

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Humanities**



**Bachelor Thesis**

**Ethics of Chocolate Production**

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## BACHELOR THESIS ASSIGNMENT

Jan Böhm

Economics Policy and Administration  
Business Administration

Thesis title

**Ethics of Chocolate Production**

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### Objectives of thesis

This thesis will consider ethical issues in chocolate production, including issues of child labour, modern slavery, and fair pay for producers. The thesis will provide an introduction to relevant issues in business ethics and corporate social responsibility, and how these apply to the specific case of chocolate production. It will consider the causes of these issues, and debates about where responsibility lies for solving them. It will also consider and examine the existing standards and measures adopted by chocolate producing companies. The practical part will investigate attitudes and awareness among the general public to these issues.

### Methodology

Literature review introducing concepts of business ethics and corporate social responsibility and their relevance to the chocolate industry.

Investigation into awareness and attitudes of consumers regarding the ethics of chocolate production, using quantitative (survey) methods.

## **The proposed extent of the thesis**

40-50 words

## **Keywords**

Business Ethics, Corporate Social Responsibility, Chocolate, Exploitation, Child Labour, Slavery

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## **Recommended information sources**

COLE, G. Columbia Social Work Review, Volume V 53 The Intersection of Corporate Social Responsibility and the Non-Profit Industrial Complex Exploitative Child Labor in Côte d'Ivoire's Chocolate Industry. Columbia Social Work Review, 2019, vol. 12, no. 1, p. 53–63.

FREDERICK, Robert. (2008). A Companion to Business Ethics. London: Wiley-Blackwell

HARRISON, Mike. (2005). An Introduction to Business and Management Ethics, Palgrave MacMillan

INTERNATIONAL LABOUR ORGANISATION. (2017). Global Estimates of Child Labour. Geneva: International

Labour Office (ILO).



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### **Declaration**

I declare that I have worked on my bachelor thesis titled "Ethics of Chocolate Production" by myself, and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on March 10<sup>th</sup>, 2021

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I would like to thank Daniel Rosenhaft Swain, Ph.D., MA, for guiding me and giving me his advice during my bachelor thesis throughout the last year. I would also like to thank my parents, who were there for me in difficult times during my studies at the Czech University of Life Science in Prague. I want to thank all the respondents who filled the survey for my practical part.

# **Ethics of Chocolate Production**

## **Abstract**

This bachelor's thesis on "Ethics in Chocolate Production" is interested in child labor issues on cocoa plantations, modern slavery, business ethics, and the social responsibility of large corporate companies. I will also present a program here, whether non-profit or corporate, which look to fight and improve conditions for cocoa farmers. With the help of a questionnaire survey, which 73 people attended, I want to find out how society worldwide views the issue and what factors they think most cause us to deal with slavery and child labor even today.

**Keywords:** Ethics, child labor, Corporate Social Responsibility, slavery, Chocolate, Exploitation,

# Etika v čokoládové výrobě

## Abstrakt

Tato bakalářská práce na téma „Etika v čokoládové výrobě“ se zaměřuje na problematiku spojenou s dětskou prací na kakaových plantážích, moderním otroctvím, etikou v podnikání a společenskou odpovědností velkých korporátních společností. Představím zde také program, jak neziskový, tak korporátní, které se snaží zlepšit podmínky pro kakaové farmáře a bojovat za ně. Za pomoci dotazníkového šetření, kterého se zúčastnilo 73 osob, chci zjistit, jak na danou problematiku hledí společnost z celého světa, a o kterých faktorech si myslí, že nejvíce způsobují otroctví a dětskou práci, kterou je nutné v dnešní době řešit.

**Klíčová slova:** Etika, dětská práce, Společenská odpovědnost firem, otrokářství, čokoláda, vykořisťování



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## List of abbreviations

ILO – International Labor Organization  
IITA – International Institute of Tropical Agriculture  
CSR – Corporate Social Responsibility  
INGO – International non-governmental organization  
NPIC – non-profit industrial complex  
ILRF – International Labor Rights Forum

# 1 Introduction

This bachelor thesis, Ethics in chocolate production, is primarily made from 2 parts. Literature review and practical part.

The first part has three chapters. The first chapter is about an introduction to chocolate. The chapter concludes history, raw data about cocoa beans, their value on market size, and conditions that cocoa beans need to be harvested.

In the second part of the literature review, the main goal is to explain to you more about ethics in general and business ethics. We will explain some of the most often ethical issues in chocolate production, such as slavery, child labor. The last chapter in the second part is about corporate social responsibility, where the author will provide you essential information. We will look at some of the most well-known non-profit organizations that we can also know in the Czech Republic.

In the last part, the author will introduce the biggest chocolate companies. We will look at their sustainability programs, how they want to fight against child labor and what they focus on the most in each community in West Africa.

The author will introduce you to the survey made for this part of the bachelor thesis in the practical part. You will know why it is impossible to save the kids from cocoa plantations by not buying and consuming chocolate. We will find out what is a public's awareness in chocolate production in the context of ethical issues and how the population would react in different situations about buying chocolate.

This bachelor thesis should help us comprehend that even if the main problem is not in our country, we are still part of it. Chocolate has two sides of a coin; on the one side, it causes pleasure and physical well-being, and on the other side, it causes suffering and poverty.

## **2 Objectives and Methodology**

### **2.1 Objectives**

This thesis will consider ethical issues in chocolate production, including child labor issues, modern slavery, and fair pay for producers. The thesis will provide an introduction to relevant issues in business ethics and corporate social responsibility and how these apply to the specific case of chocolate production. It will consider the causes of these issues and debates about where responsibility lies for solving them. It will also consider and examine the existing standards and measures adopted by chocolate producing companies. The practical part will investigate attitudes and awareness among the general public to these issues.

### **2.2 Methodology**

This bachelor thesis has two parts. Literature part and practical part. The literature part will explain terms such as ethics, business ethics, corporate social responsibility, and how important they are in the chocolate business. The practical part will focus on how much people consume chocolate and whether they are aware of any issues related to child labor in West Africa. We figure out if people are willing to buy certificated products that guarantee that it was made with no child abusing.

## **3 Literature Review**

### **3.1 Introduction to chocolate**

Chocolate is the most popular commodity on the planet. Worldwide, people eat over three million tons of cocoa beans a year. Eating chocolate can make you feel fine, but it can also benefit the heart and brain [1]. The etymologists attribute the origin of the word “chocolate” to the Aztec language “xocoatl,” which referred to a bitter hot beverage brewed from cacao beans. Theobroma cacao means in the Latina language “food of the gods” [2]. Chocolate eating has long been joyful, pleasurable activity. However, it is also alleged that chocolate can be stimulant, relaxant, euphoriant, aphrodisiac, tonic, and antidepressant [3].

#### **3.1.1 History**

Before the 16<sup>th</sup>-century, chocolate existed only in Mesoamerica. Archeologists believe that people from Mesoamerica were the first to eat chocolate. In the beginning, people were making cocoa drinks mixed with chili. Aztecs used cacao beans as currency, paid soldiers as a success in battles, and used it for rituals. In 1519 Hernan Cortez visited the court of Moctezuma in Latin America. He brought cocoa beans back to Spain, where they used them as an aphrodisiac. After realizing mixing chocolate with other ingredients such as vanilla honey, and sugar, chocolate became so popular that every household was not complete without dedicated chocolate goods. In 1828 Coenraad van Houten of Amsterdam introduced an invention called the cocoa press which could separate the natural fat and cocoa butter. That left a cocoa powder that could be mixed into a drinkable solution or cocoa butter to make the chocolate we know today [4, 5].

#### **3.1.2 Basic Data and Statistics**

According to the Food and Agriculture Organization of the United Nations, 4.6 million tons of cocoa beans were produced worldwide in 2013. “The global chocolate market size was valued at USD 130.56 billion in 2019” [6]. If we look at the data by region from 1993-2013, the first place takes Africa with almost two-thirds of the production

worldwide. The second most significant region is Asia with 18%, so the difference is very substantial. The country with the highest production is Ivory Coast which produces almost 1.3 million tons of cocoa beans. The total production has increased four times since 1961. That shows us how the chocolate industry has reached its potential to the highest level in those 60 years.

The biggest exporters in the chocolate industry can be found mostly in Europe. Countries like Belgium or Netherlands are well known for their superior quality. But the highest exporter is Germany with almost 3.8 billion dollars. The countries that rank as the top ten exporters take 70 percent of the entire world's production.

