipalities where the programs had been conducted, such as Turvânia, as well as municipalities which have never had the programs in order to be able to draw comparisons in our report. These time constraints could prove to be limitations to the amount of information the team was able to collect. The time constraints in the field also led to lack of uniformity in stakeholder interviews, as the team did not have enough time to interview the same stakeholders across municipalities.

**Independence:** While Unilever was very gracious in assisting the SIPA team with arranging interviews and establishing agendas, the process took away from some of the independence in the team’s ability to prepare for all interviews and for there to be full transparency in scheduling. In the majority of Unilever organized interviews during the March 2008 trip, there were various occasions in which Unilever representatives held meetings with the interviewees immediately prior to the SIPA team arriving for their discussion. This arrangement not only created a direct connection between the teams thus deducted from the appearance of independence of the SIPA team, but it also could affect what was discussed in the SIPA team interview due to possible influences resulting from what was discussed in the Unilever meeting, which in at least once instance the Unilever meeting focused on project financing. It is important to note that during the research agreement between IOS and Unilever in 2007, IOS made it known explicitly that no Unilever representatives could be present at any interviews, and this condition was accepted by Unilever as part of the agreement for the project’s development. However, during the SIPA team’s March trip, there were two instances in which Unilever representatives were present during the focus groups, which could in turn have affected the group’s responses. This signifies that for some Unilever’s representatives, the rules of interview participation were not clarified sufficiently. Thus in two situations, these representatives participated and intervened during the interview alongside the SIPA interviewers. When in one of the interviews they were asked to leave the room, however, the Unilever members were very willing to do so. However, Unilever members were also very respectful and helpful in giving the team space to conduct interviews in every other the cases, and had no involvement in the team’s interviews with non-Unilever parties and even facilitated these meetings by providing us with transportation and interpreter services.

While interviews with non-Unilever Brasil stakeholders were held in the municipalities during the second field trip, during the first field trip the majority of interviews with stakeholders in Goiás were held inside the Unilever Brasil Goiânia factory. Though Unilever Brasil representatives were never present and never intervened in these interviews, the fact that the discussions were being conducted at this location could possibly have made some of the interviewees uncomfortable, or created the appearance of a greater connection between the SIPA team and Unilever Brasil.
VI. RURAL RESPONSÁVEL

Overall, the Rural Responsável program was well-conceived and designed with good intentions in mind. However, in practice, the execution of Rural Responsável has been unbalanced in approach and inconsistent among the different stakeholders. Nevertheless, Unilever’s willingness to learn from its oversight demonstrates that it is taking its social responsibility seriously and not attempting to use Rural Responsável as a mere public relations project. In order to make Rural Responsável more effective, Unilever should consider addressing the following themes that emerged during the assessment: stakeholder balance, consortiums, inspection, sustainability, and mechanization.

A. Stakeholder Balance

1. Stakeholders

   Although Unilever Brasil defines the primary stakeholders of Rural Responsável as the suppliers, the Rural Trade Unions, and the DRT, our research showed that there were additional actors whose roles also affected the implementation of Rural Responsável. The following section will examine these stakeholders in detail and arrange them in the order of importance to the program.

   Primary Stakeholders

   a. Unilever Brasil - The Rural Responsável program in Goiás is currently managed by a team of 11 Unilever Brasil agronomists and 2-3 safety technicians based in Goiânia. They are under the supervision of the director of the Unilever Brasil supply chain and are also members of the company’s inspection team. Aside from the contract, where rules prohibiting the use of child labor are established, Unilever Brasil also trains the suppliers to ensure understanding and compliance with workers’ safety and health as established by law. In addition, Unilever Brasil provides its suppliers with extensive technical assistance during the daily operations of the tomato production process, such as safety training for pesticide storage and usage.

   b. Suppliers – As the owners of the farms, suppliers are a key part of Rural Responsável. Suppliers can prevent child laborers from working on their farms by not hiring children in the first place, and they can immediately remove children from the field should such incidents be found. Suppliers can also ensure that workers are receiving the safety equipments that they need and the farms are equipped with all the proper health facilities. As such, they are principally responsible for the success of Rural Responsável and play a significant role in the stakeholder balance.

   c. Gatos – The gato is a recruiter whose primary duty is to find workers for supplier(s). The gato is usually contacted by the supplier who tells him how many workers are needed on the farm, and then the gato goes about finding the
workers from the pool of laborers with whom he has established a relationship. Once the supplier’s demand has been met, he is responsible for transporting the workers to the farm each day, and managing the workers on the field. In addition, he assumes the responsibility of paying the workers. In some circumstances, as a result of the large amount of responsibility suppliers grant to the gato, cases of unreasonable withholding of wages, extreme working conditions or physical abuse have been attributed to an unsympathetic gato.

The role of the gato can be legal if he is registered and officially contracted by the suppliers, under which capacity, he must operate according to the law in regards to hiring/contracting laborers. However, there are also illegal gatos as well. The illegal gato is usually not officially registered and do not have a permanent contract with any single supplier. This often becomes problematic because without a legal contract to which he must be held accountable, the illegal gato has been known to be the reason behind many labor violations. Since the role played by the gatos as recruiters, contractors and supervisors of the workers is often unregistered, Unilever Brasil does not formally consider the gatos as stakeholders and does not support illegal activities. However, given the fact that there are several legal and registered gatos on the farms of Unilever Brasil’s suppliers, and that their importance to the suppliers and workers are widely accepted, gatos definitely play an important part in the implementation of Rural Responsável.

d. Workers – Workers can be both a crucial stakeholder and beneficiary of Rural Responsável. A majority of the time, workers are mostly beneficiaries who receive trainings session through of Rural Responsável on the hazards associated with child labor, as well as trainings session regarding proper health procedures and use of safety equipments. However, workers can also be a stakeholder when they play a direct role in monitoring and preventing children from working on the field.

There are two types of workers who are impacted by Rural Responsável: permanent and temporary workers. The permanent workers are workers who are hired directly by the suppliers and usually live on the farms. Since they are directly hired by the suppliers, they are legally the direct responsibility of the supplier.

In contrast, temporary workers are not always hired directly by the suppliers. The temporary workers are often recruited from the city as day-workers by gatos, who may or may not be recruiting workers legally. They are often only needed during the planning and harvest season, when the work on the tomato farms is most labor intensive. Since temporary workers are primarily seen as the responsibilities of the gato, their rights are not always guaranteed by the

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52 According to the team’s sole interview with a gato, this is typically the process through which they find workers. However, there have been occasion documented in the past when other gatos have gone outside of the region and recruited migrant workers.
suppliers. Specifically in cases where the *gato* did not ensure that work permits are signed by the supplier, documenting the fact that the workers are working for a particular farm, the workers’ rights to social security and health insurance have often been forfeited under the law.

e. **Rural Trade Unions** – In order to confirm that suppliers are truly following the law, the rural trade unions have been invited to help with monitoring workers’ conditions in each municipality. Through the unions, Unilever Brasil can verify that suppliers are not hiding labor violations. In addition, when an incident of child labor is found, unions have helped Unilever Brasil resolve the issue by immediately removing the child off the farm and working with the suppliers to ensure that the right recourse and remedies are imparted. In some cases, they have also been able to successfully advocate on behalf of the workers and help the workers obtain their requests.

**Secondary Stakeholders**

f. **Delegácia Regional do Trabalho (DRT)** - The local inspector’s office of the government’s Ministry of Labor are principally responsible for inspecting and monitoring labor standards violations, including incidences of child labor. In the past, the DRT only investigated farms if a complaint was made. However, in 2004 the DRT began conducting random investigations and created centers to coordinate awareness raising campaigns in order to better prevent violations. The DRT inspections are important because they are the enforcement mechanisms of the labor laws and they can verify whether a company is truly practicing business with integrity.

2. **Key Findings**

**Unilever Brasil and Suppliers: Mutual Dependency**

a. Suppliers critical in the implementation of *Rural Responsável*

In order for *Rural Responsável* to succeed, Unilever Brasil must depend on the suppliers to comply with the law and uphold its Code of Business Principles. Without the suppliers, it would be virtually impossible for Unilever Brasil to ensure good practices on the farms since Unilever Brasil does not have the human resources to be present on the field everyday. The cost of maintaining a crew that could potentially conduct daily monitoring would be impractical from a business point of view. It is also not a common practice among the industry. Thus, the relationship Unilever Brasil has with its suppliers is critical.

So far, it appears that Unilever Brasil has been successful in establishing a positive relationship with its suppliers. However, while most suppliers felt that the overall relationship with Unilever Brasil was good, it is unclear how much input
the suppliers really have in the relationship. One supplier stated a lack of follow-up when suggestions were made to the Unilever Brasil technicians, and uncertainty on whether his comments ever reached the management team at Unilever Brasil.53

In addition, even though most suppliers have high regards towards their relationships with Unilever Brasil, their attitudes towards Rural Responsável were not necessarily the same. Some suppliers really believe in the mission of Rural Repsonsavel and actively participate in activities to further reduce the use of child labor in their village. Other suppliers, however, describe continual difficulties in dealing with the increased costs of complying with the Code of Business Principles, feeling that the additional cost was a burden to their business. In addition, difficulties were also mentioned in attempting to change the cultural mindset of workers in order for them to internalize the necessity of utilizing safety equipment and the threat of bringing children to work. Some suppliers expressed the belief that it is impossible to fully meet the Unilever Brasil requirements. Another set of suppliers simply do not care about the goals of Rural Responsável but will comply with the rules simply because they are forced to do so in their contract.

b. Unilever Brasil as the prevailing partner

However, regardless of their feelings towards Rural Responsável, most of the suppliers were more than willing to work with Unilever Brasil because they felt that the extensive technical assistance that the company provides in exchange outweighed the option of not having a contract with Unilever Brasil at all. In order to ensure that the company would be able to acquire enough tomatoes to meet the demand, Unilever Brasil determines many aspects of the tomato growing process in its contracts, such as the exact date it believes the suppliers should plant and harvest the tomatoes, as well as which pesticides the suppliers may use.

