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Report on a Survey of the Indian Garment and Zari/Embroidery Industries

Presentation for Apparel Export Promotion Council of India

December 2010

Overview

Background/Basis for the Survey

- Trafficking Victims Prohibition Reauthorization Act (TVPRA)
- Executive Order 13126, Initial Determination
- Submissions by AEPC in response
- Final Determination Federal Register Notice

The Survey

- Parameters, Terms of Reference
- Conduct of the survey by NITRA
- Review of the survey results and recommendations

Where we are as a result

- DOL action, based on the total of information provided by AEPC, removing garments and zari from the lists

Background/Basis for the Survey

Background:

A survey of factories, subcontractors, home-based zari artisans (family heads and children), NGOs and Indian labor inspectors was conducted to collect current data on child labor in the garment and zari sectors

The survey was in response to the TVPRA and E.O. 13126 lists issued by the U.S. Department of Labor

- Under TVPRA, DOL said it “had reason to believe are produced by forced labor or child labor in violation of international labor standards.”
- Under E.O. 13126, DOL said it “has a reasonable basis to believe might have been mined, produced or manufactured by forced or indentured child labor.”

AEPC Submissions

AEPC has responded vigorously to the DOL actions:

- Filed three different sets of written comments -- exhaustive submissions reviewing the full panoply of Indian laws (including the Constitution), regulations, policies and private sector initiatives to address and eliminate child labor and the underlying causes;
- Two sets of meetings with DOL in Washington;
- A letter reviewing AEPC's best practices, including
- Issuance of a Common Code of Conduct, an Advisory, and a series of informational seminars for manufacturers.

The DOL Determinations

- In July 2010, DOL explained why, despite exhaustive submissions by industry and government reviewing the full panoply of laws, regulations, policies and private sector initiatives to address and eliminate child labor and the underlying causes, including poverty and inadequate opportunities for education, it declined to remove products from the initial E.O. 13126 determination list:
- DOL said that “while the important role of setting a solid legislative and policy framework and implementing initiatives by governments, industry and third party groups is clear, information on such efforts alone, without evidence that indicates that the efforts had significantly reduced or eliminated forced or indentured child labor, was not sufficient to remove an item” from the list.
- The survey of the garment and zari industries is in direct response to that challenge.

The Survey: Terms of Reference

- The objective – obtain accurate factual information that will contribute to an informed, objective, timely and well-documented response to the DOL decisions and guide the development and implementation of policies and programs to accelerate progress toward elimination of child labor and forced or indentured child labor in India.
- Northern India Textile Research Association was commissioned to conduct the on-the-ground survey based on its knowledge of the industry, its scientific orientation and its manpower resources (nine surveyors were deployed)

The Survey: Parameters

Survey parameters were set based on information cited in the DOL bibliography materials:

- Locations: Delhi, Tirupur and Lucknow
- Targets:
 - Formal sector:
 - Factories producing garments, including particularly knitwear and hosiery (for export and/or domestic market),
 - Factories contracting (or subcontracting) for garments featuring ornamentation (embroidery, bead work),
 - Informal sector:
 - Workshops subcontracted by factories for embroidery and other support services

The Survey: Parameters

- Households with children
- Child workers and young workers
- Non-employer stakeholders
 - Educators
 - NGOs active in child labor monitoring and rescue
 - Government administrators such as district magistrates with authority over child labor, including enforcement of laws against illegal child labor

The Survey: Parameters

- Survey questionnaires were constructed:
 - To understand the universe of children in the garment and textiles sector that produces goods for export or for domestic markets
 - Age (under 6-14, 15-18) (also 6-14, for purposes of **The Right of Children to Free and Compulsory Education Act, 2009**)
 - Gender
 - Place of work, differentiating home-based work from factory or workshop
 - Child worker, “worst forms of child labor”
 - Looking for: the sale and trafficking of children, debt bondage and forced or compulsory labor,
 - work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children,

The Survey: Parameters

- Survey questionnaires were constructed:
 - To understand how/why children enter the workforce from the perspective of each stakeholder group (child’s perspective, parent’s perspective, employer’s perspective)
 - Knowledge of labor law with respect to child labor
 - Sources of child workers (e.g., bonding, agents, parents, assisting family)
 - Asking “If you were not working here, what would you do?”