On the other hand, we also have to take a look at the importers. According to Food and Agriculture Organization of the United Nations, there is a lower variance between the top ten importers (around 53%) and the rest of the world. First place is taken by the United States of America (about 2 billion dollars), followed by Germany, the United Kingdom, and France [7].

### **3.1.3 Chocolate production process**

The story of chocolate candy starts in cocoa plants, where the harvest process starts. Cocoa comes from cocoa trees which grow around tropical regions surrounding the equator. The matured seed is 12-30 centimeters long, wide 8-12 centimeters, and around 400-600 grams [8, 9]. It grows five months, and during the 6<sup>th</sup> month, the seed keeps changing its color from green to yellow up to reddish-brown. The main harvesting is set in May and November and strictly only by hands [10]. The farmers cut beans off the trees and then peel them off with a knife. Another step is called fermentation. "Fermentation uses the process in which a substance breaks down into a simpler substance. Microorganisms like yeast and bacteria usually play a role in the fermentation process, creating beer, wine, bread, kimchi, yogurt, and other foods" [11]. During the fermentation, the seeds are put in large trays or cover with large banana leaves. After fermentation, the seeds must dry. Completely dried cocoa beans are scooped into cocoa bags, and they are shipped to chocolate manufacturers. Once they get into big factories, the cocoa beans are roasted. This process evolves the color and flavor, which we find similar in regular chocolates. Then the cocoa bean's shell is separated, and the inner cocoa bean is broken into small pieces called cocoa nibs. The cocoa nibs are then ground into cocoa liquor. This process is called

grounding, and it basically generates heat which melts the dried cocoa nibs into a lovely smooth liquid with a high concentration of fat. The last step is to blend the cocoa liquor with milk, sugar, cocoa powder, and cocoa butter. It depends on what kind of chocolate the factory wants to make at that time. Factories can create three types of chocolate, dark, white, or milk chocolate. Once that all is done, the final version of chocolate goes through a process called molding. It cools and helps the chocolate to get into a different shape. After all that, it is packed and distributed to the whole world [12].

#### **3.1.4 Conditions for cacao trees to grow**

The conditions are not very easy for the cacao tree, also called *Theobroma Cacao*. This tree is a tropical and susceptible plant that requires temperatures from twenty up to thirty-two degrees of Celsius with a high amount of rainfall of 1250 mm to 3000 mm per year, with a dry period of no more than three months. The cocoa plants are located around the equator in a range from 10° north to 10° south [13]. Cacao grows in shaded rainforest areas. Therefore, each plantation is covered with higher trees surrounding the cocoa trees with shades and protects them against wind [14, 5].

## **3.2 Ethics in chocolate production**

### **3.2.1 Business Ethics**

First, I would start with some basic Introduction. The origin of the word Ethics can be found in Greece *éthos* which could be translated to manners or habit. Ethics examine the morality and moral behavior of a person or company. It defines what wrong or right behavior and decision is [15].

Business ethics takes place in the morality of business activities. There are some fundamental roles which we can sum up. To analyze the dynamics of value creation and value acquisition in organizations and the free-market economy, what and how decisions should be made in organizations. To critique the process of value creation in organizations and the free-market economy. Some writers claim that the concept of business ethics has become too involved with the interests of business to be critically concerned. Recommend

the values that should hold in organizations, hopefully in conjunction with experience, social science research, and social scientists' findings [16].

Business ethics are useful methods and attempt to resolve society's ethical problems or shortcomings that businesspeople or civic leaders have neglected. These normative questions are at the forefront of societal discussions about the proper positions for business in society. Norms can help managers create social outcomes and balance multiple interests. Managerial affairs must be governed by agreed social values and concerns [17].

Basic ethics, unfortunately, has two similar meanings but may lead to misunderstanding. The first definition is literally organizational ethics. Still, with the addition of a competitive market climate, we refer to the ethics of people employed inside a company in the word business's agreed meaning. The topics to be addressed are typical in competitive and non-competent contexts. Talking about organizational ethics is more helpful. We can signal it by using the word business ethic if we speak about ethical dilemmas present in a competitive setting [16].

It must be clear that whatever you may think about it, business ethics are essential. This is essential for big multinationals like McDonald's, Nestlé, Shell or HSBC, and other groups. Some of the problems are necessarily related in different forms, while others are significantly different. In *Figure 1*, there are some sectors and their key issues. Every sector has foreign key issues [18].

Sector	Key issues
Chemical industry	Competitive practices, environmental responsibility, health and safety, human rights.
Construction industry	Employment issues including modern slavery, health and safety, provenance of raw materials, environmentally sustainable construction (waste reduction, demolition, energy saving, CO <sub>2</sub> emissions), community and supply chain relationships.
Supermarkets	Healthy eating (especially sugar and salt content and pricing strategies), food and packaging waste (especially plastics), power in supply chain relationships, supply chain CO <sub>2</sub> emissions, community relationships, local economic decline of town centre locations.
Information and mobile technology	Competitive practices, fair pricing, global production methods, data protection, protection of consumers (especially children) from harmful materials, energy usage, and CO <sub>2</sub> emissions.
Financial services	Weak regulation, financial crime, responsible lending, sales practices and consumer protection, tax evasion and avoidance.

*Figure 1: Key issues in listed sectors [18].*



According to Harrison, the second use of Business ethics is more used to describe the business itself as a separate entity competing in a market. The term 'market ethics' is also used about the ethical issues of doing business in general. The acts of the business organization are the actions of individual entrepreneurs, administrators, and workers. If we are mindful of potential misunderstanding, it can help discuss company ethics in a competitive business context [16].

### **3.2.1.1 Unethical behavior in organizations**

Unethical behavior is an act that causes damage and injury to others and is "either illegal, or morally unacceptable to the larger community" [19]. Others say that several social and individual factors are related to unethical behavior, such as social relationships, unique difference characteristics, the moral issue, and the organization [20]. There is a growing presence of unethical incidents affecting many companies and institutions. We face a significant crisis of ethics in western nations because of poor ethical conduct. This refers to businesses, government officials, clients, and workers. High levels of ethical breaches are of extreme concern. Ethical choices are an inherent part of the employees' work. It is proposed that ethical decisions that are made give us a call for the three values of individuals:

1. "The competence to identify ethical issues and evaluate the consequences of alternative courses of action."
2. "The self-confidence to seek out different opinions about the issue and decide what is right in terms of a particular situation."
3. "Toughmindedness—the willingness to make decisions when all that needs to be known cannot be known and when the ethical issue has no established, unambiguous solution." [21]

What are the cultural or social influences that are followed by these qualities? The student's belief structures, locus of influence, Machiavellianism, and cognitive moral growth can impact how ethical the participant is [22, 23].

## 3.2.2 Ethical Issues

### 3.2.2.1 Slavery

#### 3.2.2.1.1 Slavery in general

The history of slavery dates back up to prehistoric times. However, slavery is not the only term of the past [24]. Even though slavery is prohibited in all countries worldwide, there is still a chance that tens of millions of people live in some way of slavery [25]. However, the meaning of the term slavery has been inconsistent and variable throughout its existence. Slavery is most commonly associated with seeing people as something that can be used as a commodity [24]. Modern slavery often involves human trafficking, the use of child labor, or compulsory labor. Another form can be holding a person in a position of slavery or servitude [26, 27].

#### 3.2.2.1.2 Slavery in numbers

Contrary to systematic slavery on Caribbean cocoa plantations in the 19 century, slavery in cocoa farms is now intermittent and sometimes difficult to locate [26]. The data available about the number of slavery people are very distinct. According to ILO (International Labor Organization), there were around 21 million people in slavery in 2012 (*Figure 2*), with 11.4 million women and girls [28].