The close technical assistance that Unilever Brasil provides to its suppliers has a dual purpose. On one hand, it provides Unilever Brasil greater control over the tomato growing process so that it can regulate the practice on the ground, which is extremely important given how vulnerable the tomato crop is to unpredictable weather and disease. On the other hand, the security it provides to suppliers makes it extremely difficult for the suppliers to reject the demands required in the contract, including the adaptation of Rural Responsável. One supplier expressed his lack of autonomy in the contractual relationship as a trade-off for the stability that the Unilever Brasil contract provides in terms of guaranteeing the amount of tomatoes the company will purchase. Even the suppliers who were initially resistant to complying with Rural Responsável due to the costs it entailed eventually accepted the contract, once the Unilever Brasil staff was able to

convince of them of the long-term benefit and minimal cost of improve working conditions.

The Union-Gato Conflict

a. Uneven participation among the Rural Trade Unions

Although all the Rural Trade Unions were invited to partake in Rural Responsável by Unilever Brasil, to date, the participations level has varied greatly among the different municipalities. By far, the strongest Rural Trade Union resides in Itaberaí, where it has been actively involved since the beginning. Its collaborative relationship with Unilever Brasil began in 2003, when the Itaberaí Rural Trade Union assisted Unilever Brasil in conducting the company’s initial research on child labor. Since then, the Itaberaí Rural Trade Union has successfully worked with both sides. It has effectively voiced and met the needs of the workers in cases such as helping the workers obtain food containers and water bottles. It has also assisted Unilever Brasil in the creation of a workers’ center. In addition, the Itaberaí Rural Trade Union has expanded its role to include inspections of the farms, instead of merely focusing on whether safety equipments such as water tanks were available in the vicinity. In its opinion, Unilever Brasil has made a real commitment to protecting the rights of workers.

While the Itaberaí Rural Trade Union represents an excellent example of how the unions can be involved, unfortunately, the situation is markedly different for the unions in the other municipalities. In a couple of municipalities, namely Silvânia and Vianópolis, the Rural Trade Unions lacked organization and resources, which made them weaker and unable to be a full participant of Rural Responsável. This is likely a result of the fact that the main economic activities of these two municipalities are not centered on tomato production, thus, focusing on the few tomato workers and farmers would have been too costly for the fragile unions. In addition, the relationship between Unilever Brasil and Rural Trade Union in Silvânia had not developed beyond the initial contact due to issues of trust between the union and Unilever Brasil management.

However, unlike Silvânia, the reasons for the lack of participation by the Morrinhos Rural Trade Union remain unclear. The Rural Trade Union in Morrinhos is relatively larger and better organized, which suggests that participation in Rural Responsável should not be too much of a strain. Moreover, given that there are more tomato suppliers in this municipality, and according to the union leader, an excellent relationship between all of Unilever Brasil’s suppliers and the union, developing a closer relationship with the Morrinhos Rural Trade Union should be all the more important for Unilever Brasil. Yet even though the Morrinhos Rural Trade Union had initially been contacted by Unilever Brasil directly and asked to participate in Rural Responsável meetings, the union has not played a role in the program. Furthermore, there has been no real
interaction between the Rural Trade Union and Unilever Brasil after the program was initiated.

b. *Gato* as the necessary middle-man

*Gatos* are important to suppliers because they are a cheap way for the suppliers to find workers. *Gatos* are also important to the workers because the workers depend on the *gatos* to find their next job. In this sense, the *gato* is viewed as a crucial middle-man that both the suppliers and workers have come to depend upon.

Since the workers are so dependent on the *gatos* for their livelihood, the workers are likely to follow the preferences of the *gatos*. Consequently, if the *gatos* tells the workers not to talk to the unions, then the workers are unlikely to want to become involved with the unions for the fear of losing their job. As a result, because the *gatos* have such a strong influence on the workers, the Rural Trade Union in municipalities such as Silvânia believes that the use of *gatos* is one of the main reasons why it has such a difficult time recruiting members. In an interview with a *gato*, it was confirmed that there are very little interaction between the *gatos* and the unions. The *gato* also believes that he replaces the role of the union.

The suppliers’ relationship with the *gatos* also contributes to the marginalization of unions. Similar to the workers, because the suppliers are so dependent on the *gatos* to find them workers, the *gatos* play a significant role in the business practice of the suppliers. Aside from their importance as recruiters, the managerial powers delegated to the *gatos* also help suppliers from worrying about workers out in the field. Consequently, in regions where the unions are not as strong, it is believed by the Rural Trade Unions that suppliers have attempted to persuade Unilever Brasil to not concentrate on working with the unions as much.54

**Permanent Workers v. Temporary Workers**

Overall, the workers interviewed by the SIPA Team expressed a positive perception of Unilever Brasil in comparison to other companies. The workers felt that farms producing for Unilever Brasil are better organized and have a higher level of enforcement of labor standards. At the same time, the workers expressed mixed perceptions on the impacts of the program.55 This difference in opinions, however, is often the result of their status as workers.

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55 The SIPA team had limited ability to communicate with workers in part due to technical issues such as the timing of the tomato harvest and the short time frame of the research. In addition there was concern with the presence of Unilever Brasil staff during the focus group with the workers. Thus the views expressed cannot be considered representative of all workers on the farms of suppliers of Unilever Brasil or completely unbiased. Please refer to the “Limitations” section under “Methodology”.

22
a. Permanent Workers

Since permanent workers are the direct responsibility of the suppliers, they are more likely to have all of the proper safety equipments as required by law, as well as benefits such as hot meals provided for free. This was observed by the SIPA team on one of the farms of a Unilever Brasil supplier, where the permanent workers were given free food for lunch, as well as wearing all the proper EPI and uniforms.

The permanent workers are also more likely to have received all of the educational trainings related to Rural Responsável directly by Unilever Brasil. Consequently, the permanent workers are more likely to understand why child laborers should not be used. They are often expected to relay the materials they learned to the temporary workers, and have more regular contacts with the Unilever Brasil technicians.

b. Temporary workers

In contrast, the temporary workers are less likely to directly receive formal training by the Unilever Brasil staff, as they are mostly seen as the responsibility of the gatos. Most of the training received by temporary workers comes in the form of a pamphlet created by Unilever Brasil. This could be a possible explanation for why some temporary workers felt that the usefulness of the training they received was limited since they believe that they already knew the training content.

Additionally, when asked about the appropriate EPI, the temporary workers stated that, though they had been working on the farm for one month’s time, they had yet to receive the proper boots promised to them in their contract.

The temporary workers also expressed mixed views on the strategy to eradicate child labor. A few workers commented that they continued to feel that restrictions on child labor are imposed without full consideration of the danger of leaving the children alone. These comments reflect the fact that the trainings given by Rural Responsável regarding the hazards of child labor has not been fully internalized by the temporary workers.

The Potential Role of Secondary Stakeholders

a. The limited role of the DRT

Currently, Unilever Brasil has very little engagement with the DRT. The DRT in Goiânia has organized seminars in the past with agricultural suppliers in order to
clarify and inform them on the economic feasibility of consortiums as an alternative to using illegal *gatos*, of which Unilever Brasil took part. In addition, Unilever Brasil participates actively on regional government coordinated forums with other businesses to formulate strategies to eradicate child labor. The director of *Rural Responsável* expressed his belief that it is important for private companies to cooperate with government ministries to change the mentality of suppliers to promote just working conditions. In turn, the DRT feels that Unilever Brasil is a needed partner because of efforts to work in cooperation on awareness raising, prevention and communication. However, while there are good intentions on both sides, the DRT remains uninvolved in *Rural Responsável*.

**B. Consortia**

*Challenges in hiring short-term labor precipitates the role of the gato.*

Given the short-term nature of most agricultural work and the relative increase in labor demand during crop planting and harvesting seasons, the ability to find workers when needed and acquire the appropriate documentation, a work permit called the *Carteira de Trabalho e Previdência Social* (CTPS), is a challenging task for many suppliers. With tomatoes, the harvest season can be as brief as a mere three days, making the situation all the more difficult to regulate. Suppliers, under the heavy pressure of their production obligations and quotas to fulfill, are often in the position to take whomever they can find. Their difficulty in locating workers is eased by the hiring of a middleman, the *gato*.

*The consortium as a way to counter the challenges of hiring short-term labor*

Consortia have been encouraged in Goiás by the DRT in order to counter such problems by facilitating the legal and longer-term hiring of workers. In a consortium, the suppliers “share” the workers, coordinating and dividing their work time between farms and crop cycles. By doing so, they are able to create a long-term hiring scheme that meets the needs of all parties involved and the problems associated with short-term hiring are thus negated. For workers who generally consider their documentation under short-term work to be unnecessary and even a “stain” on their CTPS, the promise of long-term employment not only offers a sense

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56 See next section for more information on consortiums.  
57 Carteira de Trabalho e Previdência Social (CTPS) is a mandatory document for those who provide some type of professional service in Brazil. The CPTS is one of the only documents to reproduce, clarify and verify data on the functional life of the employee. Established by decree No. 21.175, March, 1932, and subsequently regulated by Decree 22.035 of October, 1932, the document guarantees access to some of the major labor rights, such as insurance, unemployment, and benefits. (Source: “Carteira de Trabalho e Previdência Social – CTPS: História.” Ministério do Trabalho e Emprego Web Site. 28 Apr. 2008. http://www.mte.gov.br/ctps/historico.asp)  
58 A Consortium is “an agreement, combination, or group (as of companies) formed to undertake an enterprise beyond the resources of any one member.” (Source: “Consortium.” Merriam-Webster Online Dictionary. 28 Apr. 2008. <http://www.merriam-webster.com/dictionary/consortium>). In regards to this report, it is an association of suppliers who work together to contract workers among other activities related to the farm, splitting costs and sharing responsibilities.
of security, but also ensures their willingness to seek appropriate documentation. The consortium is not an alternative solution to the gato, as he is still needed to go out and find the workers for the entire group. The gato within consortia, however, can more likely be formally contracted, his role legalized by the one-time nature of his task to find long-term workers to benefit the group. The increased coordination and sharing of transportation costs by all members of the consortium, potentially assures that workers will be found in a timely manner and transported safely to the farms.

**Consortia play a positive role in Rural Responsável.**

Of Unilever Brasil’s contracted suppliers, nearly half are involved in consortia. In the perspective of Unilever Brasil, the consortium provides a potential solution to the problems associated with short-term hiring. That consortia already play a big part in Unilever Brasil’s production chain is a good sign given the potential benefits to all stakeholders. Though the consortia are not perfect, much can be learned from past experience and utilized in the strengthening of consortia in the future. They present a long-term, sustainable solution to many of the challenges of short-term hiring, moving *Rural Responsável* in the right direction, assisting suppliers while ensuring that obligations towards workers are maintained.