The Survey: Parameters

- Survey questionnaires were constructed:
 - To determine how work interfaces with or interrupts education
 - Education levels of child workers, including whether the education level reached is formal or non-formal
 - Reasons for not attending school
 - Potential for combining work and school
 - Perceived value of education to child, parent, employer (relevance of curriculum, perceived impact on future opportunities)
 - Parameters such as age, gender that might influence education decisions
 - Constraints, such as flexibility of hours
 - Goals, ambitions of employers, parents and children

The Survey: Parameters

- Survey questionnaires were constructed:
 - To assess the effectiveness of existing laws and enforcement on child labor
 - Resources dedicated to enforcing child labor law
 - Prosecutions, convictions and acquittals, fines and other penalties issued, and sentences served, for violations of child labor laws
 - What options exist to improve the situation
 - Who or what body is best positioned to impact the presence of children in the garment and textiles sector?
 - What actions are most effective? Least effective?
 - What constraints prevent or limit effectiveness
 - To assess usefulness of social programs addressing child labor, such as Welfare Fund contributions.

The Survey

- Conducted in two phases: July 12 – August 4 and August 27 to September 17.
 - NITRA advises that an orientation program was conducted to review interview techniques, the objectives of the survey and the questionnaires.
 - Within the parameters of the survey pool (the three locations and factories, subcontractors and home-based workshops) NITRA decided who would be surveyed, through random selection.
 - NITRA advises that its decisions ensured representation of all 49 “clusters” in each of the three regions.
 - NITRA provided Sidley Austin with English language versions of the completed questionnaires.
 - Sidley Austin compiled its own tabulations of the data and conducted its own analysis of the responses.

The Survey

- In total, surveys were conducted with:
 - 36 factories,
 - 59 subcontractors
 - 139 family heads
 - 136 children, ages 6 through 18
 - 3 NGOs
 - 22 teachers, and
 - 4 labor inspectors.

- Within the factories and subcontractor facilities, more than 18,000 people were employed

The Survey Data, by category: Factories

- 36 factories were surveyed, in Delhi (7) and Tirupur (29).
 - Only 1 factory said it serves the domestic market; all 36 export.
 - All but two produce garments (but the handbag and scarf manufacturers subcontract for embroidery work).
 - All are registered, in business for 3 to 40+ years, have from 40 to over 3,000 workers (but most are 80 to 200 employees) and together employ at least 16,000 workers.
 - All say they are aware of (child) labor laws.
 - 24 say entering the work force should begin at age 18, 1 said age 16, 4 said age 15, but 3 said age 19 or 20.
 - 25 pay into the Welfare Fund.
 - 21 believe the Welfare Fund is effective while the rest are unsure.

The Survey Data, by category: Factories

- 36 factories were surveyed, in Delhi (7) and Tirupur (29).
 - 24 factories said they are subject to external monitoring, often by buyer-designated agencies (e.g., Bureau Veritas, SGS, etc.)
 - Tirupur factories cited the Inspector of Factories as a key monitor.
 - Only 3 factories said they do not subcontract.
 - The factories know their subcontractors:
 - Only 1 factory identified subcontractors through an agent; the rest said they used personal contracts or peer referral.
 - Compliance verification of subcontractors:
 - 13 said they oversee subcontractors through visits by a company compliance officer, internal audits or human resources departments.
 - 9 cited regular visits by production personnel or other staff
 - 1 factory said its inspections discovered young workers, ages 15-18, at a subcontractor, but determined the work was legal and conformed with the factory's compliance code.