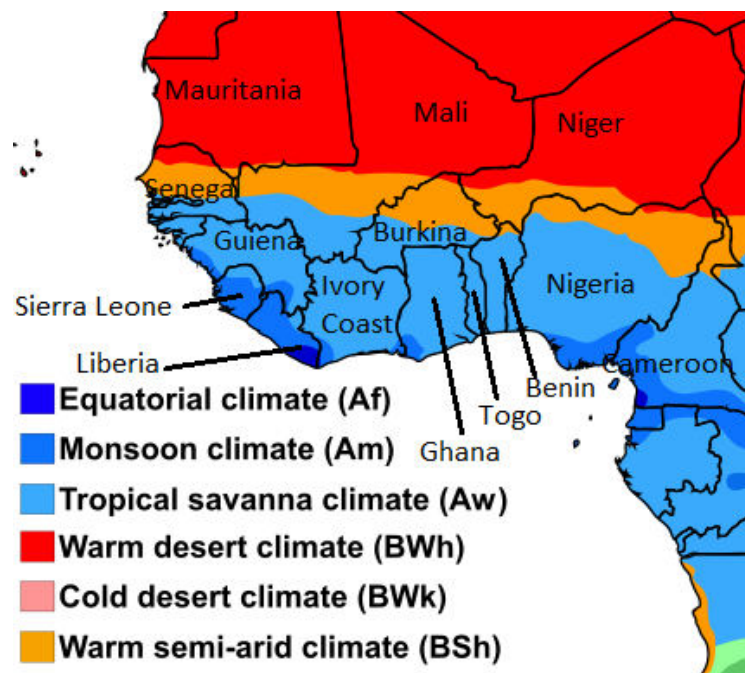


*Figure 2: Number of victims of forced labor according to ILO [28].*

According to the Walk Free Foundation, the estimates for 2013 are a total of 29 million slaves. A year later, the forecast was increased by 7 million, and in 2016 this estimate is again increased to 45.8 million [25]. Recent studies produced by the ILO estimated the number of victims of slavery at 40.3 million in 2016. This figure includes data on forced labor (24.9 million) and forced marriage (15.4 million), with one in 4 victims of modern slavery being children [29, 25]. This indicates that more slaves exist today than in previous times in human history. Still, as a proportional percentage, less of the global population is enslaved than in the earliest legalized slavery periods [25].

### 3.2.2.1.3 Factors influencing slavery

There are many causes of slavery. Modern slavery is shaped by hierarchical social structures, familial duty, and relations with the state. One of the primary factors of, especially child labor, is poverty. Around 57% of the Ivory Coast population must come out with only less than \$1.90 per day. On the other hand, in Ghana, it is only \$0.54 per day. Farmers often do not have the money needed to hire workers, so they rely on family members, including children. The situation is not contributed by the low value of the profit (only 4% of the price for each bar of chocolate sold). And because in Côte d'Ivoire and Ghana, cocoa is a cornerstone of the economy, poverty persists among these farming



*Figure 3: Climate zones leading to Migration [34].*

communities. Another problem is economic, social, political influences, migration, and stateless people [26]. The interplay of several factors often influences the emergence of migration at once. An example is West Africa (*Figure 3*), where climatic conditions, oppression, and wars contributed to the origin of migration [30]. Meanwhile, the smaller countries, in terms of an area not in population, dispose of better conditions. Whether it is a seaside condition or climate condition. On the other hand, the north countries such as Mali, for example, are covered by the Sahara Desert, which keeps extending [31, 30].

### 3.2.2.2 Child Labor

There needs to be a clear definition of child labor before we can discuss this topic. When people hear the term child labor, they think of children packed into factories, sold as slaves, or forced into prostitution. Fortunately, because many children work, very rarely do they experience such horrific traumas [32]. The International Labor Organization (ILO) is an international organization that is answerable for tracking child labor, and they estimate that in 2004 there are over 218 million child workers in the world [33]. Most of these working children help at home, on the family farm, or in the family business. One major portion of the Economics research that child labor tends to focus on these more commonplace activities, the majority of which are reportable and reported by children themselves and the typical types of activities children perform easy to come across statistics on. Whether the types of activities that children are typically involved in are harmful or beneficial to children and others is a matter of debate [32]. Children in Côte d'Ivoire are engaged in the worst kinds of child labor in some cases due to human trafficking, including cocoa and coffee. Thanks to being at work all day, kids do not visit schools as often as they should [35]. See statistics in *Figure 4*.

Children	Age	Per cent
Working	5-14 years	39.8
Attending School	5-14 years	53.6
Combining Work and School	7-14 years	24.3
Primary Completion Rate		58.6

*Figure 4: Statistics on Working Children and Education [35].*

To employ farmers that cannot leave the farms or chocolate plantations is simplified as forced labor in the form of slavery [36]. This form of employment is strictly prohibited by the International Labor Organization [37].

One of the key confessions from the organizations from West Africa is that children were not only being forced to work but were also being mistreated on cocoa farms and were being trafficked by cocoa farmers and their agents [38].

#### 3.2.2.2.1 The average salary of a farmer

The part of a problem is structural poverty in the cacao industry. The average daily salary for farmers is less than the poverty line in Ivory Coast and \$0.54 in Ghana in 2015. The poverty line approved by the world bank still rises. In 2015, the poverty line was updated to \$1.90 per day, and that is where it currently stands [39]. According to Fairtrade, it should be up to \$2,50. In Ghana, there is a system called the Hybrid System of Liberalization [40]. This system helps the farmers in Ghana sell the cacao beans to the government's central storage controlled by the government in Ghana. Despite the fact, farmers do not have to wait or look for a buyer not to lose an income. It also prevents the abuse of a vulnerable position of the farmers.

#### 3.2.2.2.2 Dangerous Conditions

“It is estimated that around two million children are engaged in hazardous child labor in Ivory Coast and Ghana – using machetes and toxic chemicals and carrying excessive loads” [41].

Cocoa harvest was identified for children 17 years of age or younger as a dangerous occupation. Several non-governmental entities and associations have targeted and highlighted concerns about harmful practices in chocolate and cocoa producers. In order to address these problems, the International Institute of Tropical Agriculture (IITA) undertook a significant study of the cocoa production practice in West Africa in 2001. Children and young people participating in cocoa manufacture participate in behaviors that put them at risk for inhibitor and organochloride poisoning acetylcholinesterase, acute major and minor injury, and musculoskeletal disturbance by grabbing a big load of cocoa beans. Kids usually work with sharp tools, and they are exposed to the pesticide wearing no protective clothes [42].

### **3.2.3 Corporate social responsibility in chocolate production**

CSR's central concept involves businesses managing their relationship with society. CSR scholar Howard Bowen described it as corporate social responsibility obligations to pursue the policies to make such decisions or obey the acts that are beneficial in terms of our community's goals and values [43].

Social responsibility is a concept that can be interpreted in various ways. Essentially it means a private company has obligations to society that go beyond the manufacture of products and services at a profit. The concept of a company having a larger constituency is beneficial for the citizens of the nation. It also means that businesses contribute to society by more than just marketplace transactions and to fulfill multiple ideals such as social and environmental ones. Companies have a legal duty to put money into solving society's social problems. Ultimately, the idea of social/ethical accountability is a person's ethical obligation compared to others. Philosophy of welfare critically examines the main notions of human interest and stresses the social aspects of business operation that contribute to improving the human quality of life. The UN's Global Compact offered businesses a mechanism to be concerned with social, cultural, and environmental implications and pay some attention to these. The word "responsibility" means society needs its business entities to act in ways to improve the quality of life within their own respective companies and create social change, or maybe improve the social landscape of which the business should operate. When it comes to company matters, there is a requirement for where companies should go and the policies they should follow [17].

One way "corporate social responsibility" is used is to help fight poverty in the developing world by accumulating resources and donating them to various charitable organizations. Although the ongoing globalization of economic conditions is probably partly responsible for this huge disparity, other aspects of globalization such as colonialism and subjugation of the West's developing world are sometimes forgotten. International non-governmental organizations (INGOs) also provide services or provide programs that are conducted in developed countries. They receive a portion of their funding from Western governments, foundations, and individuals. However, much of their budget comes from Multilateral Institutions such as the United Nations Agency for International Development. Non-Profit Industrial Organizations are afflicted by the non-profit industrial complex (NPIC), which has curtailed their abilities to lead social change because of tacit

and explicit limits on their funding sources from supporters, corporate or otherwise. They may not sufficiently resolve CSR policies' shortcomings that leave some nations and other companies at a competitive disadvantage [44].

### **3.2.3.1 CSR towards stakeholders**

According to Harrison, "The use of the term stakeholder, originally introduced into management theory as a contrast to a shareholder, indicates a willingness to consider an organization as having moral responsibility towards a potentially wide range of individuals and organizations [16]."