**Remaining issues for consortia**

Several issues remain in guaranteeing the success of consortia. The Itaberaí case, in which a tomato supplier contracted by Unilever Brasil and involved in a consortium was charged with a number of labor violations, exposes significant challenges to ensuring that the consortia are operating effectively, namely:

- **Establishing the consortium from the on-set.** Interviews with suppliers indicated that the division of general operational costs may be difficult to manage due to the differences in the sizes of the properties and the number of the members. Determining the basic allocations of the consortium is a difficult task that requires special attention in the beginning stages of a consortium, and perhaps throughout its tenure. Similarly, a new consortium may be less prepared to take on the challenges of finding enough workers for the harvest period, as was the case of the consortium involved in the Itaberaí situation.

- **Large consortia face increased barriers to success.** The case involved a consortium of 13 suppliers. Thus, in additions to being a new consortium, the incidence also suggests that large consortia may fail to allow for sufficient coordination amongst the members of the group. Any lack of coordination can

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59 Rangel, Rogério. Personal Interview. 17 March 2008
60 This event occurred in August 2007 after two migrant workers left a farm in Iterberai, whose owner was a contracted supplier of Unilever Brasil, and arrived at the MPT in Goiania to report not having received their wages. After inspection of the farm, the Procurador Regional do Trabalho (PRT) found a number of health and safety violations. The supplier was charged and Unilever Brasil received a notice and is currently involved in a court battle to defend its noninvolvement in the issue. In addition, upon learning of the incident, Unilever Brasil terminated its contract with the supplier. *(Source: Rodrigues, Antonio Carlos Cavalcante. Personal Interview. 18 March 2008.)*
result in suppliers without sufficient workers as in this case, or conversely, in workers without sufficient jobs. The threat in both cases is the disintegration of labor rights. In contrast to this experience, another consortium of only three suppliers (two from Silvânia and one from Vianópolis) has been operating efficiently and according to the labor legislation. This concern for consortia with many members was expressed by a number of stakeholders.

- **The need to build trust among members.** If a labor violation occurs on one of the farms, the other members of the consortium will be implicated as well. If the trust among members and willingness to adhere to labor standards is not institutionalized, then this presents a significant deterrent to the formation of consortia. Though the Itaberaí case involved a consortium that had not been formalized and hence did not result in the sharing of the responsibility/fines, the consequence that suppliers will be less open to creating consortia in the future has in fact presented a new challenge to creating consortia in the municipality.

- **The possibility of continual hire of illegal gatos.** Ensuring that consortia have formally hired a sufficient amount of *gatos* during the planting and harvesting seasons would help to impede the outside usage of illegal *gatos*. There is also the possibility that a supplier, after having formalized a *gato* within a consortium, can feel all the more protected in hiring other *gatos* illegally. The Itaberaí case involved two *gatos* that were not hired (or subcontracted) by the consortium, exposing the possibility that suppliers may resort to the use of their own *gatos* despite being involved in a consortium.

C. Inspection

*Inspection Not Part of the Original Design of Rural Responsável*

Since Unilever Brasil does not hire the workers directly and are not technically responsible for the welfare of the workers on the farms under Brazilian law, Unilever Brasil does not believe that it should bear the responsibility of inspection. Consequently, during the creation of *Rural Responsável*, inspection was never included as part of the program.

*Unilever Brasil Forced to Develop Its Own Internal Monitoring System*

Although Unilever Brasil was aware of the lack of uniformity in the participation of the DRT and the unions, prior to the *Itaberaí* incident, Unilever Brasil acted in good faith and trusted that the suppliers were being truthful when asked whether they were obeying the law. However, after the labor violation was found in *Itaberaí*, Unilever Brasil realized that it was impossible for the company to avoid creating its own internal

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monitoring system. Unilever Brasil simply can not rely on its belief that the suppliers will follow the law and rules stipulated in the contract, nor trust that the suppliers will tell the truth when asked whether the farm is adhering to the law. As a result, Unilever Brasil created an internal monitoring checklist that the technicians must now verify at random inspections.

Given how difficult it is to continuously monitor labor violations on the farms, Unilever Brasil had to choose someone who could be at the farms on a regular basis. As a result, Unilever Brasil chose its own technicians to conduct the inspections since they are at the farms every week giving suppliers advice on the best techniques for producing the most optimal tomatoes. The checklist requires the technician to check on worker registration, delivery of safety equipment, supply of food and shelter, presence of bathrooms and conditions of workers that are housed at the farms. Inspections are never announced, and are more frequent during periods when labor incidents are most likely to occur, such as the planting and harvest period. Throughout the most labor intensive phases, Unilever Brasil technicians will work even more closely with the suppliers and the workers to ensure that regulations are followed. The technicians will also explain rules to the workers and conduct training sessions in a language that the workers would understand.

Problems with a Closed Internal Monitoring System

While it is good that Unilever Brasil has decided to actively ensure that the suppliers with whom they work are following the law, Unilever Brasil conducting its own internal monitoring can become problematic. Currently, Unilever Brasil does not distinguish between the permanent and the temporary workers on its checklist, which means that even if a supplier has completed all the requirements on a checklist, Unilever Brasil would not be able to clarify whether the benefits are offered to the temporary workers as well. This should be an area of concern because labor violations are more likely to occur among temporary workers. In addition, the checklist does not ask the technicians to conduct interviews with workers, which prevents the technicians from acquiring important feedback that would show Unilever Brasil whether the suppliers are truly attempting to treat workers properly, or whether the suppliers are merely doing the minimal because it is required to do so. Furthermore, without outside institutions acting as a check and balance, Unilever Brasil can be exposed to allegations of hiding child labor by creating a system that is not transparent to the outside world. Since such situations have been discovered in many supply chains of other multinational corporations, Unilever Brasil should consider taking steps that will help it avoid attracting such potential claims.

Due to the state’s ongoing inspections, Unilever Brasil’s status as a multinational company, and its close relationship with suppliers, the possibility of being tied to possible violations may be increased. Fortunately, Unilever Brasil does not appear to be shying away from its commitment to Rural Responsável, which has only increased in

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the aftermath of the Itaberaí incident as was demonstrated by the creation of its internal monitoring system.

D. Sustainability

**Unilever Brasil Believed Rural Responsável would Reach Sustainability Quickly**

According to Unilever Brasil, the day when following and enforcing the law become an automatic part of the suppliers’ business practice, is the day when Rural Responsável is sustainable. Initially, Unilever Brasil thought Rural Responsável would be able to achieve sustainability in two years. This is due to the assumption that since most of the program could be controlled internally, there shouldn’t be that much difficulty in ensuring that it is adopted right away. Unilever Brasil functioned under the belief that as long as the suppliers act according to the stipulations agreed to in their contracts and the workers are given periodic training, Rural Responsável should become effective relatively quickly. This belief was demonstrated through their initial willingness to simply believe the suppliers when they responded positively to questions regarding proper actions on the farms.

**Sustainability Delayed Due to Development of Internal Monitoring System**

However, after the Itaberaí incident, it became very clear that Rural Responsável can not be self-sustaining. Itaberaí should have been the last place where labor violations were found because the union in Itaberaí had the most capabilities out of all the five municipalities. Through this incident, given that the union was an active part of the program and yet forced labor was still found, the imbalance between the gatos and unions became truly visible. Subsequently, Unilever Brasil had to develop its own internal monitoring system in order to protect itself, which means that Rural Responsável is now further away from obtaining its objective since internal inspection was never meant to be a part of the project. In addition, since Unilever Brasil is not sure whether Rural Responsável will continue among the suppliers should Unilever Brasil chose to leave, it demonstrates the fact that following the law and treating workers properly have not become an automatic part of the suppliers’ business practice. Consequently, Rural Responsável is still far from achieving its definition of sustainability.

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64 The Itaberaí Rural Trade Unions did not discover the labor violation in time because the workers were migrant laborers from the Northeast, recruited to work on the farms by a gato. Given that gatos and unions usually do not have a positive relationship, even if the union had asked for the workers’ documentation, it is unlikely that the gato who would have felt the need to comply with the union’s request.
Unilever Brasil Attempts to Reach Sustainability Through Industry-Wide Initiatives

In order to ensure that Rural Responsável does reach its goal, Unilever Brasil is currently in the process of talking to other companies in the region in order to maximize the results of the program. Given the minimal amount of inspections the DRT is able to conduct with its limited human resources and the lack of uniformity in union participation, this is particularly important since most of the suppliers that work with Unilever Brasil also produce other crops on their farms for other companies. Consequently, if the other companies do not have the same labor standards as Unilever Brasil, then it exposes Unilever Brasil to the possibility of being blamed for the other companies’ failure to uphold the law. However, if other companies do all agree to apply the same standards to the same suppliers, then the suppliers will have to uniformly adopt the same practices, allowing good standards to become routine much more quickly. While it is good that Unilever Brasil is trying to reach out to other companies, unfortunately, this process further demonstrates why Rural Responsável is still far from reaching sustainability. The reason why Unilever Brasil has to reach out to other companies is because the local perception of the suppliers have not reached the transformation that is necessary for them to truly believe that prohibiting child labor and treating workers well are essential to their business practice. Thus, Unilever Brasil is forced to rely on the cooperation of other companies to ensure good practice from the suppliers. Unfortunately, none of the companies that Unilever Brasil has talked to so far have agreed to join Rural Responsável. It is likely that they are afraid of become a participant because they fear that they could become a greater target for inspection, like the way Unilever Brasil became a target. At the moment, Unilever Brasil has no definite date on when the company would pull out, and given the current state of affairs, it is unlikely that Unilever Brasil will be able to pull out for a very long time.

E. Mechanization

The recent increase in the use of machinery in Unilever Brasil's tomato production chain parallels the general trend for similar technological advancements in other agricultural sectors such as soybean, corn and cotton. As machines have become a greater part of the tomato production process, Unilever Brasil has supplemented its Rural Responsável project with technical assistance for the suppliers and permanent workers that operate them. As an important part of the production process, mechanization was a recurring theme communicated to the SIPA team by many of Rural Responsável’s stakeholders.