The Survey Data, by category: Factories

- 36 factories were surveyed, in Delhi (7) and Tirupur (29).
 - 1 factory was found to employ 700 young female workers, ages 15-18 (although the factory said it employs youth over the age of 16).
 - The total work force in that factory was almost 3,300.
 - It was determined that the employment complies with the law.
 - No trafficking: they were not hired through agents, are paid directly, perform light hand-work, work only day-time shifts.
 - While they are migrants, with the factory providing living accommodations, they are allowed to leave during non-working hours
 - The factory offers training and contributes to the cost and availability of distance learning, to accommodate continuing education.
 - The factory is certified by WRAP.

The Survey Data, by category:

Subcontractors

- 46 zari subcontractors were surveyed in Delhi
 - Only 9 are registered
 - Only 10 (including 5 registered) produce for export; 36 serve the domestic market exclusively.
 - 9 have embroidery machinery, 2 of which are computerized.
 - They employ 4 to 40 workers.
 - At 37 facilities, the workers, migrants, live on the premises.
 - For 9 subcontractors, at least some workers are local; for 1, all are local
 - no workers live at any of these premises.

The Survey Data, by category:

Subcontractors

- 46 zari subcontractors were surveyed in Delhi
 - All but 1 subcontractor asserts knowledge of the child labor laws.
 - Most believe the minimum working age should be above 18.
 - But a few said above 15 or 16 years old should be ok.
 - 2 said a person should be at least age 20 to work.
 - Asked what education or training would help children with their work or lives, many suggested vocational training and some said formal education.
 - A few said they did not view education as important.
 - Others said they have no idea.

The Survey Data, by category:

Subcontractors

- 46 zari subcontractors were surveyed in Delhi
 - 27 reported being monitored for compliance.
 - Monitoring performed by either or both government officials or buyers and/or exporters (e.g., the contractor who assigned the work to them).
 - But 19 said there is no monitoring of their compliance with the laws.
 - Asked who is best positioned to manage compliance, 16 said state government authorities, although others referred to “government officials” generally.
 - Some thought the contractor from who they got the work should monitor.
 - Some mentioned multiple possibilities; one suggested NGOs.

The Survey Data, by category:

Subcontractors

- 46 zari subcontractors were surveyed in Delhi
 - 1 subcontractor admitted to a prior conviction for use of child labor.
 - The subcontractor said he paid a financial penalty.
 - The facility employed just four adults.
 - 3 subcontractors said they knew of another facility that was prosecuted for child labor.
 - 2 said the police arrested the owner
 - The third said the government sent the children home.

The Survey Data, by category:

Subcontractors

- 46 zari subcontractors were surveyed in Delhi
 - 4 children under age 15 were found working at 1 subcontractor facility.
 - 3 were age 12; 1 was age 13.
 - The subcontractor also employed 14 adults and 2 young workers (ages 15-18)
 - This subcontractor professed no knowledge of the child labor laws and suggested that children should be allowed to work starting at age 10.
 - The subcontractor said the child and young workers each worked 4 hrs/day while adult workers worked 8 hrs/day.

The Survey Data, by category:

Subcontractors

- The subcontractor with child labor:
 - The subcontractor reported that the 4 children obtained their positions through their parents but the wages were paid directly to the children. No schooling was provided.
 - The surveyors met separately with the 4 boys.
 - The children confirmed that they obtained the positions through their parents but received their wages directly.
 - Earning Rs. 50-100/day, based on a fixed wage.
 - They give all or part of the money to their parents.
 - Each could read and write: 2 had attended formal school and 2 had attended vocational school.
 - 2 had attended school for 3-5 years; 2 had attended school for 5-6 years.
 - 1 expressed a desire to continue school but said his parents couldn't afford it; 3 said they were not interested or were "poor in studies."

The Survey Data, by category:

Subcontractors

- The subcontractor with child labor:
 - Asked how long they had been working, 1 boy said less than a year, 3 said between 1 and 3 years.
 - Asked how many months a year they work, 1 said less than a month, 3 said between 3 and 6 months a year.
 - All said they had been with this subcontractor 0-3 years.
 - They lived at the facility but said they were always allowed to return home if ill or needed at home.
 - Duties were non-hazardous, limited to needle work
 - NITRA referred the discovery to AEPC, which in turn contacted the Children Welfare Committee of Delhi.
 - AEPC further contacted the NGO “Butterflies.”
 - Multiple unannounced visits determined that the boys were no longer at the facility
 - But a new line of communication opened among AEPC, CWC and Butterflies.