Organizational stakeholders are the people, associations, or other organizations that are influenced by the organization's interests. For example, these are employees, customers, suppliers, local communities, and the government. Additionally, it should be clear, as one starts to focus on individual stakeholders, dynamic network effects take shape. The ability of a union to influence the whole industry is a given, and so is the government's obligation to help everyone else. For one thing, if a company decides to enter into a joint venture with a supplier, then all their workers will be in trouble, and so on. Interaction between network models may yield useful insights in supply chain models, as well as any direct emphasis on stakeholders. In order to succeed, all organizations must have several channels for market entry. International conceptions of fairness are becoming more relevant as Exchange becomes more complicated. It poses several vexing dilemmas for any company, for example, about procurement of cheaper materials and manufacturing in some countries and deplorable conditions. A substantial loss of employment in countries can occur, as can be significant gains to developing economies. It can pose problems for customers to purchase moderately priced products from farmers and suppliers who live in rural areas [16].

### **3.2.3.2 Non-profit Organizations**

#### **3.2.3.2.1 Fairtrade**

Fairtrade (See logo in *Figure 5*) is a labeling campaign to help developed countries by giving better terms to manufacturers and organizing. Despite the relatively limited share of Fairtrade certified goods in the global economy, Fairtrade has grown very fast over the past decade [45].

According to Hejkrlik, “Fairtrade is a way of producing, importing, and selling products and commodities from economically underdeveloped countries that respect the core conventions of the International Labor Organization (ILO), promotes sustainability principles and distributes profits fairly between employees, manufacturers, importers, and retailers” [46].



*Figure 5: Logo of Fairtrade [65].*

Fairtrade is about lower costs, good living and working conditions, sustainability for farmers and workers in developed countries, and social responsibility for businesses [47].

This phenomenon is associated with the development of modern Fairtrade labels. They created a mark for Fairtrade goods. The system was named “Max Havelaar” after a Dutch character’s fictional character in a story. Over the next several years, the idea of this has been repeated in several other countries across Europe and North America, with many organizations such as Trans Fair and Global Exchange emerging. Since 1997, national labeling efforts created an international organization called Fairtrade International. The common Fair Trademark, first introduced in 2002, is used by many Fairtrade bodies today [45].

### 3.2.3.2.2 UTZ

Another non-profit organization that can be found in Czech grocery stores is UTZ. The logo of the organization is shown in *Figure 6*. UTZ is a certification program for sustainable farming of coffee, tea, cocoa, and hazelnuts. The program is part of the Rainforest Alliance [48].



*Figure 6: Logo Of UTZ [50].*

This certification is intended to show consumers that products have been obtained from the farm to the store (from farm to shop shelf) in a sustainable way. To get UTZ certification, farmers and suppliers must follow a certification standard that includes reasonable agricultural practice requirements, working conditions, and nature care. All results are then reflected in better production and in better social situations or the environment. This fact is illustrated in *Figure 7*: “All of the actions



taken in the UTZ program lead back to and what drives us forward” [54]. Regular audits then ensure compliance with the UTZ program standards [49, 26].



*Figure 7: UTZ programs standards [54].*

In January 2018, the UTZ certification organization merged with the Rainforest Alliance. The organization believes that it can achieve much more influence if they join forces and be a better partner to the many stakeholders they work with [49].

### 3.2.3.2.3 Rainforest Alliance

It is an international non-profit organization headquartered in New York. Its goals are to promote responsible business the way we used to and then shift it to actively participate in making the responsible business the new standard in the world [51].

The company’s logo (*Figure 8*) is expected to give the public awareness of goods that help to realize a better future for people and the world. This “Rainforest Alliance” advertisement assures that a product has been



*Figure 8: Logo of Rainforest Alliance [53].*

produced sustainably. Environmental, physical, and social to all. Therefore, they must conform to the standards of the Sustainable Agriculture Standard. The regulatory standards are then vetted by auditors [52].

The organization intends to preserve forests and the atmosphere as well as make a positive and lasting contribution to sustainable development and improving living standards [51, 26].

### **3.3 Chocolate Corporates**

According to Podsiadły, the chocolate market is one of the largest in the world. The wiperes constitute about 55 percent of the sweets' market value, which were valued at \$187 million in 2017. Therefore, the chocolate industry is a great area for entrepreneurs. "Mars Wrigley Confectionery (\$18 M), Ferrero Group (\$12.39 M), Mondelez International (\$11.7 M), Meiji Co Ltd (\$9 M), Hershey Co (\$7.77 M), Nestlé SA (\$6.13 M), Lindt & Sprüngli AG (\$4.37 M), Ezaki Glico Co Ltd (\$3.32 M), Pladis (\$2.81 M) and Kellogg Co (\$1.89 M)" [55].

The chocolate has increased by 62 percent, and anti-kind labor-related strategies are very promising. They have been shown to substantially reduce child labor if action to improve livelihoods is combined with awareness-raising and community surveillance. Nevertheless, child labor causes poverty in the chocolate industry. Farmers use child laborers because they can't afford to hire adult workers. Poverty is a problem related to the multinational buyers' rates who sell the chocolate bars to end-users [45].

"In 2010, the "Declaration of Joint Action to Support the Implementation of the Harkin-Engel Protocol" was signed by the governments of Côte d'Ivoire and Ghana, the US Department of Labor, the International Chocolate and Cocoa Industry as well as US Representative Eliot Engel and US Senator Tom Harkin. It committed the signatories to take steps to reduce the worst forms of child labor in the production of cocoa by 70% before 2020 [63]. "

#### **3.3.1 Programs of Chocolate Corporates**

Chocolate corporates take action in fighting slavery, child labor, and poverty. Every program is a little bit different and focuses on other details. The life of cocoa farmers is

playing an important role when it comes to the public sector policies of the chocolate industry. By these means, many companies are increasingly investing in farmers in the cocoa-growing regions [26].

Many chocolate and cocoa firms initiated their sustainability programs. There is no publicly accessible overview of companies, and only a few have begun to publish investments in sustainable cocoa supply. Numbers are likely double-counted because chocolate companies can both count their involvement [58].

### **3.3.1.1 Cacao plan**

Cocoa Plan is the cacao sustainability flagship in Nestlé company. The Nestlé Cocoa Plan helps strengthen farming practices, improve farmers' quality of lives, and the quality of its cocoa bean supply. In 2013, 43% of the cocoa beans purchased by Nestlé came from the Nestlé Cocoa Plan. All Nestlé Cocoa Plan farmers are approved, primarily by UTZ, and 90% of their cocoa beans earn an additional premium. Nestlé worked with International Cocoa Initiative to pilot a child labor surveillance system and scale it up through Nestlé's supply chain [26].

### **3.3.1.2 Lindt and Sprüngle farming program**

Lindt and Sprüngle farming program say, "High-quality cocoa beans are the heart of our chocolates. We want to know where those beans come from and what the conditions are on the ground [56]". The program started in 2008 in Ghana to focus on developing the community and traceability. The program has 392 field staff in Ghana, and they work straight with farmers. They concentrate on social conditions, increasing the quality of cocoa beans and productivity. The Lindt and Sprüngle visit farmers in the program annually to witness the progress and monitor any labor grievances. Lindt and Sprüngle focus more on taking cocoa beans in Ghana and not taking any cocoa beans from Ivory Coast because child labor and child trafficking are less frequent In Ghana [26].

### **3.3.1.3 Cocoa for Generations**

Cocoa for Generations is a program developed by Mars company. Mars wants to create a sector where farmers have an opportunity to thrive. The environment is meant to

be safer, and human rights are respected [57]. Mars works to expand access to education. By financing the building of 16 latrines, 23 school restaurants, the construction of twelve classes, and the rehabilitation of another five school blocks. Mars recently founded the Farmer Income Lab, which will lead research and discussions on how to attain a higher income for cocoa farmers. Currently, Mars plans to raise the farmer's income with agricultural pieces of training [26].

### **3.3.2 Strengths and Weakness**

The biggest companies allied, and they acknowledge child labor as an issue. They try cooperating within the CocoaAction and discuss this problem. They make progress in sustainability which is considered as the right way to achieve the goal. They keep investing more money into community development to solve their problems with birth certificates and schooling in rural areas. They understand it is necessary and vital to support farmers in achieving their goals.

On the other hand, there are also weaknesses on the side of big companies. There is still no aid to help the farmers from extreme poverty. There is a significant problem with overlapping. That means that farmers enroll in more than just one manufacturer and production programs, which inflates industry intervention benefits. Due to missing some form of transparency, it is difficult to understand how much revenues go to the farmers and other stakeholders. These programs are good, but there is still a lot of work in front of them by extending them to make a significant difference for the kids and the communities [26].

### **3.3.3 Relationship toward CSR**

There is no strict rule on how companies should manage their CSR. Despite this fact, every company imagines CSR differently. Some of them are more benevolent, some of them are not. The World Bank recommends CSR usage in developing countries with lower income with rich in raw materials. Unfortunately, corporations focus more on profits than improving relationships in particular communities [63].

