May 18, 2011

Deputy Undersecretary Polaski
U.S. Department of Labor (DOL)
Office of Child Labor, Forced Labor and Human Trafficking
Bureau of International Labor Affairs (ILAB)
200 Constitution Avenue, NW
Washington, D.C. 20210

Sub : Request for Information Regarding Business Practices to Reduce the Likelihood of Forced or Child Labor in the Production of Goods

Dear Deputy Undersecretary Polaski,

I am writing to you on behalf of **Council for Leather Exports (CLE), India** in response to the Federal Register notice of April 25, 2011 (79 FR 22921) requesting information and/or comment on reports issued by the Bureau of International Labour Affairs (ILAB) on December 15, 2010, regarding child labour and forced labour in foreign countries.

In this connection, I wish to submit the following for kind perusal and consideration of the US Department of Labor. **The Submission is made in two parts. Part I reiterates the points made in our earlier two submissions and Part II narrates new initiatives of CLE after June 14, 2010.**

PART I

1 About the Council for Leather Exports, India

The Council for Leather Exports (CLE), founded in 1984, is an autonomous organization functioning under the Ministry of Commerce and Industry, Government of India. The *primary objective for which the CLE was established is to support and promote the exports of Leather & Leather Products including non-leather footwear and their components*. The CLE has about 2500 members spread from all over India. The activities of CLE include disseminating information and creating awareness among its members on commercial, technical and technological developments in the leather industry in India and abroad, circulating details on trends in colour, fashion & design, export-import policy issues, market inputs, trade statistics etc., It is also the sector leader in promoting trade fairs within and outside India, as well as in organizing informational seminars and lectures, and promoting foreign direct investment, joint ventures and technical / strategic alliances with the leather and footwear sectors in India.

In short, the CLE acts as a bridge between the Government and the Industry and facilitates promotion of international trade in the leather sector.

2 The TVPRA List - inclusion of footwear and leather goods/accessories from India

Under the TVPRA, DOL is required to maintain a list of countries and sectors for which it has 'reason to believe [that products] are produced by child labor or forced labor in violation international standards' (TVPRA list). The initial TVPRA list was issued on September 10, 2009. *The TVPRA list includes for India, footwear and leather goods/accessories under the child labor designation.*

3 Summary of submission and request

The Government of India has made considerable efforts in terms of policy initiatives, and programme implementation, to address the issue of child labor. This also includes cooperation with the USDOL on the ground breaking INDUS project.

The Council for Leather Exports represents the Leather, Leather Products & Footwear exporting sectors which supply their products to leading brands and retail chains worldwide. The Council has been regularly educating and updating its member-companies, which are essentially from the organized exporting sector, on social compliance issues including child labor employment. It plans to further expand on this program and also institute a self-regulating mechanism on all compliance issues including child labor, for its member-companies towards prevention of the employment of child labor.

As detailed in our submissions, dated April 9, 2010 and June 14, 2010, to the DOL in response to the Federal Register notice of February 24, 2010 and April 15, 2010 respectively, requesting information on the TVPRA list, a review of the bibliography and even of the INDUS documentation itself, which is the only evidence cited in the TVPRA Report to justify inclusion of these sectors in the present finding, **does not support, in any way**, the conclusion that the footwear and leather sectors have a significant incidence of child labor in India.

Our submission and request to the US Department of Labour therefore **is for the eventual exclusion of Indian footwear and leather & leather products from the future TVPRA designations as 'Child Labour Sectors"**.

In support of this submission and request, we wish to reiterate the following programs undertaken by the Government of India and to point out the complementary activities pursued by the CLE, for reducing the likelihood of child labor in the production of goods:

4 Initiatives of the Government of India

4.1 Constitutional Provisions

Article 21 A of the Constitution of India provides "Right to Education" by stating that *the State shall provide free and compulsory education to all children of the age of 6 to 14 years in such manner as the State, by law, may determine.*

Article 24 of the Constitution of India Prohibits employment of children in factories, etc.. This article states that *"No child below the age fourteen years shall be employed in work in any factory or mine or engaged in any other hazardous employment"*

Thus, it is evident that there are adequate constitutional provisions for prevention of Child Labour in India.

4.2 Government Policy and Programs vis-à-vis Child Labor

Below are the details of the various initiatives taken by the Government of India towards the elimination of child labor:

- In 1979 First Committee on Child Labor issue was formed by the Government, called the *Gurupadswamy Committee* to study the issue of child labour and to suggest measures to tackle it.