1. The Benefits of Mechanization

Increasing tomato yields

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Overall, there seems to exist significant benefits to mechanization. For Unilever Brasil’s suppliers, this year’s harvest will be nearly 100% mechanized compared to a mere 10% in 2003. The mechanization of the farms of Unilever Brasil’s suppliers is undoubtedly advantageous for the company and its suppliers, increasing yields and ensuring that tomato production operates at maximum efficiency.

Facilitating compliance with the labor legislation

A second advantage is the decrease in the amount of labor needed during the harvest period, from the pre-mechanization figure of 2000 workers per day to 300 per day, post-mechanization. The change in labor demand eases the pressure faced by suppliers to find and contract a relatively large amount of workers for the short-term peak periods of the tomato harvesting and planting seasons. As fewer workers are needed on the farms, the likelihood of fully complying with Brazil’s labor legislation is potentially greater. For suppliers, meeting the demands of housing, individual equipment protection (EPI), and alimentation, for example, becomes an easier task. The lower demand for workers could also mean the decreased likelihood that adults bring their children to the farms, further assisting the primary goal of eradication of child labor.

Benefiting workers as through the improvement of labor conditions

For the workers, there are a number of benefits as well. As their work becomes less manually intensive, their health and safety conditions are likely to improve and there is a decrease in the amount of workers exposed to certain risks associated with agricultural labor, such as those related to pesticide usage.

2. New Issues Raised by Mechanization

As this process of rapid modernization takes hold on the tomato farm, a number of new issues arise that perhaps require special attention:

Continued need for workers and hence, the protection of their health and safety.

Workers are still needed in such tasks as the preparation of the soil, the selection of tomatoes, and the operation of machinery. Additionally, the machines alone are not 100% efficient in their tasks. During the planting season, for example, they are closely followed by workers in order to ensure accuracy, and when used in poor weather conditions or hilly environments, there is a greater risk of technical problems with the machines. Thus, workers undoubtedly continue to be a vital part in the tomato production chain, albeit in their relatively lower numbers. As the need for a significant amount of workers remains, so too does the difficulty in finding them and ensuring their legalization and protection. Additionally, the increased use of

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67 Rangel, Rogério. Personal Interview. 17 March 2008
68 Rangel, Rogério. Personal Interview. 17 March 2008
machinery may raise new issues in terms of safety of operations of equipment as well as potential health side-effects of noise, odors, etc. Therefore, the increased mechanization on these farms should not replace the need for inspections and safeguarding the rights and needs of the workers, permanent and temporary alike. As mechanization lessens the number of workers needed, the motivations of suppliers for adhering to the objectives of Rural Responsável that seek to improve the safety and health conditions of workers may become altered in this process. For the workers that remain, ensuring that mechanization does not produce a disinterest in the protection of their rights, becomes a central part of maintaining the priority of the stated objectives of the project.

Possibility of increased unemployment which can lead to child labor.

Whether or not there has been any increase in unemployment to accompany the technological changes on the farms was a question posed by a number of stakeholders, among them, union leaders and representatives in the DRT. Although it cannot be said to what extent such social costs may have been incurred as this is not in the scope of this research, it is presented here as a concern of some stakeholders and a possible arena for Unilever Brasil to explore. The possibility that there have been some “losers” from the process of technological change is one to consider, particularly for the most vulnerable of tomato workers – women and the illiterate/uneducated, all of whom perhaps face additional barriers to finding employment elsewhere. Women are known to have been a significant proportion of the workforce on tomato farms particularly during the planting season as they are considered to be more cautious and detail-oriented. The lower degree of physical strain needed relative to other crops has also been a motivating factor for female tomato workers. 69

An important implication for both Rural Responsável and Infância Protegida is the potential contribution to cycles of poverty and subsequently, child labor that can be stimulated by such unemployment. This is especially true when similar processes are occurring with other crops, suggesting that the tomato worker will be less able to find similar kinds of agricultural work elsewhere.

VII. **INFÂNCIA PROTEGIDA**

A. **Stakeholder Balance**

The key stakeholders for *Infância Protegida* are part of the triangle of business, government and community. At project inception, Unilever Brasil identified the *prefeitura*, the CMDCA, the CT and local communities as primary stakeholders. The following section will examine these stakeholders and their interests in more detail. In addition, key themes relating to stakeholder balance will be explored.

1. **Stakeholders**

   **Primary Stakeholders**

   a. *Prefeitura* – Within the municipal government or *prefeitura*, there are multiple stakeholders fulfilling different roles. As the leader of the municipality, the mayor (*prefeito*) wields the most power in the *prefeitura*. The mayor appoints half of the CMDCA members. Moreover, though the CMDCA is in charge of allocating the FIA fund, the mayor actually controls the final disbursement. He also decides whether or not to reallocate additional financial and human resource capital from the *prefeitura* to support *Infância Protegida*.

   In addition to the mayor, the municipal secretaries of education, health and social assistance, all employees of the *prefeitura*, play a key role in the *Infância Protegida* program. They are tasked with developing policies in their specific areas of expertise, which also cover child protection issues. In all municipalities they also represent the government in the CMDCA. *Infância Protegida* project coordinators are also employees of the *prefeitura* --- some already have other responsibilities in the *prefeitura* (Vianópolis, Silvânia) while others are hired full-time to coordinate the projects (Morrinhos, Itaberai, Silvânia). The project coordinators develop the plan of action for their specific projects, make budget requests to the CMDCA as well as implement and monitor progress. In essence, they are Unilever Brasil’s representatives to the community.

   Finally, the *promotor de justicia* or local prosecutor is a key player in the *prefeitura*, but is more involved in some municipalities than the others. The prosecutor is tasked to defend the public interest in the areas of the environment, children and adolescents, felonies, families and national assets. They work in partnership with the CT to investigate and prosecute violations against children’s rights. In addition they can help drive awareness on the issues. Moreover, prosecutors can make valuable contributions in ensuring accountability in the use of the FIA fund.

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70 Cabral, Erico de Pina. Personal interview. 17 March 2008.
71 In Turvania, the prosecutor discovered the mayor’s misuse of the FIA fund. He played a key role in investigating the mayor’s actions and bringing to light the malfeasance.
b. **Conselho Municipal dos Direitos da Criança e do Adolescente (CMDCA)** – Article 88 of the ECA called for the creation of the Councils of the Rights of the Child and Adolescent at the municipal, state and national levels to develop policies for the rights of children and adolescents. At the municipal level, half of the CMDCA’s representatives are from the local government, while the other half are taken from civil society. All members serve two-year terms. Government representatives are appointed by the mayor and usually include the municipal health, education and social assistance secretaries among others. A well-functioning CMDCA is critical to the success of *Infância Protegida* because it is tasked with developing public policies for children and adolescents at the local level, as well as administering the FIA fund where the money from Unilever Brasil is deposited.

c. **Conselho Tutelar (CT)** – The CT is a municipal organ also created by the ECA. It is composed of five members of the community who are elected for three-year terms. The CT works to protect the rights of children and adolescents by investigating complaints and taking action. It also initiates public awareness campaigns. The CT works autonomously from other organs of the government, but salaries of the members are paid by the *prefeitura*. Funding for CT programs is taken from the FIA fund whose main contributor is Unilever Brasil.

d. **Unilever Brasil** – Recognizing that social development programming was not Unilever Brasil’s core competency, the company hired a consultant to develop the company’s response to the risk of child labor that it found in its supply chain. From the programs’ inception, the consultant has represented the company to the *prefeituras* and the local communities. The consultant’s extensive experience working at the grassroots level has made him particularly effective at communicating with other stakeholders as they feel he communicates with them in a manner they can relate to. In addition, he has complete control over the program management process. The consultant works closely with Unilever Brasil’s CSR group based in São Paulo and the tomato supply chain team based in Goiânia.

**Secondary Stakeholders**

e. **Local Community** – The local communities are the key beneficiaries of the programs. The projects under the *Infância Protegida* umbrella were conceived after extensive research among the local population in Silvânia and Itaberaí. After the initial research, the communities have not been involved in shaping the direction of the program. They are represented in program decision-making and implementation through the *prefeitura*.

f. **School and Day Care Center Administrators** – Though not intimately involved in the planning process for the programs, the school and day care center administrators are important stakeholders in that they collaborate with project coordinators in specific projects such as *Estou Estudando* and *Nossas Creches*.
Moreover, they can influence the children in their schools, as well as their parents.

2. Key Findings

**Interdependence between Unilever Brasil and local governments**

a. Local governments manage and implement *Infância Protegida* projects

In choosing to address the broader issues that affect the child through public policies, Unilever Brasil elected the strategy of working in partnership with local governments. This strategy is unique for corporations because in the past, corporations tended to create their own social development programs for local communities or they worked in partnership with local NGOs.\(^{72}\) Corporations have traditionally bypassed the government for several reasons including: possibility of corruption, lack of government resource and/or capacity and slow bureaucratic processes. Moreover, involving other stakeholders also provides a system of checks and balances, which corporations did not desire.

In making a conscious decision to partner with local governments, Unilever Brasil recognized that it would not be able to fully own the program processes and that it would have to collaborate extensively with local governments.\(^{73}\) The partnership approach has created mutual dependency between both actors: Unilever Brasil provides the overall leadership and funding for the program, while the local governments manage and implement it. Unilever Brasil depends on the CMDCA to develop public policies related to the child and to allocate the FIA fund to Unilever-supported projects. Though Unilever Brasil is a major contributor to the FIA fund, the CMDCA is not obligated to channel the funding to *Infância Protegida* projects. Moreover, given that the mayor actually disburses the FIA fund, he can decide whether or not to provide additional support to strengthen the *Infância Protegida* program. With the support of the mayor, the municipalities of Morrinhos, Silvânia and Itaberaí have hired or are in the process of hiring permanent project coordinators for *Infância Protegida*. These coordinators are salaried employees of the *prefeitura*.

The importance of a symbiotic relationship between Unilever Brasil and the local governments is highlighted by the failure of *Infância Protegida* in Turvânia. There, Unilever Brasil thought that they had the support of the local government. Unilever Brasil transferred funds for two years before belatedly realizing that the mayor had embezzled the funds with the help of the CMDCA, which was under his control. The failure of the Turvânia local government to carry out its responsibilities led to the eventual suspension of the program there, to the detriment of the community.