In 2008, the ILRF released a protocol that says that chocolate companies ultimately failed compliance with the Harkin-Engel protocol conditions. In the end, all major

corporations with industry associations admitted that tracking and monitoring of child labor in their supply chain are impossible [64].

### **3.3.3.1 Suggestions**

To provide better child labor conditions, it is necessary to change the social and structural access in Ivory Coast. Ivory Coast's government needs to raise cacao's international price so the farmers may have a higher income. In that case, the chocolate industry would be forced to reform its methods. There should be a new mandatory certification system of cacao products because voluntary self-regulation is not effective much. NGOs must take a good look at their programs to ensure that they are not perpetuating the very processes they claim to combat. Acting on development issues, including working and living conditions, is the critical aspect of every industry [63].

## 4 Practical Part

The aim of the practical part of this bachelor's thesis, Ethics in Chocolate production, was to find out the public's awareness of problems in ethics in the context of chocolate production. A survey was used for this practical part.

The data was obtained with a website's help through a google application, available on [www.google.com/forms/about/](http://www.google.com/forms/about/). By using this mentioned way, a sophisticated survey was created according to my specific requirements. The answers of individual respondents, which were obtained in the study, are automatically recorded in this application. The corresponding graphs for the partial questions are then created from the results.

The survey was anonymous, it was designed to be easily understandable for the participants, and its completion did not take much time (3 minutes). The survey was compiled based on the studied issues based on the theoretical part of the bachelor thesis. It was made from 15 questions. The first part of the survey focused on the general information of the respondents. The second part was focused on specific issues.

Due to the current situation (Covid-19), the examination method was chosen only in this electronic form. Individual surveys were sent to a wide group of people of different ages, social status, and different nationalities from other continents, not only from Europe. The survey involved 73 people.

## 4.1 Results and Discussion

The individual results are presented for each question separately. The chapters contain the evaluation of the obtained data not only in numerical values but also using graphs.

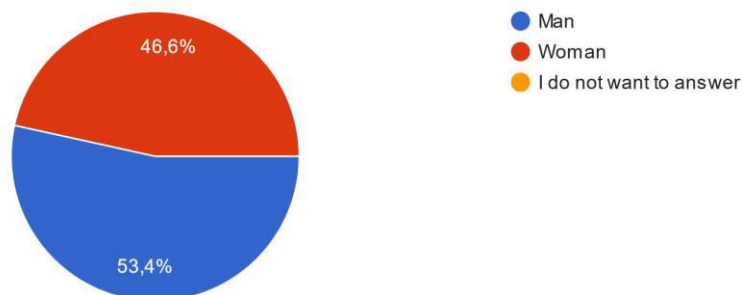
### 4.1.1 Questions in the survey

#### 4.1.1.1 Basic info about a respondent

##### Are you?

My goal in this question was to get the best possible gender-balanced result. This question was answered by 73 respondents, of which 46.6% were women (34 participants) and 53.4% were men (39 participants). The result can therefore be considered almost balanced, which was my goal.

Are you?  
73 odpovědí



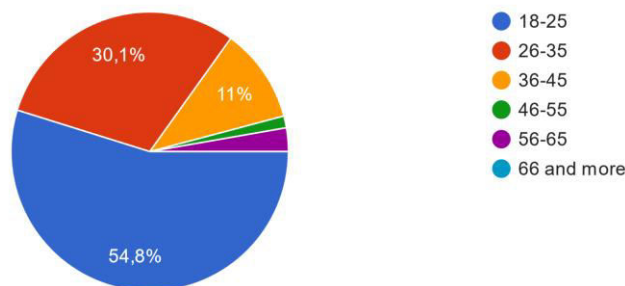
*Figure 9: Results of the gender ratio of the respondents*

## How old are you?

Most of the respondents were students from the Czech University of Life Science in Prague. Therefore 54.8 percent (40 people) of respondents were from the category 18-25 age, 30.1 percent were from 26-35 age due to posting this survey on social media where this category is heavily represented. The age group 36-45 years included 8 participants, which is 11% of respondents, 46-55 years was only 1 participant (1.4%), and 56-65 were 2 participants (2.7%). Unfortunately, there were no respondents in the age category 66+, which could be due to this category's limited access to the Internet.

If I had the opportunity to do this survey again, I would like to include more respondents from the oldest category (age 66 and more) to determine that older people are aware of this issue. I think that the older generation does not know the problem very well. In my opinion, nowadays people get this information through advertisements, media, and other sources. While this was not the case before, and this issue was not so much pointed out back in the time.

How old are you  
73 odpovědí



*Figure 10: Results of respondents' age.*

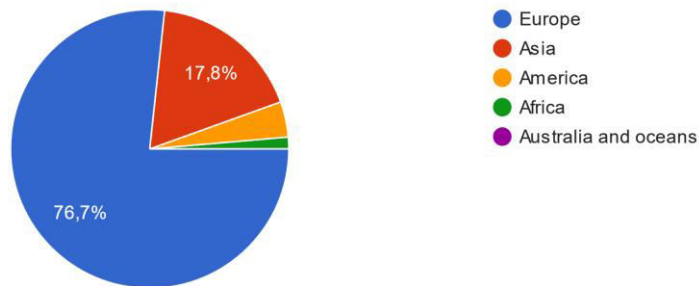


### What continent are you from?

My goal was to get as many people involved from all around the world. Most of them (76,7%), that is, 56 respondents, were from Europe. 17,8% of respondents (36) were from Asia because the representation of Asian students is significant at the University of Life Science in Prague. I received answers from 3 respondents from the American continent, where students from my former studies answered, that is 4,1%. Only one respondent was from Africa, and no one from Australia took it apart.

What continent are you from?

73 odpovědí



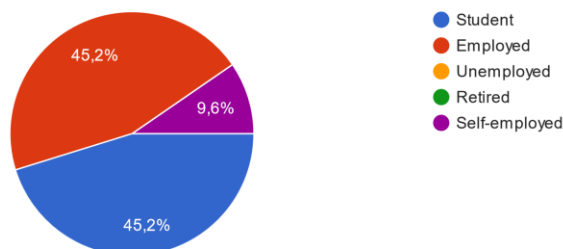
*Figure 11: Representation of respondents by continents.*

### Choose the best option that describes your occupation.

The ratio between student and employee representatives was 1: 1 with 45,2% of 73. Among the other participants were self-employed who took part in 9,6%. On the contrary, unemployed and retired did not participate at all.

Choose the best option that describes your occupation

73 odpovědí



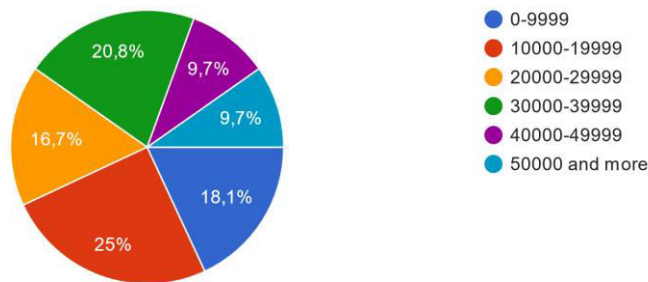
*Figure 12: Occupation of respondents*

### What is your income per month? (in CZK) \$1 is 21 CZK

Although this answer was not mandatory, it was answered almost 100 percent. Only one person did not answer this question. I asked this question to compare if different income groups have any knowledge about Fairtrade or UTZ certification or if they are willing to buy their products.

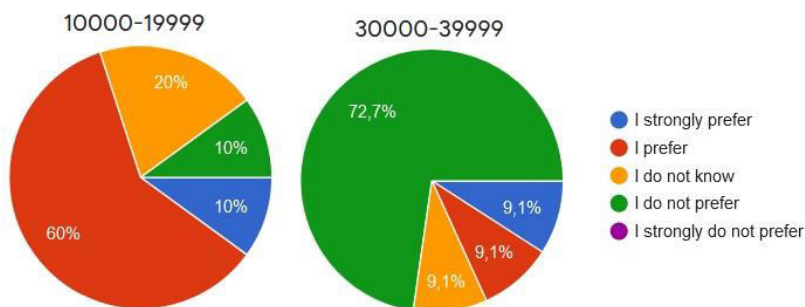
Most of the respondents (25%) answered from 10000-19999 CZK. The second highest response was from 30000-39999 CZK with almost 20.8%. What surprises me a lot is a low percentage of respondents who have their income up to 9999 CZK during a month. I was expecting this number a bit higher than it is. Another high result was in a category from 20000-29999 CZK with 16.7%. Higher incomes over 40000 CZK have around 10% in both categories.

