

Ref:GJC/Child_Labour/P-2/2009-10/ 07387

To,

The Bureau of International Labor Affairs
US Department of Labor
200 Constitution Avenue
NW, Room S-5317,
Washington, DC 20210
USA

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Fax: 202-693-4830
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Dear Sir,

This has reference to your report on Department of Labor's List of goods produced by Child Labor or Forced Labor 2009.

It is noted that prevalence of Child Labor in the Gem industry in India is mentioned on page 16 of the above report.

In this regard we wish to submit as per the following :

As per the bibliography of the report the references which are taken for the Indian gem industry is not specifically related to the child labour condition of Indian Gem Industry. Most of them are for the region specific or overview of the child labour in India prevailing in various industries. There is only one reference about Indian Gem industry and that too is about child labour in home based gem polishing industry of Jaipur. Here it is important to note that the home based gem polishing (engaging family members only) has been sensitized time and again though the involvement of child labour is non-existent. It is important to note that it is a traditional industry in Jaipur which is still following old tradition of passing the skill from old generation to young generation which is the teacher and disciple principle. This sometimes reflects as engagement of child labour to an outsider which is not the case, as skill training will be imparted as per tradition by the older generation to the younger generation in order to keep the skill set inside the family.

As per the website of United States Department of Labour, the section which provides the information about child labour in the Gem Polishing Industry in India is giving the information based on a survey which was done in the year 1991. In the past 18 years the industry has transformed upside down and is now an organized sector and there are no traces of child Labour in the gem industry.

Your report has the potency of disturbing a socially relevant and sensitive sector of India based primarily in the geographical region of Jaipur with rich heritage which is centuries old. The Indian Gemstone Industry as per the survey done by IMRB in Nov./Dec. 2008, is employing 1.65 lakhs people, majority of whom come from poor & backward strata of the society whose livelihood through generations are dependant on the sector & the skill set that is acquired by them and passed on to generation one after the other.

Contd... Pg. 2/-

रत्न तथा आभूषण निर्यात संवर्धन परिषद

(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय द्वारा प्रायोजित)

मुख्य कार्यालय : डायमंड प्लाजा, पाँचवी मंजिल, 391-ए, डॉ. दादासाहेब भडकमकर मार्ग, मुंबई - 400 004. (भारत)



DIAMONDS, GEMS & JEWELLERY

-2-

Further you may kindly note that:

- The Indian gem industry regularly conducts surveys / studies on the prevalence of child labor.
- 3 surveys at periodical intervals were carried out after 1993-94 when an anti-child labour legislation in the form of the Harkin-Brown Bill was tabled before the US Congress.
- Subsequently, The Gem & Jewellery Export Promotion Council commissioned field survey by A.F.Ferguson & Co one of the leading market research firm.
- The survey revealed reduction in levels of child labour employed in the industry from a weighted average of 3.18% in 1994-95 to 0.89% in 1998 to 0.53% in 2003
- The IMRB/BIRD study was conducted to ascertain the manpower in g&j industry and prevalence of child labour in 2009.
- Child labour nearly non-existent in the modern Gem & Jewellery Industry Scenario.

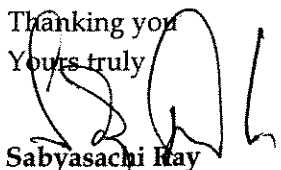
Copy of the presentation prepared by IMRB (BIRD) is enclosed for your reference.

GJEPC and its encouragement to local associations have played a pivotal role in eradication of child labour