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\(^{72}\) Dunn, Joanne. Telephone interview. 19 Feb. 2008.  
\(^{73}\) Filho, Maurilo Casemiro. Personal interview. 14 March 2008.
b. **Unilever Brasil as the prevailing partner**

While Unilever Brasil must seek cooperation to achieve its goals, it continues to have disproportionate influence over stakeholders. This influence stems from two factors: leadership and funding.

Unilever Brasil continues to influence the public policy choices that the local governments make. Unilever Brasil, through its consultant, provides the overall leadership for the program. The consultant is in charge of strategic thinking and planning, and he advises the local governments on public policies. Because of the pressure from Unilever Brasil, some of the prefeitura’s scarce resources are re-allocated for the benefit of *Infância Protegida* projects. It is unclear whether these municipalities would have chosen to prioritize these issues without Unilever Brasil’s presence. In Vianópolis for instance, municipal secretaries are now members of CMDCA as well as *Infância Protegida* project coordinators on top of their existing responsibilities to the prefeitura.\(^{74}\)

Another source of Unilever Brasil’s influence is the funding that it provides for the programs through the FIA fund. The funding is critical for the implementation and continuation of the program. Though the FIA fund can theoretically have multiple sources of funding, in all municipalities Unilever Brasil’s contribution is often the single and most important source. Because of this, Unilever Brasil is able to influence the direction of the spending, which according to the ECA should be solely the domain of the CMDCA. In an interview, the president of the CMDCA in Silvânia expressed his concern that the CMDCA’s decisions are more influenced by Unilever Brasil than the communities that they serve.\(^{75}\) Additionally, the president of the CEDCA in Goiânia informed the SIPA team that multiple CMDCA representatives felt that Unilever Brasil imposed its views on them and tried to influence decision-making.\(^{76}\) She did note however that Unilever Brasil’s style of working via negotiation was preferable to Petrobras, a Brazilian energy company, which mandates programs.

Unilever Brasil’s ability to wield its influence, however, is not uniform across municipalities. The bigger and more prosperous municipalities are more able to negotiate with and shape the program’s direction because they have relatively stronger institutions and bigger budgets. Meanwhile, smaller and less well-organized prefeituras such as Vianópolis are more dependent on Unilever Brasil, and thus more susceptible to its influence.

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\(^{74}\) Vianópolis CMDCA Members. Personal interview. 11 March 2008.

\(^{75}\) Nugeira, Fernando Fanuzgi. Personal interview. 15 January 2008.

\(^{76}\) Auxiliadora, Maria. Personal interview. 10 March 2008.
**Greater inclusion of stakeholders in program development**

Unilever Brasil's stakeholder involvement process has significantly improved over time, from one that was not participative at the project establishment phase to one that is inclusive and takes into account the multiplicity of voices in the system today.

Unilever Brasil led the project establishment phase of *Infância Protegida* without the input of key stakeholders such as the CMDCA or the CT. The Unilever consultant conducted initial research with the help of community volunteers, identified the emergencies for children and adolescents and then planned *Infância Protegida*'s priorities and projects. Following this, Unilever Brasil presented its plan of action and recommendations to stakeholders and solicited their input and approval. Our interviews revealed that Unilever Brasil problematized the concept of child labor, which was not viewed as a problem in the community then.77 Thus initially, Unilever Brasil shaped *Infância Protegida*'s agenda and direction.

As the program has progressed, the involvement process has become more inclusive and participatory. Unilever Brasil has subsequently empowered the *prefeitura* to manage and develop the program, seeing its current role as advisor and consultant. A testament to the increasing power of the municipalities to influence the direction of the program is the way that *Infância Protegida*'s seven projects have evolved in different ways and in different times, depending on the needs, resources and priorities of the individual municipalities. In Morrinhos, *Orientação Familiar* and *Caminho Jovem* are the strongest projects because there is great demand in the community.78 Meanwhile, *Estou Estudando* has been particularly effective in Vianópolis where school discipline and absenteeism have been problematic.79

**Asymmetric power balance among stakeholders**

Though Unilever Brasil’s intent was to ensure uniform involvement of primary stakeholders across all municipalities, the SIPA team found that each municipality’s unique context has led to asymmetries in power among stakeholders. Contributing factors range from the relative wealth of the municipalities to the local politics and personal relationships between stakeholders. In Itaberaí, unlike in other municipalities, the CT is not involved with *Infância Protegida*. One of the reasons they cited is that they do not have a good working relationship with the CMDCA. In fact, the members of the CT in Itaberaí do not even know who the president of the CMDCA is.80 Similarly, in Vianópolis, the CT is only vaguely aware of the projects under the *Infância Protegida* umbrella.

Asymmetries in power relations are also created or exacerbated by Unilever Brasil’s presence. By working more closely with some bodies versus others, Unilever Brasil is changing the dynamic and affecting the balance between stakeholders in the

77 de Alcautura, Joseane. Personal interview. 16 January 2008; Silvânia CT Members, Personal interview. 17 January 2008.
79 Vianópolis School Administrators. Personal interview. 11 March 2008.
80 Itaberi CT Members. Personal interview. 13 March 2008.
prefeituras. Typically, due to their position in the hierarchy, the mayors are the most powerful actors in any prefeitura. Thus at the beginning of the program, it was critical for Unilever Brasil to gain the support of the mayors. However, with the transfer of Unilever Brasil’s tax monies to the FIA fund controlled by the CMDCA, the CMDCA becomes a second center of power with its own resource base to balance the power of the mayor. Some Infância Protegida project coordinators are also members of the CMDCA, which presents a conflict of interest. Project coordinators seek funding from the CMDCA, while the CMDCA disburses the FIA fund to the different projects. Strengthening the CMDCA may exacerbate tensions within the local government system as found in Silvânia, or could lead to abuses of power as evidenced by the case in Turvânia.

Additionally, secondary stakeholders, particularly school and day care center administrators, expressed the desire for Unilever Brasil to more actively involve them in the planning and implementation of the projects under Infância Protegida.  

**B. Capacity Building**

From program establishment, Unilever Brasil’s aim was for the prefeituras to own and manage the Infância Protegida program. However, it identified the lack of government capacity to develop and implement policies specific to children and adolescents as a key gap that needed to be addressed. Consequently, capacity building and training were made an integral component of Infância Protegida.

1. **Benefits of Capacity Building Program**

   **Continuous capacity building and training for primary stakeholders**

   Unilever Brasil provides monthly training sessions as part of its capacity building program. All primary stakeholders from all four municipalities involved in the program are invited, including the project coordinators, members of the CT, CMDCA and the prefeitura. These half-day sessions are held in Goiânia and Unilever Brasil provides transportation to and from the training site. Since representatives from all the municipalities are present, it is also a forum to seek advice, gain feedback and learn from each other and the Unilever consultant. These inter-municipality training meetings are highly valued by those involved in the program and were identified in our interviews as a critical contribution of Infância Protegida.  

   In addition to the monthly plenary meetings in Goiânia, Unilever Brasil conducts a two-day training session in a different municipality each month. Planned training sessions for 2008 include “Home Visits – How and Why They are Done?” for social assistance workers and “CMDCA and CT – Roles and Responsibilities,” for CT, CMDCA and prefeitura members. Additionally, the Unilever consultant, Mr. Filho,

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82 Conselli, Rutti. Personal interview. 16 January 2008; Caiveta, Celia Regina do Prado. Personal interview. 16 January 2008
has also set up a weekly online chat meeting for stakeholders to continue the conversation and seek advice virtually.

**More motivated public servants**

Many of the stakeholders the SIPA team interviewed viewed the training program very positively from a motivational standpoint. They credited the Unilever consultant for helping to empower public servants and mobilizing them to act. One project coordinator from Vianópolis stated that Unilever Brasil’s help in raising awareness of the issues and helping the programs get started were more important than the funding that it provided.83

**Strengthened local government institutions**

Unilever Brasil’s capacity building program has helped the local governments reorganize their human resources, streamline their respective bureaucracies and increase work productivity. It has helped to strengthen local institutions, which has produced positive results not only for *Infância Protegida*, but also for other government programs.

The SIPA team received very positive feedback on Unilever Brasil’s capacity building contributions. In Itaberaí, city hall officials we interviewed told us that before Unilever Brasil came, they were aware of the problems faced by children and adolescents in their community but they did not know how to organize themselves and create a plan of action.84 It was only after Unilever Brasil’s arrival that they were able to develop policies and plans. Moreover, Itaberaí’s municipal secretaries of education and health credited Unilever Brasil for bringing them together to collaborate on intersection areas, which they had not been doing prior to Unilever Brasil’s arrival.85 Meanwhile in Vianópolis and Silvânia, the CMDCA noted that they became much more active in their programming as a result of Unilever Brasil’s assistance.86

2. Limitations of Capacity Building Program

**Dependence on Unilever consultant to develop and implement training**

The monthly training sessions in Goiânia as well as those in the individual municipalities are organized and led by the Unilever consultant. For skills specific trainings, he has previously invited professionals and experts from Franca (where he is based), Goiânia and the University of São Paulo. However, the Unilever consultant still conducts the bulk of the training sessions himself. In addition, he decides the content and introduction timing of the topics. Initial training sessions focused on awareness building on the problem of child labor and then expanded into

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83 de Alcautura, Joseane. Personal interview. 16 January 2008
84 Santos, Lucineide Rosa. Personal interview. 13 March 2008.
85 Zanderlan, José and da Guia, Maria. Personal interview. 13 March 2008.
86 Vianópolis CMDCA. Personal interview. 11 March 2008; Nugeira, Fernando Fanuzgi. Personal interview. 15 January 2008.
public policies, project management etc. In an interview, the Unilever consultant mentioned that as the project leader, he uses his discretion to decide whether to introduce new training topics and when. Once he feels that the program has reached a stage where stakeholders are ready to accept and absorb certain information then he decides that it is the “proper time” for topics to be introduced.\(^{87}\)

**Lack of skills specific training for secondary stakeholders**

While stakeholders noted the positive impact of Unilever Brasil’s training program, they also mentioned the need for Unilever Brasil to provide more training, particularly skills specific training for those who are involved in the day-to-day implementation of the projects. Currently, most of the training is targeted towards public servants who are developing the policies or coordinating the *Infância Protegida* projects. With the public policies already in place and the projects off the ground, stakeholders identified the need to increase skills-specific training for those working closely with children and families on the ground, such as teachers, day care center coordinators and social assistance workers. Morrinhos’ mayor identified training for day care center coordinators as a pressing need.\(^{88}\) School directors interviewed in Morrinhos and Vianópolis also raised the need for enhanced capacity building.