What is your income per month? (in CZK) \$1 is 21 CZK  
72 odpovědi



**Figure 13: Income of respondents**

I compared the two biggest groups and made a different chart to see which income group prefers to buy chocolate with certification. My hypothesis was that the group with higher income would be willing to pay more for the certification, but this theory was not proved in my survey.



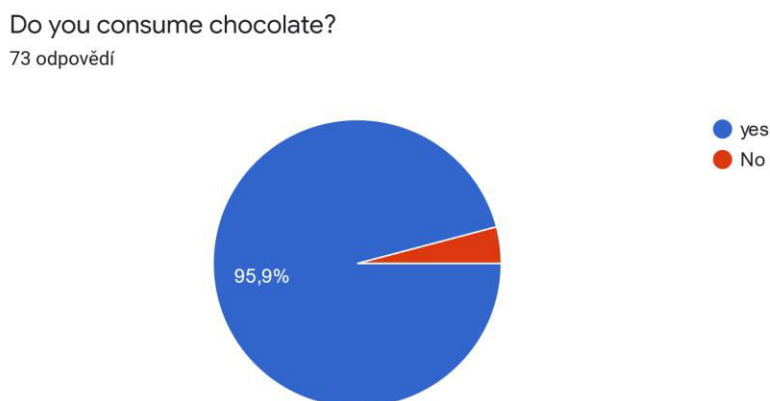
**Figure 14: Comparison of two groups willing to buy certificated chocolate.**

#### 4.1.1.2 Consumption and buying chocolate

##### Do you consume chocolate?

The question about the consumption of chocolate was asked to point out the fact that it is a trendy commodity across the entire population. The results are not so surprising. I assumed that the answer would not be 100 percent “yes” due to the different nationalities involved, in which chocolate is not so preferred. Only 4.1 percent said they do not consume any chocolate. This percentage consisted of only three people out of all 73 respondents. Others, more than 95 percent, confirmed that chocolate is a popular commodity. However, the question remains whether all respondents know the issue of ethics in the chocolate industry and whether their knowledge would affect chocolate’s popularity.

According to Szogey’s study, women prefer chocolate more than men [61]. In my survey, the results of this study were not confirmed. Two out of three respondents who answered that they do not consume chocolate were women.

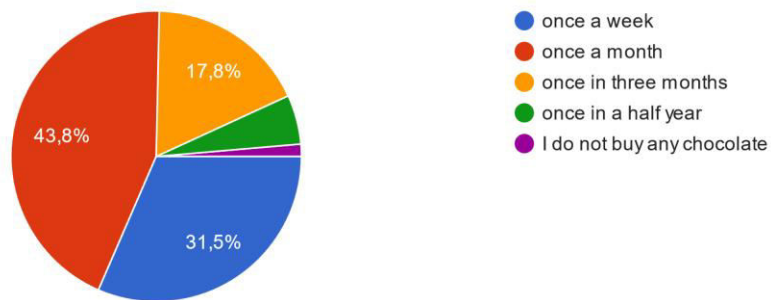


**Figure 15:** Number of respondents consuming chocolate.

### How often do you buy chocolate?

In this question, 43,8% of respondents answered (once a month), and another 31,5% of respondents answered (once a week). We can confirm that chocolate is a very famous type of respondents' food. Only one person responded, (I do not buy any chocolate).

How often do you buy chocolate?  
73 odpovědí



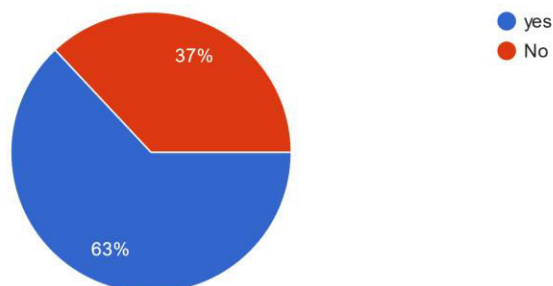
**Figure 16:** How often respondents buy chocolate.

### 4.1.1.3 Non-profit organizations and cacao programs

#### Do you know Fairtrade or UTZ?

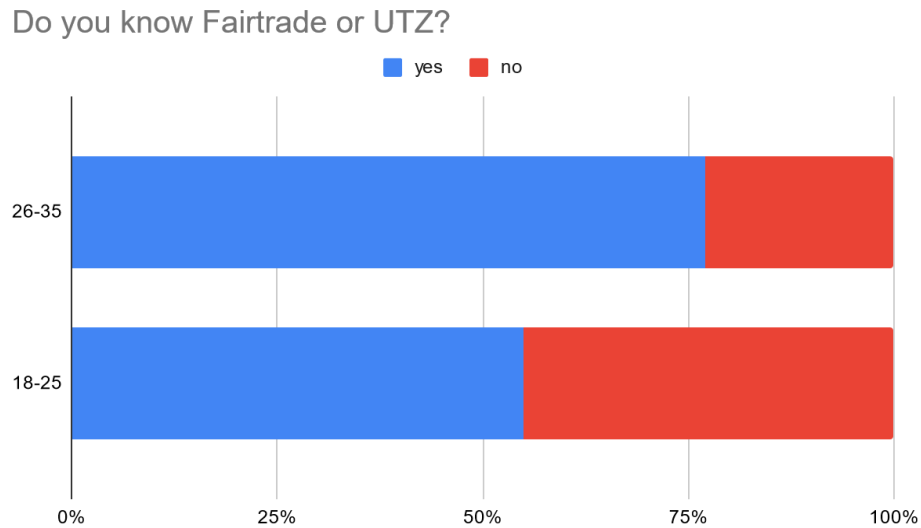
According to Taylor's survey, 58% of respondents agreed that they know Fairtrade [60]. In my survey, 63% of respondents answered "yes" as an option if they know Fairtrade or UTZ. In both cases, most of the respondents knew Fairtrade or UTZ. The number could have been more significant due to asking if they know at least one of two organizations.

Do you know Fair Trade or UTZ  
73 odpovědí



**Figure 17:** Number of respondents who know Fairtrade or UTZ

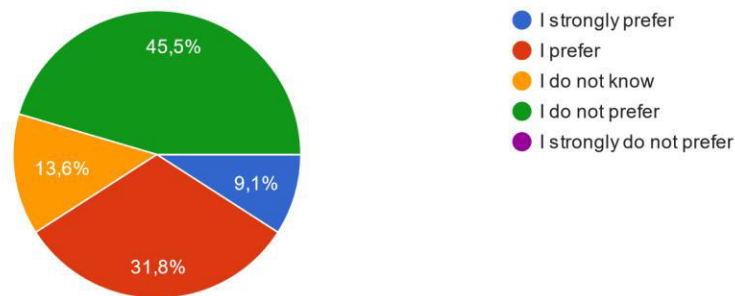
My goal was to acknowledge how each age group knows Fairtrade or UTZ. Between the two biggest age groups belong group from 18-25 and 26-35. As the graph shows, the 26-35 group know these organization better than the younger respondents.



**Figure 18:** Knowledge of Fairtrade or UTZ by different group ages.

**Do you prefer buying chocolate with the Fairtrade or UTZ certification?**

Do you prefer buying chocolate with the Fair Trade or UTZ certification?  
44 odpovědí



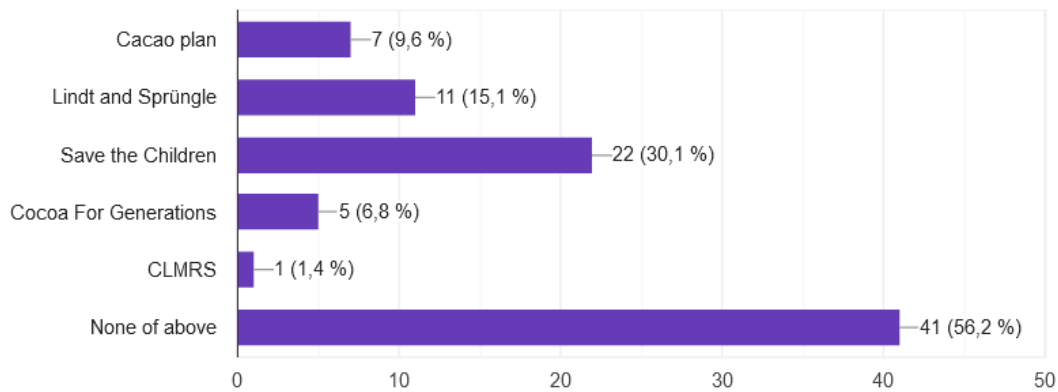
**Figure 19:** How much respondents prefer to buy chocolate with certification

This question was only for the respondents (44) who answered if they knew Fairtrade or UTZ. More respondents (20) responded that they do not prefer second place take respondents who prefer (14) to buy chocolate with any certification. Even if we add the

option “I strongly prefer”, four respondents, we will still not have more respondents than those who do not prefer. Six respondents answered, “I do not know”.