The Survey Data, by category: Family Heads

- 23 family heads in Delhi and 116 family heads in Lucknow were interviewed.
 - 17 of the Delhi family heads had children ages 6-18.
 - In 16 of those 17 families, the children were in or had been in school.
 - Children performed zari work in only 3 families, all in the home.
 - In 1 of the 3 families in which a child performed zari work, the child – age not stated-- had never attended school.
 - In the second of those 3 families, the one child – an 18 year old male – had attended a government school through primary grades.
 - » Both of these families said they could not afford school.
 - In the third family, the 15 year old attended a government school through senior secondary level.

The Survey Data, by category: Family Heads

- 23 family heads in Delhi and 116 family heads in Lucknow were interviewed.
 - One pool of 96 family heads in Lucknow included 86 whose families included children ages 6-18.
 - Of those 86 families, 138 of the 170 parents had attended some school.
 - Of those 86 families, there were 191 children – and 170 of them were in school. 9 others had completed their compulsory education.
 - 9 others were reported to be “seeking admission.”
 - 3 children, all from 1 family, were identified as not able to afford school.
 - 181 of the children performed zari work in the home; 10 children did not work

The Survey Data, by category: Family Heads

- 96 family heads in Lucknow:
 - 65 of the 96 family heads said they knew about child labor laws
 - Among the 86 with children ages 6-18:
 - They identified the reasons they ask their children to do zari work as 1) to supplement family income, 2) to learn skills, and 3) to contribute to the family
 - Most parents did not cite any “bad results” from their children’s participation in zari work, but 6 cited less play time and 1 cited poor grades.
 - If their children were not working with them the parents said they would be spending more time playing, studying or helping with household work.

The Survey Data, by category: Family Heads and Their Children

- 20 family heads and then their children were interviewed in Lucknow:
 - Of the 39 parents, 20 had attended school (9 through secondary level).
 - A total of 43 children 6-18, of whom 42 attended school or had completed school.
 - 35 of the children work with their parents in the home zari business.
 - 13 said they work 12 hrs/wk. 11 said they work 18 hrs/wk. 7 said they work 24 hrs/wk. 1 said 30 hrs/wk and a 17 year old who had completed school worked 48 hrs/wk.
 - They earned from Rs. 500 to 2,000 per week, which was paid to their parents.
 - The children consistently indicated they were permitted to keep some of the money for themselves.
 - Asked what they would do if they were not performing zari work:
 - 14 said play, 16 said study, 3 said they would look for another job.

The Survey Data, by category: Focus Groups, Children

- 5 focus groups of children from among the 86 Lucknow families:
 - A total of 87 children, ages 6-13 were interviewed in groups of 20, 20, 13, 17 and 17.
 - 78 could read and write and attended school.
 - 9 could not read and write and had not attended school.
 - Those 9 (all in 1 group) said they were “seeking admission in the current year.”
 - In that 1 focus group, there were 9 children ages 6-8.
 - 29 said they performed zari work 0-2 hrs/day; 58 said they worked 2-4 hrs/day.
 - Wages were all paid to the parents, with children given the opportunity to use some for themselves
 - In one group, 7 children said they saved some of their earnings.

The Survey Data, by category: Focus Groups, Children

- 5 focus groups:
 - 18 said they had been doing zari work in their family for less than 1 year; 47 said they had been working 1-3 years; 22 said 3-5 years.
 - 47 said they do not work year round.
 - All said they worked to learn skills or to contribute to the family income or both.
 - Asked what they would do if not working at home, 13 said study, 31 said play, 16 said find another job, and 57 said help in the domestic work – with some providing more than one response.
 - The children would not quit the family work because either or both they are helping the family income or learning a skill.
 - None provided responses that would indicate hazardous or abusive conditions.