**C. Bolsa Família, PETI and Infância Protegida**

While Unilever Brasil attempts to address the issues of education and ending child labor through its *Infância Protegida* program, the Brazilian government addresses the matter through a compensation system known as *Bolsa Família*. The educational focus of the program originated with *Bolsa Escola*, a social program that gave money to poor families based on the conditionality that these families send their children to school. In 2003, the program was swept into the larger structure of *Bolsa Família*, a more comprehensive program which extended beyond education to include services related to health care and social assistance.\(^{89}\)

**PETI and its incorporation into Bolsa Família**

Included in *Bolsa Família* today is the Program for the Eradication of Child Labor (PETI), which originated as a pilot program in 1996 in order to combat child labor.\(^{90}\) Also a conditional cash transfer program, PETI focused on the areas of minimum school attendance, as well as provided funds for after school programs for children involved

\(^{87}\) Filho, Maurilo Casemiro. Personal interview. 14 March 2008
\(^{88}\) Troncoso, Rogério. Personal interview. 14 March 2008.
\(^{90}\) Maria das Graças Rua (Oct-Dec 2007): 420
with PETI.\textsuperscript{91} While the PETI after school program funding still continues in cooperation with the municipalities, the conditional cash transfer component was joined with the \textit{Bolsa Família} system in 2005. This synthesis allowed for families not eligible for \textit{Bolsa Família} funding to receive financial benefits from PETI based on the different income criteria.\textsuperscript{92}

While PETI was well regarded during its existence as an independent program, the various stakeholders that were interviewed all asserted that many of the programs positive effects were lost when merged with \textit{Bolsa Família}. Some of the problems with the new program that have been identified include ineffective \textit{Bolsa Família} questionnaires and a lack of incorporation of child labor issues. The discovery and registry of child labor incidents thus becomes difficult, for in the questionnaire there are no questions directed at situations of children and adolescent labor.\textsuperscript{93} Additionally, in order to receive funding, families must open bank accounts for \textit{Bolsa Família} assistance. These bureaucratic obstacles can be problematic especially for poorer families that may lack the necessary documents.\textsuperscript{94}

\textbf{Comparison of PETI, Bolsa Família and Infância Protegida}

In comparing the \textit{Bolsa Família}, PETI and \textit{Infância Protegida} programs, the problems they address and the ultimate goals are the same: the eradication of child labor. However, while the \textit{Bolsa Família} and PETI programs target their methodologies on financial remuneration based on school attendance, \textit{Infância Protegida} provides the structures and means for children to attend school, but without monetary subsidies. It focuses on valuable social components but has made a point not to become involved with financial aid. However, as economic factors play a role in child labor, it is important to take family financial situations into consideration. The \textit{Bolsa Família} and PETI programs do exactly that, however the interviewees reflected sentiments that families often have to face too much bureaucracy in the system and opt not to go through the process to receive the financial support that they need.

Given that these programs are often at work simultaneously in the same municipalities, what becomes important then is a coordination effort between the projects, as well as an awareness of what the other program is excelling at or not producing for its target population. The fact that PETI and \textit{Bolsa Família} target the income aspect related to some instances of child labor, an area not covered by \textit{Infância Protegida}, can serve as a powerful tool in coordinating with Unilever Brasil’s program as the programs can work in tandem and cover the areas that the other is not. It is essential, therefore, that connections be formulated between the company and government programs in order to provide a holistic solution to the problem of child labor.

\textsuperscript{92} Maria das Graças Rua (Oct-Dec 2007): 430
\textsuperscript{93} Maria das Graças Rua (Oct-Dec 2007): 432
\textsuperscript{94} Auxiliadora, Maria. Personal Interview. 10 Mar. 2008.
D. Monitoring and Evaluation

Infância Protegida was initiated in the five municipalities at different times. Currently, reporting for the program comes from two sources: the Unilever Brasil consultant and the local project coordinators. While it may take more time to fully assess Infância Protegida’s impact on the communities where it operates, it appears that there is a minimal amount of documentation on the progress made by the program in each locale. The following sections detail the existing monitoring and evaluation within the program as well as areas where it has been limited.

Existing communication and information sharing system

There is an existing communication and information sharing system between Unilever and the Unilever consultant as well as between the consultant and the project coordinators. However, this system has not been formalized and is executed on an ad hoc basis. The consultant submits training agendas to senior management and provides some local data for company reports and promotional materials, such as the number of children enrolled in schools involved with Infância Protegida. Additionally, the consultant maintains regular, informal communication with the supply chain management team in Goiânia as well as the corporate affairs department of Unilever Brasil in São Paulo.95

Meanwhile, the project coordinators are tasked with measuring the impact of the individual projects within Infância Protegida. At the community level, there is some reporting from the municipalities to the consultant. The CMDCA and occasionally other pertinent municipal bodies are required to turn in the minutes of their meetings and records of FIA fund disbursement to the Unilever Brasil consultant.96 This appears to be the most consistent form of monitoring performed for Infância Protegida. Additionally, stakeholders that participate in Infância Protegida are to uphold a “pact,” which requires participants to conduct studies of the identified emergencies in their communities (e.g. malnutrition, school absenteeism). The studies are then to be given to the city mayor, the public attorney, the CMDCA, the Conselho Tutelar and the Unilever Brasil at a predetermined date.97 The commitment to uphold the pact was part of the initial plan; however the SIPA team did not find evidence that relevant studies were being conducted in a systematic manner.

Lack of a formalized monitoring and evaluation system

While the consultant does maintain regular communication with the company, the process of reporting in regards to the trainings and project reports from the community is not conducted in a systematic manner. Our research did not reveal a methodology in which the success of the trainings and evolution of the program is documented in a

95 Filho, Maurílio Casemiro Personal Interview. 14 March 2008.
consistent manner. Additionally, since the primary function of the Unilever consultant and company is to provide capacity-building to the local government, measuring the impact of the trainings should be the main focus of Unilever Brasil’s monitoring and evaluation. The importance for such monitoring was identified through responses from various interviewees who have suggested that Infância Protegida could provide better training sessions. Some examples of topics requested are children’s rights, family counseling, as well as sessions tailored specifically for project volunteers and daycare center workers.

Much like the consultant’s reporting to the Unilever Brasil’s management team, there is no formalized mechanism for the municipalities to report to the consultant regarding the progress of Infância Protegida. The consultant has trained stakeholders to carry out community diagnostics, in order to measure impact and improve the quality of projects. He has also developed some data collection tools, such as a checklist to evaluate daycare center conditions, and has instructed stakeholders on how to analyze the data so they can understand the process and take actions. The provision of forms for monitoring attendance and costs and tools for conducting community surveys has not resulted in systematic monitoring and evaluation of the projects’ outcomes, however, as such forms are suggested rather than made a requirement. In addition, these suggested forms consist mostly of general quantitative data rather than qualitative assessments of the projects. Since the municipalities are at different levels in terms of their capability to collect data,98 those municipalities with less financial and/or human resources may lack the ability to collect data. In addition, there has not been an independent, third-party evaluation of Infância Protegida to help the municipalities assess the impacts of the projects.

The consultant has chosen this informal and relaxed nature of reporting to avoid adding another layer of bureaucracy for the project coordinators. While informality may be welcomed in the communities, the program’s success rests on the ability of coordinators to regularly monitor progress against stated goals to ensure that Infância Protegida is ultimately able to achieve them.

E. Sustainability

In keeping with one of the basic pillars of Unilever’s values, Infância Protegida aims to be a sustainable program.99 The consultant identifies sustainability for Infância Protegida as when public policies to protect children are established and when public officials have the capacity to enforce them.100 When these public policies are institutionalized and when the public’s awareness needed to drive those policies fully exist, a social transformation will take place. The following sections depict the key

findings for the two areas needed for social transformation: the institutionalization of public policies and public awareness.

I. The institutionalization of public policies:

Training and Capacity Building

Through the program’s multi-stakeholder approach, the various bodies of the government have been incorporated into the program. Through training, public officials have been qualified, motivated and guided in the implementation of the seven Infância Protegida projects. As detailed in the previous sections, there remain areas of improvement for both aspects, yet overall they serve the purpose of steering the program in the direction of sustainability. Working toward their improvement will further the goal.

The need for funding from other sources

Alternative sources of funding are a crucial component of that exit strategy. The funding provided to Infância Protegida is derived from the value added tax that Unilever Brasil would pay for operating in Goiás. Interview respondents have stated that the FIA fund receives no money from the government. However, since Unilever Brasil’s funds are tax money, they technically are receiving government funding. Therefore, governments do not have the incentive of contributing beyond the tax contribution of companies. When asked in interviews what would be done if Unilever Brasil leaves the municipality, the response was that they would seek out other forms of funding, and specifically stated that they would find another company to provide the bulk of funds. Seeking government support is not perceived as a viable option. Thus, there is a current lack of incentives for other companies and for local government to contribute. Additionally, individual contributions from the general public that could add to the FIA fund have not been sought.

The need to strengthen preexisting projects before expansion

It has been stated that the current municipalities participating in Infância Protegida are testing grounds for further expansion to other municipalities of Unilever Brasil’s tomato supply chain. Given the previously stated issues vis a vis dependency on Unilever Brasil’s funding, plans to expand would further complicate this. The equal division of funds amongst an expanding number of participating municipalities can only be sustained if municipalities that have participating for a longer period of time are capable of continuing the projects with less funding; thus far, our research indicates that this is not the case.

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101 See Conceptualization of Programs Section; Unilever Brasil does make some direct funding for purchasing furniture for daycare centers, sports equipment, production of awareness materials, etc. Also pays Mr. Filho’s salary.