### Have you ever heard about these programs?

In this graph, as I predicted, we can see that more than half of people have never heard about any of these programs. The second place takes the answer (Save the Children). The main goal was to prove that people do not know any of the giant chocolate corporates’ programs such as the Cocoa plan, Lindt and Sprüngle farming program, Cocoa for Generations, and CLMRS. Save the children is a non-profit organization. That is why I expected that some respondents would know them. This question also proves that large chocolate corporates do not even try to let people know that they take care of this problem with child labor and others.

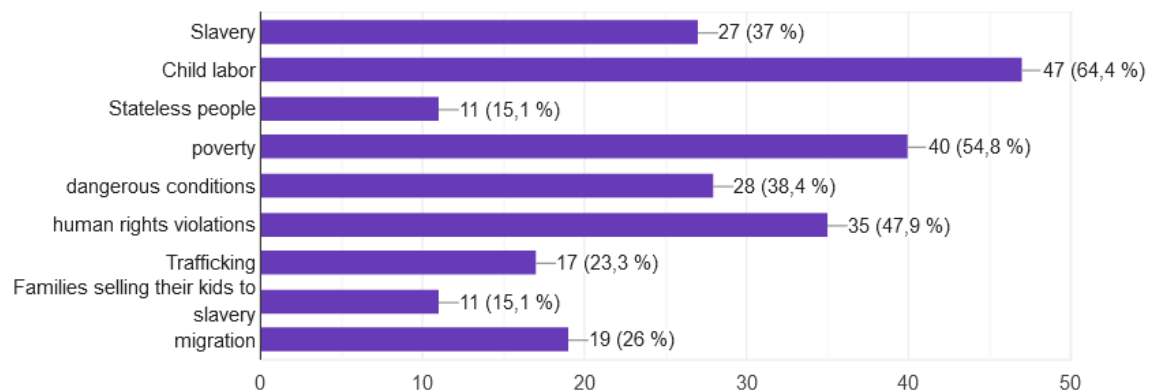


*Figure 20: Knowledge of programs*

#### 4.1.1.4 Ethical questions

**Have you ever heard (in TV, media, radio, Internet, etc.) about the following issues common to chocolate production? Please choose as many as you heard.**

Among the most frequent answers to the respondent was Child labor, with 47 replies. Another answer which was over 50%, was poverty, with 40 responses. Less conscious was slavery and dangerous conditions on the plantations. Stateless people (11) and families selling their kids to slavery (11) received the least answers. The second mentioned does not surprise me so much. I believe that most of us cannot even imagine that anyone would be able to sell their children for an extra income. The result, which surprised me a lot, was that human rights violations did not exceed 50%.



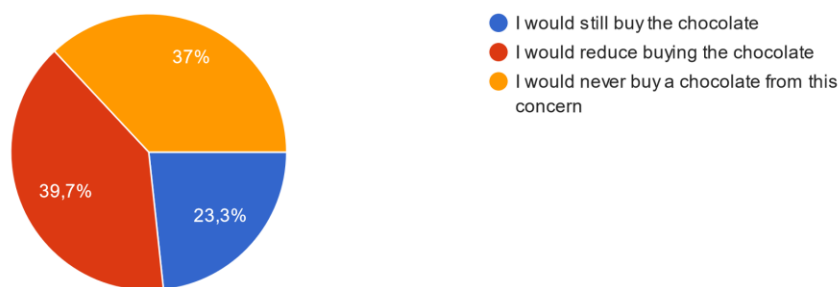
**Figure 21:** Knowledge of issues common to chocolate production

**How would you react if you saw a document where your favorite chocolate concern is proved to buy cacao beans from a chocolate plantation where the kids work?**

In this case, we can see that around 77% of respondents would hesitate to answer this question and evaluate some consequences of it. From these 56 respondents, almost half would completely stop buying the given product from a given company. On the other hand, every fourth person would still continue to buy the chocolate. This question had to point out how people can decide based on some knowledge which was given to them. This knowledge can make a significant decision during shopping whether to buy any commodity, not just chocolate. We established that more than 75% of people buy chocolate at least once in a month in a previous survey. I do not assume that the amount of purchased chocolate would decrease. Still, there is a probability that the ratio of purchased Fairtrade or UTZ chocolate would rise at the expense of chocolate which would not have any certification.

How would you react if you saw a document where your favorite chocolate concern is proved to buy cacao beans from a chocolate plantation where the kids work?

73 odpovědí

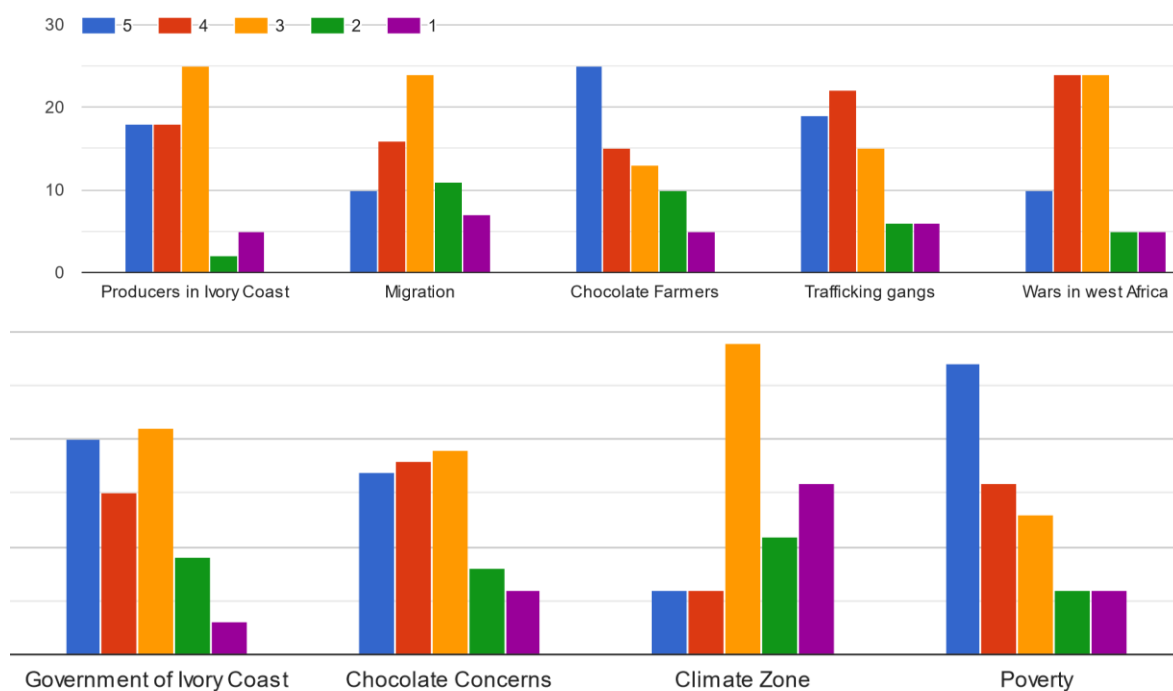


**Figure 22:** Reactions of respondents if they saw a document where child labor happens



**In your opinion, how responsible are these subjects for child labor in Ivory Coast?  
(5 is the most responsible a 1 is less responsible)**

In your opinion, how responsible are these subjects for child labor in Ivory Coast? (5 is the most responsible a 1 is



**Figure 23:** Responsibility of each subject by respondents.

This question's results are summed up according to what respondents think is the most responsible factor for child labor.