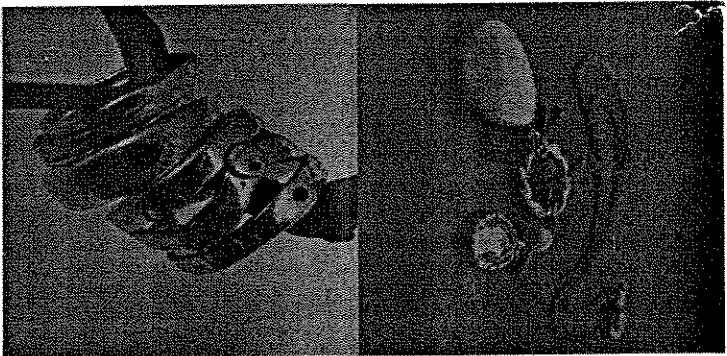
- Measures undertaken by GJEPC:
 - Anti-child labour meetings with factory owners
 - Awareness campaigns, Leaflets / Pamphlets, distributed to various factories, hoardings
 - Co-operation with the Government of Gujarat in the child labour rehabilitation scheme
- Measures undertaken by local associations
 - Opened schools, Colleges and hospitals for weaker section
 - Conducted social welfare and disaster relief camps
 - Carried out developmental and educational activities
- Effects of efforts put in by GJEPC
 - Spreading of awareness among exporters, factory owners and workers
- Contribution through Indirect measures
 - Large section realising the importance of basic education
 - Supreme Court Order, imposing a fine of Rs. 20,000 on units (employing more than 100 artisans) employing child labour

You are requested to take note of the above facts and correct the document by taking out the Indian Gem Industry from your list of industries where child labor is prevalent.

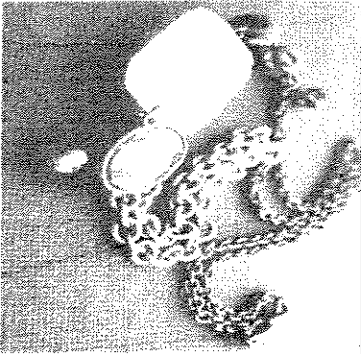
Thanking you
Yours truly


Sabyasachi Ray
Executive Director

Encls: As above



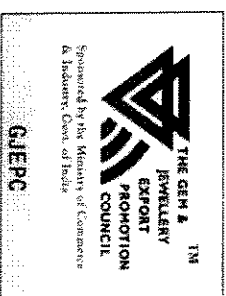
Report on Employment in Gems and Jewellery Industry of India



February 2009

Prepared for

GJEPC



Prepared by

Business and Industrial Research Division,

IMRB International



Child labour



Child labour: An overview

- International Labour Organization (ILO) Conventions 138 (1973) and 182 (1999) define child labourers as
 - all children younger than 12 working in any economic activities, children 12–14 years old engaged in more than light work, and all children engaged in the worst forms of child labour
 - in which they are enslaved, forcibly recruited, prostituted, trafficked, forced into illegal activities or exposed to hazards.
- India has 14% of children aged 5-14 involved in child labour*
- Silk cultivation, Brass Industry, Fire works and match production, garment manufacturing, leather tanning, carpet industry and agriculture are some of the sectors where there is a high prevalence of child labour in the country
- An attempt was made to estimate the number of children working in the gems and jewellery industry in India
- Exercise was conducted in the manufacturing segment of gems and jewellery

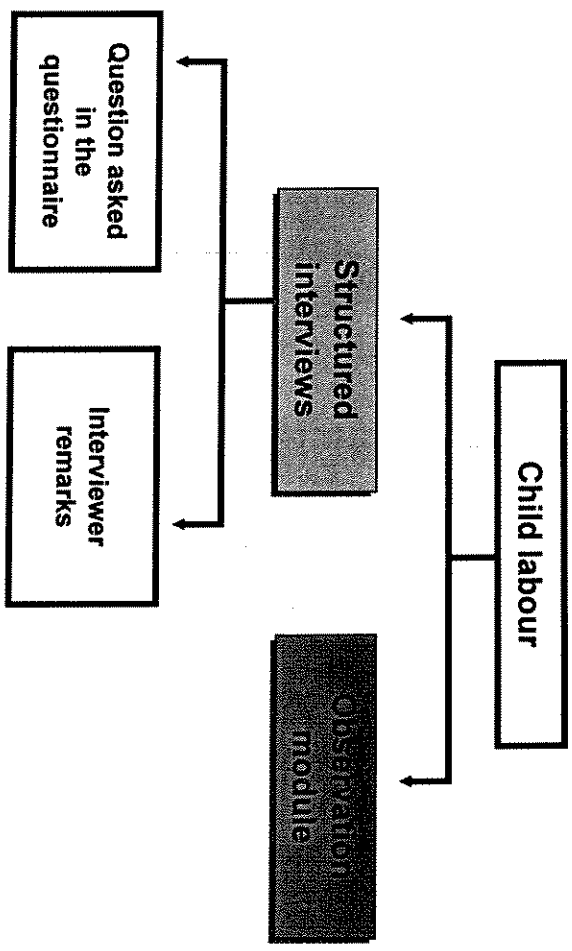
*Source: State of world children 2007, UNICEF report