The Survey Data, by category: Young Workers

- 11 young workers, ages 15-17 were interviewed:
 - All has been performing zari work in their family homes for more than 5 years.
 - 8 could read and write, but 3 could not and said they had not attended school because they could not afford it.
 - 2 were in college.
 - 2, who each said they had completed 5 years of school, had left school to help at home in household activities.
 - All said they worked to help support their families.
 - They worked from 24 to 48 hrs/wk
 - Earnings ranged from Rs. 1,200 to Rs. 3,000 per week
 - Asked what they would do if not working in the family craft, 5 said get further schooling, 5 said seek another job; 1 said help in family activities.

The Survey Data, by category: NGOs

- Global March Against Child Labor, Bachpan Bachao Aandlan and Unity Mission School were interviewed:
 - Global March and BBA work with all industries; Unity mission works with the garment and zari industries.
 - Global March and BBA:
 - attribute child labor to trafficking.
 - recommend free, quality education, or stipends for school attendance to keep children in school rather than work.
 - Feel Welfare Funds are not well administered
 - Believe that enforcement actions directed at child labor violations are effective.
 - BBA says organized garment industry is very responsive to child labor issues
 - Both say organized industry should be more proactive and participate in multi-stakeholder initiatives.

The Survey Data, by category: NGOs

- Global March Against Child Labor, Bachpan Bachao Aandlan and Unity Mission School were interviewed:
 - Unity Mission does not cite trafficking as a cause of children entering work in the garment industry:
 - Unity believes families are sending their children to work, because money is needed.
 - NGO community agrees organized industry does take steps to prevent hiring of children or to ensure employment is lawful, and is open to closer engagement with industry.
 - ILO provided a written response to questions submitted:
 - ILO has done no direct work with Indian garment industry on child labor related issues.
 - ILO views child labor as an issue of region rather than industry.
 - Concerned that child labor in region will flow from one industry to another.

The Survey Data, by category: Teachers

- 22 teachers from two schools were interviewed:
 - Experience ranged from 1 to 15 years' teaching experience, with over half teaching for 5 or more years.
 - The teachers had experience with children who combine school and work.
 - 16 believe children would perform better in school if they did not work, but 6, including teachers with 5-10 years experience, were unsure whether working affects academic performance.
 - 5 teachers believe working affects school attendance.
 - 6 teachers believe working does not negatively affect grades.
 - Slight majority of the 22 teachers said working does not affect children's concentration.

The Survey Data: Enforcement Officials

- 4 labor inspectors were interviewed, 2 from Delhi, 1 from Lucknow, and 1 from Tirupur:
 - All 4 inspectors visit factories in response to complaints
 - Visits related to complaints or reports of non-compliance are unannounced.
 - Tirupur and Lucknow inspectors say they also plan and schedule visits on their own, with approval from judicial authorities.
 - Regularly scheduled visits conducted according to a publicized schedule are routine in Tirupur.
 - All inspectors are responsible for multiple industries.
 - In Tirupur and Lucknow, the inspectors say the majority of their work relates to garment production or zari.

The Survey Data: Enforcement Officials

- 4 labor inspectors were interviewed, 2 from Delhi, 1 from Lucknow, and 1 from Tirupur:
 - Delhi inspectors said 58 of 60 inspections within the last year involved garment industry, but no garment industry violations were detected.
 - Lucknow inspector said 23 – 10%-- of the non-hazardous child labor violations detected were in garment related workshops
 - Said fines were levied and prosecutions launched in court.
 - Tirupur inspector said 1,215 factories were visited in the last year.
 - 10 violations resulted in fines of Rs. 10,000 per violation.
 - Children were rehabilitated under National Child Labor Project.
 - The inspectors view their work as important and believe they do deter exploitation of children.
 - All view their role as discovering violations and rescuing child workers.

The Survey: Enforcement Statistics

- Data obtained through India's Right To Information Act:
 - Not readily subject to tabulation because the written request was subject to multiple interpretations regarding the period covered (“2006 till 2009”) and the products covered (“zari and bead work on fabrics and garments”).
 - Information was provided on the number of premises raided, the number of child workers found and rescued, the number of prosecutions, and the number of convictions and acquittals.
 - Some was provided on a 3 or 4 year total basis, but some offices provided annual data.
 - With one exception, all showed enforcement activity.