**Table 1:** Score of each subject.

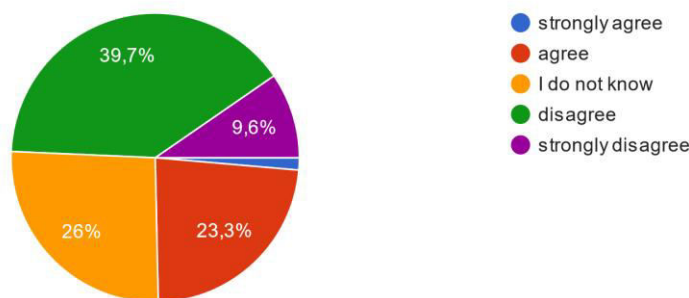
Position	Score	Subject
1st place	277	Poverty
2nd place	265	Trafficking gangs
3rd place	265	Producers in ivory coast
4th place	264	Chocolate farmers
5th place	262	Government of Ivory Coast
6th place	250	Chocolate concerns
7thplace	250	Wars in Africa
8th place	229	Migration
9thplace	193	Climate zone

According to Samira, the immense responsibility in child labor is poverty. Another huge problem is with Chocolate companies which abuse the current situation. Another huge part of extending the child labor in West Africa is trafficking gangs which keep stealing kids to Ivory Coast from other countries [62]. Comparing it to my survey results, we can say that respondents had the same view on poverty and trafficking gangs as the biggest responsibility in child labor. On the other hand, they preferred the next three subjects before chocolate corporates.

**Do you agree that you can save the children in the chocolate plantation by not buying chocolate?**

This question is not that simple as it seems. 23.3% of respondents agree that they can help the children by not buying chocolate. There is a rule that almost every one of us heard at least once in a lifetime, and that is if you do not like something, then do not support it. But in this case, it might not be accurate. When people got disturbed by the idea of chocolate being harvested by child slaves, they were outraged. The US senators wanted to add an amendment to the Agricultural Appropriations bill in 2001. This bill was supposed to arrange those chocolate products would need to have a label that would confirm that this chocolate was not made because of child slavery. The chocolate industry protested by saying that consumers would stop buying chocolate altogether, which would only hurt the chocolate producers more. The fewer revenues they will get, there is higher chance they will use more slaves [59].

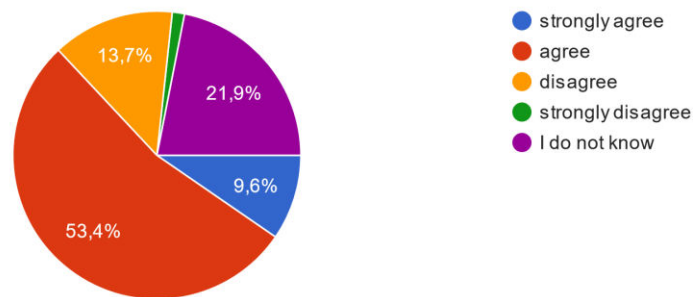
Do you agree that you can save children in chocolate plantation by not buying a chocolate?  
73 odpovědí



**Figure 24:** Saving children by not buying chocolate.

**How much do you agree big chocolate companies only say they help kids and their families by promoting their PR.**

How much do you agree big chocolate companies only say they help to kids and their families for promoting their PR  
73 odpovědí



**Figure 25:** *Chocolate companies promoting their PR.*

In this graph, we can clearly see that more than half of respondents agree that big chocolate companies only say that they help increase their image and corporate social responsibility. Other 10% strongly agree with the question. Respondents who answered “I do not know” either cannot answer, or they simply have no idea what to think of it.

In my opinion, it is much easier for chocolate companies when the customers will not know about the current issue. Suppose the companies began to promote fighting child labor and other problems related to that in West Africa. In that case, the situation could have been brought to the attention of people who would never hear of it.

## 5 Conclusion

Chocolate is a significant aspect of the life of many people all around the world. It is usually associated with a positive effect. Unfortunately, the chocolate also has the other side of a coin. Child labor and modern slavery play a massive part in this common ethical issue of all stakeholders. Today's business world is mainly about success, getting the most advantageous offers, selling the product with the most generous possible margin, and being as profitable as possible. All of this is at the expense of countries with lower social status, such as the Ivory Coast and Ghana. Any responsibility for deteriorating conditions is circumvented by large corporate companies' PR or by completely ignoring the issues. This problem then affects the entire supply chain, which ends in a cocoa farmer with a minimum wage per day below the poverty line, which is set at \$ 1.90. As a result, he cannot afford to pay the farmer, and there is a high probability of child labor occurs. Not one organization is defined against this treatment. Most of them are non-profit organizations, but government officials of some countries are also interested in the issue. They are pushing for new legislations which try to prevent child labor and modern slavery. Non-profit organizations then help farmers maintain better conditions for working on plantations, their development of social services in the community, and the sale of cocoa beans at a price that will benefit both parties.

In a practical part of this bachelor thesis I realized that participating respondents are somewhat aware that there are some related problems with chocolate, such as poverty, child labor, or human rights abuses. Nevertheless, they buy chocolate in the store without any certification and unknowingly support companies that do not sufficiently solve West Africa's problem. The improvement of the situation happens when society is pushed by scandalous detection. People are then more able to reduce the given products or stop buying them altogether. Unfortunately, there is no prominent person in the Czech Republic who would be able to solve the given problem and draw attention to it. Companies do not want to solve and promote fighting child labor to a greater extent, as they are afraid that it would result in a greater degree of absence of purchasing the chocolate. I do not say that it is necessary to stop buying chocolate, but it would be wiser to think about what chocolate you will buy. By purchasing the chocolate with certification, we can know its origin and make sure that we moved forward to a developed society.

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## 7 Appendix

1. Are you?
  - a. Man
  - b. Woman
  - c. I do not want to answer
2. How old are you?
  - a. 18-25
  - b. 26-35
  - c. 36-45
  - d. 46-55
  - e. 56-65
  - f. 66 and more
3. What continent are you from?
  - a. Europe
  - b. Asia
  - c. America
  - d. Africa
  - e. Australia and Oceans
4. Choose the best option that describes your occupation
  - a. Student
  - b. Employed
  - c. Unemployed
  - d. Retired
  - e. Self-employed
5. What is your income per month? (in CZK) \$1 is 21 CZK
  - a. 0-9999
  - b. 10000-19999
  - c. 20000-29999
  - d. 30000-39999
  - e. 40000-49999
  - f. 50000 and more

6. Do you consume chocolate?
  - a. Yes
  - b. No
7. How often do you buy chocolate?
  - a. Once a week
  - b. Once a month
  - c. once in three months
  - d. once in a half year
  - e. I do not buy any chocolate
8. Do you know Fair Trade or UTZ?
  - a. Yes
  - b. No
9. Do you prefer buying a chocolate with the Fair Trade or UTZ certification?
  - a. I strongly prefer
  - b. I prefer
  - c. I do not know
  - d. I do not prefer
  - e. I strongly do not prefer
10. Have you ever heard (in TV, media, radio, internet etc) about following issues common to a chocolate production? Please choose as many as you heard.
  - a. Slavery
  - b. Child labor
  - c. Stateless people
  - d. Poverty
  - e. Dangerous conditions
  - f. Human rights violation
  - g. Trafficking
  - h. Families selling their kids to slavery
  - i. Migration
11. How would you react if you saw a document where your favorite chocolate concern is proved to buy cacao beans from a chocolate plantation where the kids work?
  - a. I would still buy the chocolate
  - b. I would reduce buying the chocolate
  - c. I would never buy a chocolate from this concern

12. In your opinion, how responsible are these subjects for child labor in Ivory Coast?

(5 is the most responsible a 1 is less responsible)

a. Producers in Ivory Coast	5	4	3	2	1
b. Migration	5	4	3	2	1
c. Chocolate Farmers	5	4	3	2	1
d. Trafficking gangs	5	4	3	2	1
e. Wars in west Africa	5	4	3	2	1
f. Government of Ivory Coast	5	4	3	2	1
g. Chocolate Concerns	5	4	3	2	1
h. Climate Zone	5	4	3	2	1
i. Poverty	5	4	3	2	1

13. Do you agree that you can save children in chocolate plantation by not buying a chocolate?

- a. strongly agree
- b. agree
- c. I do not know
- d. Disagree
- e. Strongly disagree

14. Have you ever heard about these programs?

- a. Cacao plan
- b. Lindt and Sprüngli farming program
- c. Save the Children
- d. Cocoa For Generations
- e. CLMRS
- f. None of above

15. How much do you agree big chocolate companies only say they help to kids and their families for promoting their PR

- a. strongly agree
- b. agree
- c. I do not know
- d. Disagree
- e. Strongly disagree