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Methodology

- Child labour estimation was carried out in two ways:
 1. Structured interviews with the manufacturing units
 2. Observation module



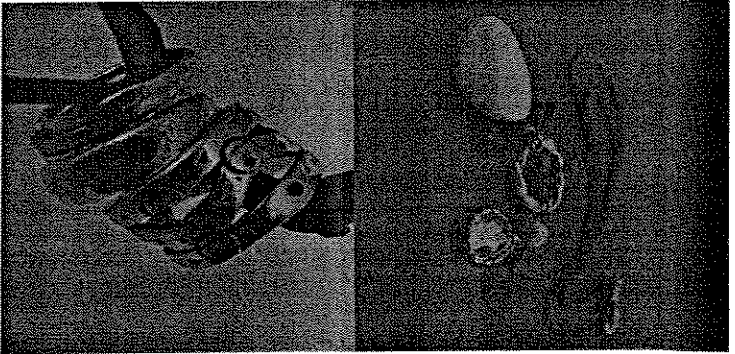
During the study, we interviewed

- 609 jewellery units
- 147 diamond processing units
- 44 gems processing units

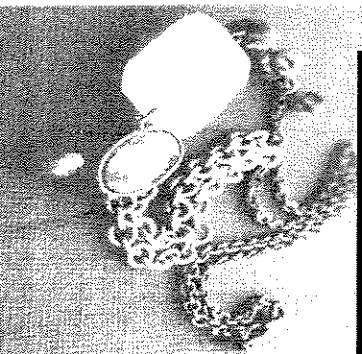
Who together employed ~ 35,000 employees (in-house employment)

Methodology

- Method 1: Structured interviews
 - **1.1 Question in the questionnaire**
 - In the structured interviews, question was asked to the respondents indicating the **age group** of people working in their establishment
 - Age group asked in the question were:
 - Less than 10
 - 11 to 14
 - 15 to 20
 - 21 to 30
 - 31 to 40
 - 41 to 50
 - More than 50
 - Approximate **number of people** for each age group was captured
 - In this exercise **no respondent** out of 609 interviewed mentioned people below 14 years are working with them
 - **1.2 Interviewer remarks**
 - Interviewers were asked to watch the premises and note down their remark on the questionnaire
 - **No interviewer*** observed **children** working in the **manufacturing** segment



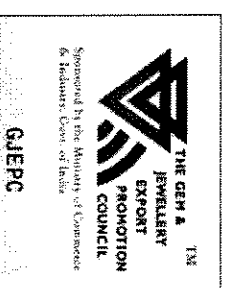
Report on Employment in Gems and Jewellery Industry of India



February 2009

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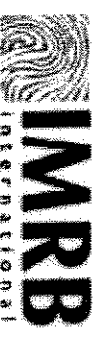
GJEPC