- In 1986 the **Child Labour (Prohibition & Regulation) Act** was enacted based on the recommendations of *Gurupadaswamy Committee*. The Act prohibits employment of children in certain specified hazardous occupations and processes and regulates the working conditions in others. The list of hazardous occupations and processes is progressively being expanded on the recommendation of Child Labour Technical Advisory Committee constituted under the Act.

- In 1987 a **National Policy on Child Labour** was formulated. This Policy seeks to adopt a gradual & sequential approach with a focus on rehabilitation of children working in hazardous occupations & processes in the first instance. The Action Plan outlined in the Policy for tackling this problem is as follows:

    - *Legislative Action Plan* for strict enforcement of Child Labour Act and other labour laws to ensure that children are not employed in hazardous employments, and that the working conditions of children working in non-hazardous areas are regulated in accordance with the provisions of the Child Labour Act. It also entails further identification of additional occupations and processes, which are detrimental to the health and safety of the children.
    - *Focusing of General Developmental Programmes for Benefiting Child Labour* - As poverty is the root cause of child labour, the action plan emphasizes the need to cover these children and their families also under various poverty alleviation and employment generation schemes of the Government.
    - *Project Based Plan of Action* which envisages starting of projects in areas of high concentration of child labour.

- **In 1988, the National Child Labour Project (NCLP) Scheme** was launched in 9 districts of high child labour endemicity in the country. The Scheme envisages running of special schools for child labour withdrawn from work. In the special schools, the children are provided

    - formal/non-formal education along with vocational training,
    - a stipend of Rs.100 per month,
    - supplementary nutrition and
    - regular health check ups so as to prepare them to join regular mainstream schools.

Under the NCLP Scheme, funds are given to the District Collectors for running special schools for child labour. Most of these schools are run by the NGOs in the district.

The Government of India has accordingly been taking proactive steps to tackle this problem through strict enforcement of legislative provisions along with simultaneous rehabilitative measures. *State Governments, which are the appropriate implementing authorities, have been conducting regular inspections and raids to detect cases of violations.* Government has been laying a lot of emphasis on the rehabilitation of children and on improving the economic conditions of their families.

There has been a progressive increase in *the coverage of the National Child Labour Project Scheme from* 12 districts in 1988 to **100 districts in the 9th Plan** *(1997-98 to 2001-02)* to **250 districts during the 10th Plan**. *(2002-03 to 2006-07)*

2001-Evaluation of the Scheme & future Strategy under the 10th Plan - An evaluation of the Scheme was carried out by independent agencies in coordination with V.V. Giri National Labour Institute in 2001. Based on the recommendations of the evaluation and experience of implementing the scheme since 1988, the strategy for implementing the scheme during the 10th Plan was devised. It aimed at greater convergence with the other developmental schemes and bringing qualitative changes in the Scheme. Some of the **salient points of the 10th Plan Strategy are as follows:**

- Focused and reinforced action to eliminate child labour in the hazardous occupations by the end of the Plan period
- Expansion of National Child Labor Projects to additional 150 districts.
- Linking the child labour elimination efforts with the Scheme of *Sarva Shiksha Abhiyan* (Education for All) of the Ministry of Human Resource Development to ensure that children in the age group of 5-8 years get directly admitted to regular schools and that the older working children are mainstreamed to the formal education system through special schools functioning under the NCLP Scheme.
- Convergence with other Schemes of the Departments of Education, Rural Development, Health and Women and Child Development for the ultimate attainment of the objective in a time bound manner.

The Government and the Ministry of Labour & Employment in particular, are serious in their efforts to fight and succeed in this direction. The number of districts covered under the NCLP Scheme has been increased from 100 to 250, as mentioned above. In addition, 21 districts have been covered under **INDUS**, a similar Scheme for rehabilitation of child labour in cooperation with US Department of Labor. For Districts not covered under these two Schemes, Government is also providing funds directly to the NGOs under the Ministry's **Grants-in-aid Scheme** for running Special Schools for rehabilitation of child labour, thereby providing for a greater role and cooperation of the civil society in combating this menace.

The implementation of NCLP and INDUS Schemes is closely monitored through periodical reports, frequent visits and meetings with the District and State Government officials.

Grant-in-aid Scheme for Voluntary Organizations : The Government of India is also providing grants-in-aid directly to Non-Governmental Organizations (NGOs) for elimination of Child Labour in districts not covered by NCLP scheme. Under this Scheme, various agencies are given financial assistance by the Ministry of Labour on the recommendation of the State Government to the extent of 75% of the project cost for the rehabiliation of working children.