The lack of an exit strategy

The Unilever consultant explains that *Infância Protegida* was conceived as having no start and end point, in which the municipalities absorb ideas and then eventually pull out once they are capable of running the projects on their own. *Infância Protegida* is not simply a program that is conditional upon certain measures—it is a process. That Unilever Brasil has been committed to the project for the long term is admirable given that the institutionalization of the new public policies requires time. Yet the lack of an exit strategy may delay and even prevent *Infância Protegida* from reaching that level of success in which auto-sustainability is achieved. As a recent report on CSR in Latin America states, “a well-planned exit strategy should be a part of every company’s efforts in community engagement as it actively commits both the company and the community to avoid traditional dependency programs.” The report goes on to say, “Projects do not create untenable expectations in local communities when they consider the whole life cycle and the sustainability of the investment after an appropriate exit strategy is executed.” Thus, a concrete exit strategy is vital to ensuring that projects as well as the actors that implement them are on the path towards auto-sustainability.

II. Public Awareness of Child Labor

Awareness activities have made substantial progress

The projects of *Infância Protegida* have been successful in transforming much of public opinion. With regard to child labor, awareness is a priority of *Infância Protegida*, and respondents consistently commented that *Infância Protegida* has contributed substantially to the increase of awareness of child labor in their communities. The majority of respondents in our interviews commented that concrete progress has been made, many going as far as to say that there is virtually no child labor on the tomato farms, as well as other crops. However, stakeholders also stated that *Infância Protegida* is still necessary due to the fact that many individuals continue to believe that child labor is acceptable; without the continuation of *Infância Protegida*, the progress that has been made would be eroded.

Holistic approach critical to awareness education

The altering of awareness not only rests on the educational efforts of *Infância Protegida*, but more importantly, on the impact it has made on a host of other issues affecting children and teens, particularly drugs, school evasion, and family dynamics. As previously stated, *Infância Protegida’s* network of programs provide “a protective

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environment for the child,” tackling a host of issues like the ones stated above, in order to prevent the conditions that contribute to the existence of child labor in the first place. The Unilever Brasil consultant has clearly taken an expansive approach, stating that child labor is part of a larger issue of public policy.\textsuperscript{106} This was reflected in the comments of many respondents, who focused on the impact that Infância Protegida has had upon these underlying issues that affect children and adolescents, rather than child labor alone. This approach understands that the lack of awareness of the perils of child labor cannot be tackled as if they exist in a vacuum; they are embedded in a variety of socio-economic causes that must be addressed in order for social transformation to occur.

\textit{Remaining Issues regarding the Infância Protegida Approach}

The social transformation that Infância Protegida seeks to create rests mainly on the impact of the projects that holistically address the various context-specific issues related to the child. However, Unilever Brasil’s funding may not address the specificities of each locale since, across the municipalities, the company’s contribution to the FIA fund is divided equally:

Table 3: Funding Allocation Received by Each Municipality (by year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Itaberaí</th>
<th>Morrinhos</th>
<th>Silvânia</th>
<th>Turvânia</th>
<th>Vianópolis</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>2006</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
<td>110,000\textsuperscript{107}</td>
</tr>
<tr>
<td>2007</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>2008</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Maurilo Filho

These funds are equally distributed to each municipality regardless of its size, economic wealth, incidence of child labor or other problems relating to the child. Thus, it remains unclear as to how the relative impact of Infância Protegida is determined by the demographics and social characteristics of the municipality. Given that there are various differences among the municipalities, an equal division of funds may not fully address their respective and diverse needs. The need for a more concrete monitoring and evaluation expressed in the previous section is crucial for identifying and subsequently funding the unique needs of each municipality. In sum, this equal distribution of funds is an issue that may affect the ability of the projects to allow for the social transformation needed for sustainability.

\textsuperscript{106} Filho, Maurilo Casemiro. Training Session for Prefeitura Members Participating in Infância Protegida. 16 Jan 2008. Unilever Brasil Office, Goiânia, Goiás, Brazil.

\textsuperscript{107} BR $50,000 was allocated in addition to fund construction of a daycare
VIII. CONCLUSION

The multi-stakeholder approach of Rural Responsável and Infância Protegida allows for the central focus to rest on the process of building social networks among the various stakeholders involved. The strengthening of such networks allows for greater transparency and accountability, more information and awareness of society and finally, the empowerment of various stakeholders, including the weakest - the workers and the Rural Trade Unions in the case of Rural Responsável, and families and the community in the case of Infância Protegida. The following sections identify the strengths and areas for improvement identified for the two programs.

A. Rural Responsável

A number of strengths of Rural Responsável have resulted from the process described above. The formulation and implementation of the network established by Unilever Brasil takes the multi-stakeholder approach, as the company indeed wanted to involve the relevant stakeholders. It has also worked to decrease child labor on the farms, increase awareness and discourse, and adhere to the labor regulations of the state. At the same time, however, a number of vulnerabilities and areas for improvement have arisen, namely in the balance between stakeholders and the transformation of perceptions concerning labor rights. In addition, new issues concerning consortia and mechanization may affect the goal of the Rural Responsável program.

Strengths:

1) The Participatory Approach of the Rural Responsável Program – Through the multi-stakeholder approach there has been partial empowerment of some stakeholders. The suppliers, or farm owners, are viewed as partners in the program and they are heavily involved in its implementation. In addition, an invitation was extended to the unions and the DRT to take part in the program, a move which constitutes a unique approach for a company to undertake.

2) Increased Awareness and Dialogue Around Labor Conditions – This awareness has been the result of educational trainings for the workers and suppliers which informs them of their rights to health and safety as well as the negative effects of child labor. Meetings are held with these primary stakeholders to discuss the company’s values and the standards to which it expects all to adhere. In addition, Unilever Brasil has attempted to engage other companies, industry-wide, in the dialogue on labor rights.

3) The Creation of New Incentives to Improve the Implementation of the Standards of Labor – Unilever Brasil has supported the formation of consortia to encourage best practices. About half of the company’s suppliers are currently involved in consortia.

4) Contribution to the Reduction of Child Labor. There was a general consensus among the stakeholders that the program has been successful in reducing child labor on the farms. This success has been achieved through the Educational Trainings mentioned before as well as a combination of incentives – the
competitive pricing of the tomatoes and the security of purchase guarantees. In addition, there is a set of pressures, including the contractual obligation to adhere to labor standards and the threat of contract suspension or termination in the case of violation.

5) **Increased Accountability Through the Integration of Internal Inspections.** These inspections, which began in 2007, are randomized, increase during the harvest periods and are carried out with checklists that covers a range of issues in line with the labor legislation. The incorporation of internal inspections into *Rural Responsável* demonstrates the company’s willingness to employ new policies to ensure that labor violations do not occur.

**Areas for Improvement:**

1) **Involvement of primary stakeholders in the program has not been uniform across municipalities.** As the Unilever Brasil does not directly hire the labor force, the task of ensure labor standards are met rests mainly on the suppliers. Though the idea was to divide the onus with the trade unions and regional authorities such as the DRT, this has not happened in 4 of the five municipalities. This scenario is further complicated by the role of the *gato* who becomes indirectly empowered through this process, possibly at the further expense of the unions. In addition, there is an imbalance between the permanent and temporary workers, as it is the former that received most of the educational trainings. There is thus a need to increase efforts in working with all stakeholders involved.

2) **Perceptions Still Need to be Transformed:** There has not been a 100% transformation in the perception of some suppliers and workers with regards to child labor and workers’ rights. Some suppliers continue to view the child labor regulations as obligations and the costs of providing for workers as burdens. As for the workers, some continue to desire to bring their children to work on the farms. There is thus a need to discuss such issues in greater depth in order to tackle these remaining perceptions.

3) **Potential for Increasing Credibility** – The inspections are internal to the company, and as such, there may still be a need for independent monitoring. The DRT, however, has very limited resources to carry out such inspections. Given such a scenario in which networks are weak, the content and reporting of the internal inspections are all the more salient to address. In addition alternative approaches for independent monitoring may help sustain the goals of *Rural Responsável*.

4) **The Incentives for Consortia Help but do Not Solve the Problem** - Unilever Brasil does not control the form and progress of formation of consortia. The consortia, though beneficial to the program’s goals, can be complicated by a variety of factors concerning size, coordination and trust among its members. There also remain the problems associated with finding and contracting labor, which means that *gatos* continue to have a role, for better or for worse.

5) **The exogenous factor of mechanization** – A final issue, which is somewhat exogenous to the *Rural Responsável* program but which was brought up by various stakeholders, is the increasing use of machines on the farms of Unilever
Brasil’s suppliers. Though mechanization is an incentive to partially solve the problem of child labor, it may exacerbate other problems such as unemployment of workers. This would in-turn contribute to the cycle of poverty that may lead to the need to use child labor. Addressing such an issue may be beneficial given that it may affect the goals of Rural Responsável.

*Rural Responsável* is a program well-developed in its conceptualization. Its activities have served to move the project towards its objectives of preventing child labor and upholding the rights to health and safety of workers. The implementation of the program, however, was complicated by a number of issues outlined above. Integrating mechanisms to address the difficulties of maintaining balance among stakeholders, of addressing the multitude of existing perceptions, and finally, of increasing the effectiveness of inspections will be critical to the future success of the program.

**B. Infância Protegida**

Our findings demonstrate that overall *Infância Protegida* has significantly contributed to reducing the risk of child labor in the four participating municipalities and has expanded to incorporate related objectives which seek to improve the welfare of children and adolescents. The greatest strength of *Infância Protegida* is its comprehensive and holistic approach. The program works closely with local community leaders to target the perceptions and needs of children and their families by creating a protective network around the child. However, the sustainability of *Infância Protegida* is fragile due to several vulnerabilities and areas for improvement identified.

*Strengths:*

1) **Infância Protegida addresses child labor in a holistic manner.** The Unilever consultant has successfully developed and shared a holistic perspective of the many factors contributing to child labor which provides the fundamental motivation for the diverse projects and trainings that make up *Infância Protegida*. Although the original motivation for *Infância Protegida* was to combat child labor, the program has expanded to cover a range of issues related to the protection of the rights of children.

2) **Unilever Brasil’s partnerships with local governments increase the legitimacy and local ownership of *Infância Protegida***. Rather than implement the program, Unilever Brasil made a strategic decision to partner with local governments. This has increased the legitimacy of the program in the eyes of the community and facilitated local ownership of the program.