Prepared by

Business and Industrial Research Division,

IMRB International

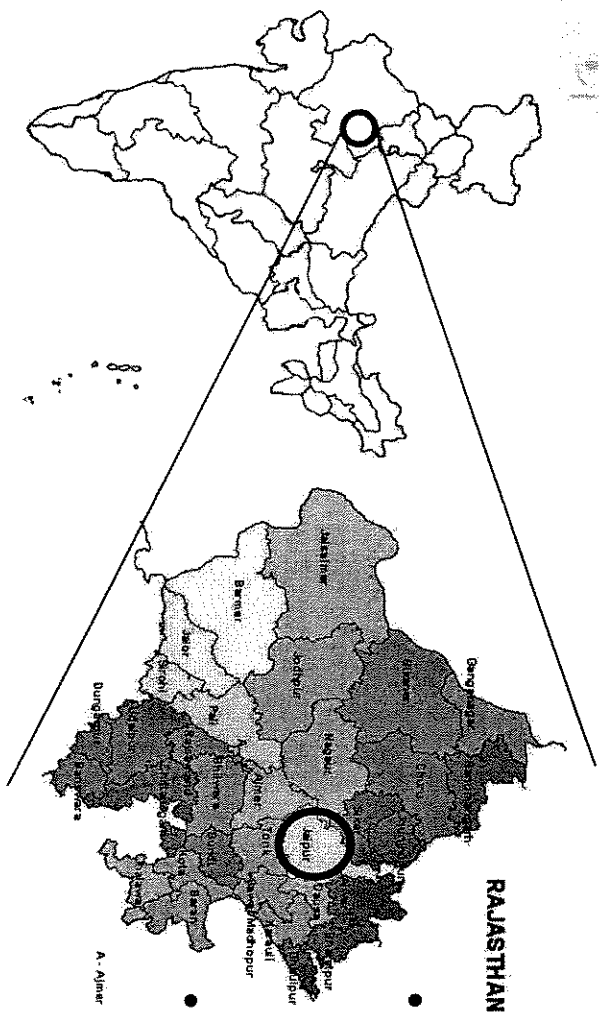
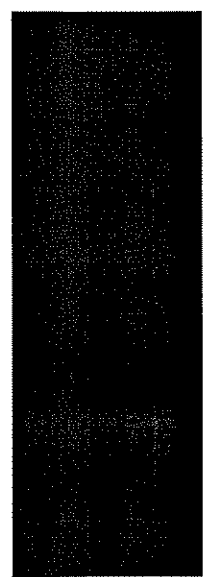
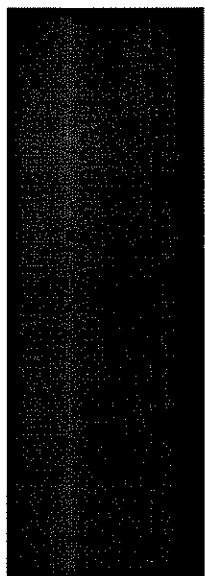
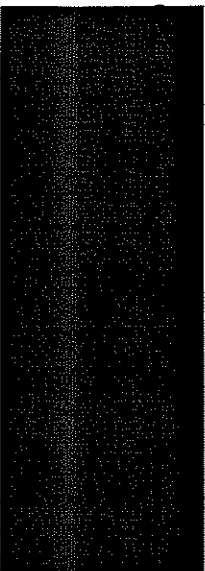


Gemstones

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Indian gemstone sector: An overview



Jaipur has special economic zone (SEZ) in Sitapura for the gems and jewellery units. Majority of the big gems and jewellery units are present in this SEZ

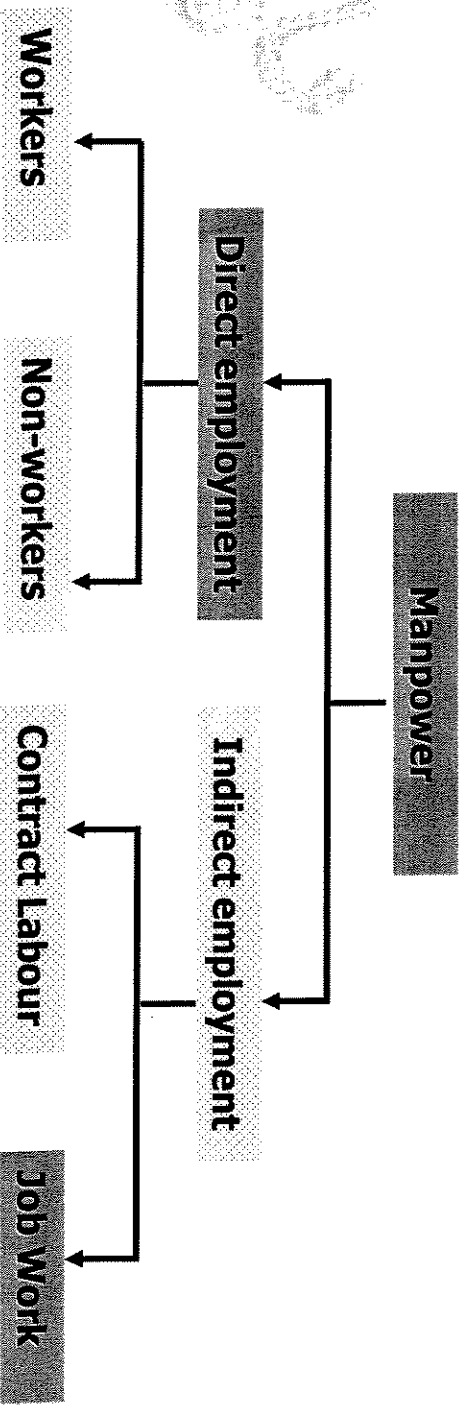
It is estimated that **Jaipur** has **approximately 1.25 to 1.5 lakh people** employed in gemstones processing sector