Conclusions:

- The survey shows statistically insignificant level of child labor, indicating a very low probability that garments made in India are made with child labor or forced or indentured child labor.
 - Children are performing zari work in the home-based setting but not in place of attending school.
 - 1 instance of child labor in a subcontractor appears aberrational.
- There was no evidence of forced or indentured labor.
 - Families did not identify any indebtedness and the wages earned by children participating in home-based zari work were paid to the parents, who shared some of the receipts with the children for their own use (school supplies, recreation).
- There was no evidence of trafficking of children.
 - 4 child workers found in one subcontractor confirmed their freedom of movement, direct receipt of wages, and did not work year round.
 - 700 young workers were hired directly, paid directly, allowed freedom of movement and provided subsidized learning programs.

Conclusions:

- Educational opportunities are largely available.
 - The overwhelming majority of children ages 6-18 are in school.
 - Most children started school at age 5 or 6.
 - Most families recognize the value of education – and with free mandatory education, India is moving past the period when families say they cannot afford to send children to school.
- Enforcement is being pursued by Indian authorities.
 - Inspections of facilities, removal of child workers, and fines/prosecutions of employers for violations of child labor laws are clearly taking place in the garment and zari industries.
- NGOs are skeptical but acknowledge organized industry efforts.
 - Allegations of trafficking may be based on experience with other industries, since the NGO most involved with garments did not cite trafficking.

Recommendations:

- Expand monitoring and awareness building.
 - Factories serving the export market clearly recognize monitoring as essential, but more monitoring should be conducted at the subcontractor level, regardless of market destination.
 - Monitoring should be accompanied by awareness building, and training to ensure the subcontractors share industry standards.
- Expand trade association membership and outreach to include all textile and apparel facilities, including those whose production is exclusively for the domestic market.
 - Organized awareness-raising events, newsletters, and other dissemination activities should reach subcontractors and home-based zari workshops.
 - Expand educational outreach to small businesses, possibly in coordination with NGOs or other multi-stakeholder efforts.

Recommendations:

- Track and publicize government enforcement actions (local and national)
 - Enforcement statistics should be posted on websites, so that they can be viewed without requiring the filing of written requests for that information.
 - Public posting increases the deterrent factor for non-compliance.
 - Public posting provides evidence of commitment to enforcement and eradication of child labor.
 - Regular public posting of information facilitates benchmarking of levels of activity and progress, and facilitate coordination nationally to identify targets for improvement.

Recommendations:

- Expand collaboration between business and NGOs should be expanded.
 - They share the common goal of promoting social responsibility across all levels of the supply chain.
 - Increased dialogue would reduce distrust.
 - Expanded participation in multi-stakeholder initiatives could promote a common understanding of the actions necessary to ensure that the mandatory free education law is fully implemented.
 - Possible initiatives include joint seminars, jointly-issued advisories, joint publicizing of factories, subcontractors and home-based workshops that certify their compliance with labor laws, and jointly granted scholarships for school books or other school related supplies.

Recommendations:

- Better coordination of Welfare Fund programs.
 - Collection of Welfare Fund contributions appears to vary as do knowledge of and views regarding the Funds.
 - Better coordination among industry, state offices and the NGO community may be a means to identify obstacles to collection of these monies and their distribution to appropriate and useful programs, as well as public awareness of these initiatives.

Where we are now:

- AEPC has provided a thorough review of its initiatives, including its Code of Conduct, which is being promoted nationally.
- AEPC and the Indian Government have provided information on Indian law and programs/enforcement currently in place.
- A basis for new collaboration between AEPC and NGOs has been laid.
- This survey provides current data demonstrating compliance with child labor laws.
- The DOL now has the evidence that indicates that the efforts of government and industry have significantly reduced or eliminated child labor, including forced or indentured child labor, sufficient to remove garments and zari from its lists.

Report on a Survey of the Indian Garment and Zari/Embroidery Industries

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