3) **Capacity building and motivation for public servants has significantly contributed to enhancing the motivation, resources and capability of local government officials to fulfill their role in protecting children.** While additional
funding provided by Unilever Brasil has been beneficial, most government officials and community leaders interviewed emphasized the value added by the capacity building and trainings conducted by the Unilever consultant.

4) **There has been an increased awareness of child labor and issues relating to child protection.** While the focus on child labor in agriculture was initially perceived as driven primarily externally by Unilever Brasil, it is evident in the interviews that this concern is beginning to be internalized by the communities. The majority of interviewees expressed a great amount of enthusiasm for *Infância Protegida* as inspiring positive change in their community in the perception of the rights of the child.

5) ***Infância Protegida* has contributed to decrease in child labor and decline in school absenteeism.** While there has not been a formal impact evaluation to quantify the impact of *Infância Protegida* on child labor and school absenteeism, the majority of the people interviewed reflected that it has made a significant contribution to addressing these issues in their communities.

**Areas for Improvement:**

1) **Involvement of primary stakeholders in the program has not been uniform across municipalities.** Local context, in terms of resources, relationships or local politics, impacts the way in which stakeholders relate with each other and with Unilever Brasil. These factors, which could hamper *Infância Protegida*'s future success, also impact stakeholders’ level of involvement in the program.

2) **Unilever Brasil remains the driving force behind *Infância Protegida*.** Although Unilever Brasil emphasizes the need for community ownership, it remains the main driving force behind *Infância Protegida*. Unilever contributes the vast majority of the funding for the program through the FIA fund. Moreover, it provides most of the direction for the program mainly through the work of the consultant, Mr. Filho.

3) **There is a need to improve accountability and transparency.** The lack of formalized project documentation and record keeping is a key gap in the program. Because there is no requirement or incentive for local actors to carry out consistent monitoring and evaluation, it is difficult to determine the successes and limitations of *Infância Protegida*, to compare results across municipalities, and to make improvements to the program. There is also no system for monitoring and evaluation of Unilever Brasil’s role in the process of promoting *Infância Protegida*, as well as local community involvement in ensuring public accountability.

In conclusion, the majority of the stakeholders displayed a genuine enthusiasm toward the *Infância Protegida* projects. This clearly reflects the effectiveness of Unilever Brasil’s strategy to engage active stakeholder participation as well as the ability of the Unilever consultant to cultivate trust and strong relationships with community leaders. In particular, the effort to build local capacities was highlighted as fundamental to the
success of *Infância Protegida*. However, the future success, sustainability, and potential expansion of *Infância Protegida* depends mainly on the ability of Unilever Brasil to promote community ownership of the program, balance the interests of multiple stakeholders, establish effective monitoring and evaluation mechanisms and institutionalize the program.
IX. RECOMMENDATIONS

A. Rural Responsável

1. Improving stakeholder balance and ownership through enhanced communication and opportunities for participation is critical to addressing the asymmetry of power. To this end Unilever should:
   - Create a suppliers feedback mechanism to assess the effectiveness of the educational trainings, gather information regarding the consortium, and learn about areas of the program in which the suppliers believe could be improved.
   - Provide a public space for suppliers to share best practices and discuss common issues that they face.
   - Extend the toll-free complaint number that is available for workers in Goiânia to workers on the field. This provides Unilever Brasil with the advantage of being able to address reported incidents immediately and internally. It would also empower workers to become a key partner in the enforcement of Brazilian legislation and Unilever Brasil’s code of conduct.
   - Incorporate labor unions in gathering workers’ feedback. Recognizing that workers may be unwilling to openly express themselves in front of Unilever staff and suppliers, unions should be engaged for the solicitation and identification of main worker concerns. In addition to providing a safe haven where the workers would feel comfortable voicing their opinions, great engagement of the unions could improve the current imbalance between the gatos and unions.

2. To strengthening the credibility of the current program, Unilever Brasil should increase its accountability and transparency by:
   - Further aligning the internal inspections checklist with the labor legislation to include items such as the date of the last medical examination of workers and proper usage of pesticide. It should also take into account the different needs of temporary and permanent workers.
   - Publishing and analyzing the inspection results in a monthly report. This will not only further demonstrate Unilever Brasil’s commitment to CSR, but it could help establish a relationship of trust between Unilever Brasil and the DRT. In other instances where such transparency has occurred, companies have been given the opportunity to participate in remediation when labor violations were honestly reported. Nike is one example of a company that discloses its internal monitoring reports and works with government labor agencies.
   - Inviting internationally credited NGOs to aid in the inspection process, which would provide Unilever Brasil with the opportunity to have an outside organization verify that it is practicing business with integrity. The NGO can also be a conduit of resources for Unilever. However, the partnership with the NGO should by no means replace Unilever’s current internal monitoring system.

3. In order to achieve sustainability, Unilever Brasil should consider:
• Intensifying the educational trainings of suppliers and workers, with a particular focus on temporary workers by utilizing feedback from suppliers and workers to better understand why child labor is still acceptable to suppliers and workers.
• Creating an awareness event at the beginning of each tomato season to remind all stakeholders on the rationale behind prohibiting child labor.
• Establishing a tighter connection between Rural Responsável and Infância Protegida by enhancing awareness among suppliers and workers on the social hazards of using children as workers.

B. Infância Protegida

1. Effectively managing the stakeholder involvement process is critical to the success of Infância Protegida. To this end, Unilever Brasil should:
   • Continue to work towards institutionalization of Infância Protegida within local governments to ensure that the program survives electoral changes.
   • Be sensitive to the local politics in the municipalities where it operates and adapt its approach accordingly.
   • Assist local government leaders to address the conflict of interest that arises when CDMCA members are appointed as Infância Protegida project coordinators.
   • Involve the local prosecutor in the FIA fund transfer process by informing him of the amount and timing of the transfer.
   • Ensure direct involvement of the CT in the Infância Protegida projects and use them as a resource to better target children and adolescents at risk.

2. It is recommended that Unilever Brasil continue capacity building and training of local stakeholders in order to foster program continuity and community involvement, with special emphasis on:
   • Motivating local government stakeholders to become and stay involved in the projects.
   • Creating a feedback mechanism for training sessions to hear participants’ comments in order to determine best practices, needs, and areas of improvements.
   • Assisting local governments to develop and implement a long-term training action plan for on-the-ground staff such as teachers, day care managers and social assistants.
   • Working with CDMCA to identify and support priority projects based on the needs of each municipality.

3. It is critical that Unilever Brasil enhance accountability and transparency throughout the program implementation process via:
   • Improving and formalizing project documentation and record keeping to provide greater clarity to project objectives as well as facilitate monitoring and evaluation.
   • Developing a formal outcome-oriented reporting mechanism for both Unilever
consultants and project coordinators to encourage transparency and accountability.

- Enhancing community awareness and involvement in the program so that they can serve as public monitors of the projects’ implementation.
- Initiating a formal evaluation of the outcomes of the program.
- Create incentives for local governments to monitor and evaluate the performance of the *Infância Protegida* projects e.g. award municipalities for doing so.

4. **Sustainability is the long-term goal of the *Infância Protegida* program. In working towards this goal, Unilever Brasil should:**

- Continue training and awareness education on child labor to facilitate norm change in the municipalities.
- Prioritize the strengthening of projects, as well as ensure that funding is available, before expanding *Infância Protegida* to other municipalities.
- Train multipliers in each municipality to replicate training sessions of Mr. Filho and other consultants.
- Notify municipalities well in advance of the size of Unilever’s contribution to the FIA fund and inform them of a gradual decrease in Unilever’s contribution each year so that they can make preparations to diminish their reliance on Unilever’s funds.
- Motivate public officials to find other sources of funding through existing capacity building program.
**BIBLIOGRAPHY**


APPENDIX

Appendix 1: Unilever Code of Business Principles

Standard of conduct
We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees. We shall similarly respect the legitimate interests of those with whom we have relationships.

Obeying the law
Unilever companies and our employees are required to comply with the laws and regulations of the countries in which we operate.

Employees
Unilever is committed to diversity in a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of our company. We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed. We are committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory or child labour. We are committed to working with employees to develop and enhance each individual’s skills and capabilities. We respect the dignity of the individual and the right of employees to freedom of association. We will maintain good communications with employees through company based information and consultation procedures.

Consumers
Unilever is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

Shareholders
Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

Business partners
Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own.

Community involvement
Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfill our responsibilities to the societies and communities in which we operate.

Public activities
Unilever companies are encouraged to promote and defend their legitimate business interests. Unilever will co-operate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests. Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

The environment
Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business. Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.
**Innovation**

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society. We will work on the basis of sound science, applying rigorous standards of product safety.

**Competition**

Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

**Business integrity**

Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management. Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

**Conflicts of interests**

All Unilever employees are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company. Unilever employees must not seek gain for themselves or others through misuse of their positions.

**Compliance - monitoring - reporting**

Compliance with these principles is an essential element in our business success. The Unilever Board is responsible for ensuring these principles are communicated to, and understood and observed by, all employees. Day-to-day responsibility is delegated to the senior management of the regions and operating companies. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs. Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by the Audit Committee of the Board and the Corporate Risk Committee. Any breaches of the Code must be reported in accordance with the procedures specified by the Joint Secretaries. The Board of Unilever will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies and instructions. The Board of Unilever expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

In this Code the expressions ‘Unilever’ and ‘Unilever companies’ are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC.
Appendix 2: Unilever Business Partner Code

- There shall be compliance with all applicable laws and regulations of the country where operations are undertaken.
- There shall be respect for human rights, and no employee shall suffer harassment, physical or mental punishment, or other form of abuse.
- Wages and working hours will, as a minimum, comply with all applicable wage and hour laws, and rules and regulations, including minimum wage, overtime and maximum hours in the country concerned.
- There shall be no use of forced or compulsory labour, and employees shall be free to leave employment after reasonable notice.
- There shall be no use of child labour, and specifically there will be compliance with relevant ILO standards.
- There shall be respect for the right of employees to freedom of association.
- Safe and healthy working conditions will be provided for all employees.
- Operations will be carried out with care for the environment and will include compliance with all relevant legislation in the country concerned.
- All products and services will be delivered to meet the quality and safety criteria specified in relevant contract elements, and will be safe for their intended use.
- There shall be no improper advantage sought, including the payment of bribes, to secure delivery of goods or services to Unilever companies.
### Appendix 3: List of Interviewees

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