Jaipur : The hub for gemstone industry

- The gemstones processing industry in Jaipur is highly fragmented, consisting of some large export oriented organized manufacturers and number of small and tiny job work units
- The large units from the organized sector though less in number, contributes most to the gemstone industry (90% of Jaipur's business is dominated by these units)
- The unorganized sector, consists of large number of tiny, unorganized "Job work" units
- The employment in the unorganized sector is dependent on the organized sector.
 - Large units generally outsource their processing jobs to such small 'job work' units
 - These tiny units are usually setup in home where family members as well as workers undertake activities such as cutting, polishing, etc.
 - Areas such as Ghatgate, Ramganj have large presence of these units

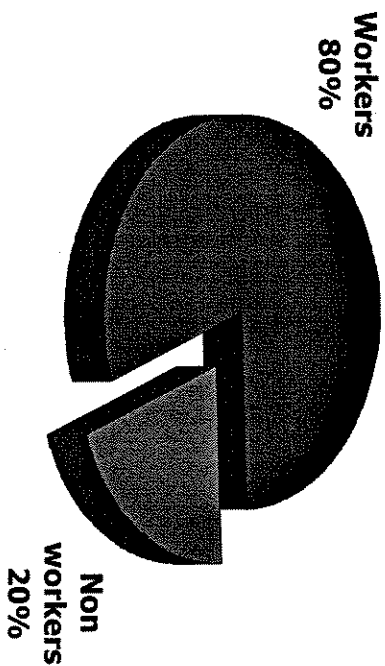
Jaipur: Gemstone manpower

- The employment in Jaipur can be classified into the following categories:
 - Direct employment
 - Workers and non workers (management & support staff) employed by the unit
 - Indirect employment
 - Contract labour and job work employment

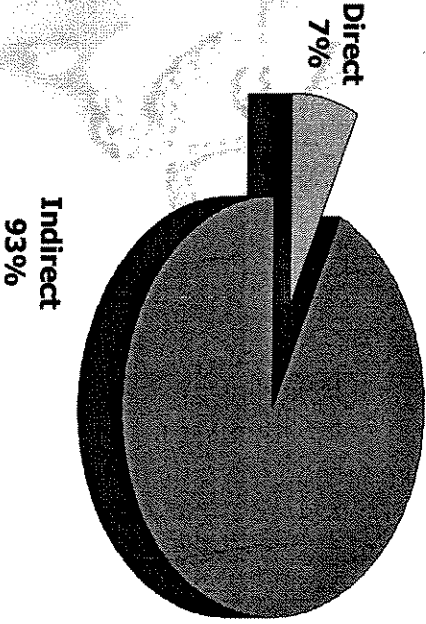


Sample description of fieldwork in Jaipur

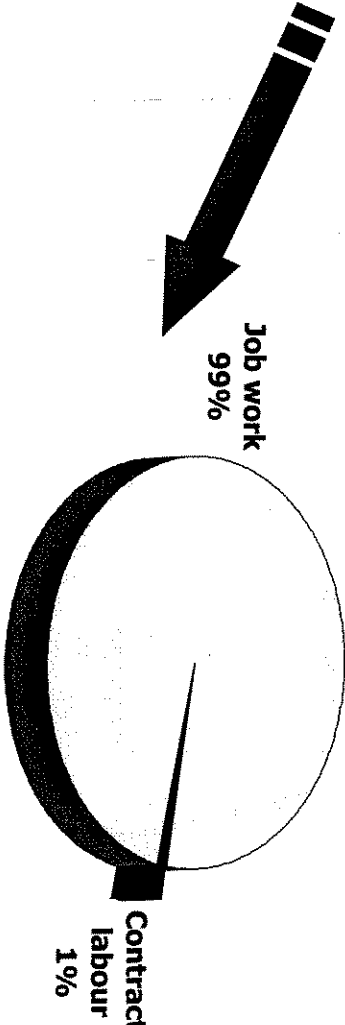
Breakup of Direct employment in sample



Breakup of manpower in sample



Breakup of Indirect employment in sample

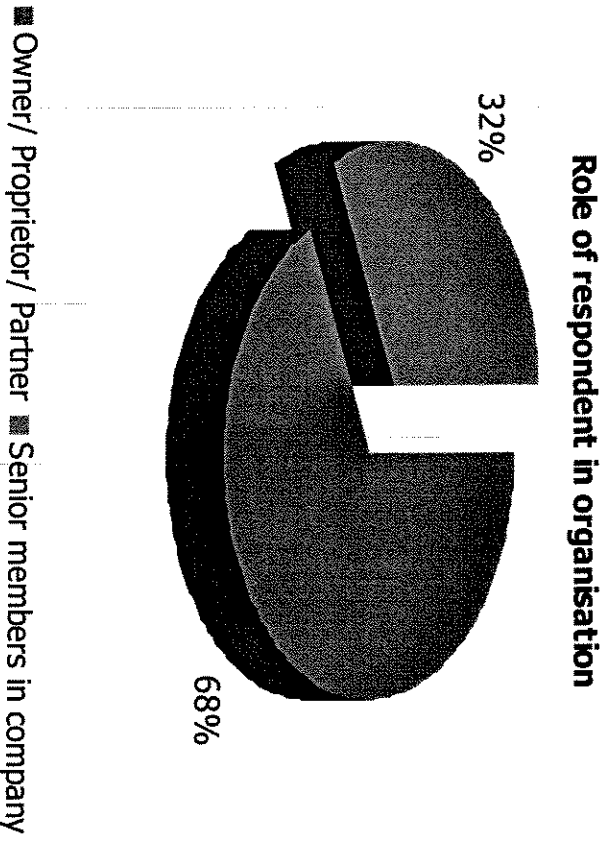


Base: 44 units

Base: 44 unit

Base: 44 unit

Jaipur: Majority of the respondents interviewed were owners / proprietors of the company



Base: 44 units

Methodology: Quantitative phase

Top 100 gemstone processing & jewellery making units in Jaipur contribute approximately 90% of Jaipur's total gemstone business

List of top 100 manufacturers in Jaipur received from GJEPCC Jaipur office

44 units interviewed during fieldwork

Assessment of manpower employed directly by them

Respondents were asked to share the number of workers and employees directly employed by their units

Assessment of manpower employed indirectly by them -

people who are indirectly employed due to production outsourced to them by such manufacturers. Such units are also called 'Job Work Units'

Information was captured from these respondents regarding number of job work units they outsource their work to
Also, number of workers per job work unit was captured
Cumulative figure gave total number of job workers employed by these 44 respondents

Assumption 1: Sample of 44 represents population of top 100 manufacturers

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Findings of the study

Based on interviews of **44 manufacturers**, we found that, they employ **~64,000** people through direct (employees) and indirect (contract and job work) employment

On extrapolation of data, we arrived at...

Jaipur having approximately **1.45 lakh** people involved in gemstone processing

Jaipur accounts for 90% of Indian gemstone industry

Therefore **Gemstones** processing industry in **India** employed approximately **1.65 lakh** people in 2008-09