The Government of India has implemented the **Right of Children to Free and Compulsory Education Act, 2009 with effect from 1st April 2010.** This Act is a landmark Act , as it paves the way for free and compulsory education to all Children from the age of six to fourteen years.

4.3 Summary of the Initiatives of the Government of India

- There are adequate Constitutional Provisions and Legislative Acts, Rules, Regulations and Programmes for prevention and abolition of Child Labour.
- **Elimination of child labor is the single largest programme in the activities of Ministry of Labor & Employment, Government of India.**
- The Government of India has been enhancing the funding for Child Labour Abolition and Child Welfare Schemes every year. The Government allocated **Rs. 602 Crores** for the Scheme during the 10th Plan, as against an expenditure of **Rs. 178 Crores** in the 9th Plan.

- **The Resources set aside for combating the Evil of Child Labor in the Ministry of Labor & Employment, Government of India is around 50 per cent of its Total Annual Budget.**
- **The Government of India has implemented the provisions of the landmark Right of Children to Free and Compulsory Education Act, 2009 with effect from 1st April 2010, which will play a significant role in ensuring education to all Children in the country.**

5 CLE and its Commitment to Prevention of Child Labor

The Council for Leather Exports (CLE) represents the Leather, Leather Products & Footwear exporting sectors that supply their products to leading brands and retail chains worldwide. Many Indian leather products and footwear companies have technical collaborations with overseas companies to manufacture products as per the highest international standards and requirements.

CLE coordinates and works with all Indian leather, leather products & footwear associations from the private sector on all issues including social responsibility. The list of associations includes the Indian Shoe Federation (ISF), which represents Southern India's shoe industry concerns ; the Agra Footwear Manufacturers and Exporters Chamber (AFMEC) which comprises members from the Agra Footwear cluster; the Uttar Pradesh Leather Industries Association (UPLIA) representing the Kanpur leather & footwear cluster; the Punjab Leather Federation (PLF) representing the Jallandhar leather cluster; the Indian Leather Products Association (ILPA) an association of the leather accessories & leather garment manufacturer-exporters; and the Indian Footwear Components Manufacturers Association (IFCOMA), the Indian Finished Leather Manufacturers & Exporters Association (IFLMEA) and also other regional trade Associations.

The Indian Leather Industry is totally committed to prevent Child Labor in any form in its entire supply chain. The Leather Industry in India totally adheres to the various constitutional and legislative provisions of the country and is not employing Child Labour or Forced Labour in its factories. **The Indian Leather Industry is one of the largest employers of people in the rural regions belonging to the socially and economically weaker sections of Indian society.**

The Indian footwear and leather products & accessories export industries, which comprise the members of CLE, are acknowledged players in the global marketplace and provide their products to leading retailers, large corporate chains and reputed brands worldwide. **Customers of the Indian Leather Industry consistently demand implementation of rigorous social compliance standards, which is backed by on-site independent auditing by their own in-house personnel or by international consultants of very high repute. Thus, the standards set by the buyers and the commitment of the Indian Leather Industry to social compliance have played a significant role in prevention of Child Labour or Forced Labour in the Leather & Footwear Industry in India.**

Thus, CLE and its members are committed to combating child labor in the leather and footwear export sectors in India and CLE is continuing to work towards educating and activating its members on the issue. In line with this commitment, CLE has been taking various pro-active measures to enhance awareness on Social Compliance & Social Accountability norms, which include the following.

- CLE organized seminars on the SA 8000 standards in the leading leather clusters of India namely Chennai, Kanpur and Mumbai in 2008, in partnership with Bureau Veritas and its Technical, Manager-Europe, Middle East & Africa, Justin Berry. Hundreds of CLE members received BV certifications from these programmes. In order to give wide publicity, full

reports on the seminars were carried in CLE's monthly magazine, LEATHERS, which is circulated to all 2,250 member companies throughout India.

- CLE utilized a special text book for the seminars, perhaps the first of its kind in India, entitled *'A Comprehensive Road Map to Social Accountability'* prepared by Mr SS Mishra, a SA 8000 certified auditor.

- Besides, CLE also organized seminars according to regional requirements, as part of the social awareness program. For example, in Kolkata, CLE partnered with Bureau Veritas and its India training manager, on Social Awareness and Social Accountability Audit program for its members in April 2007. A follow-up of the activity on SA 8000 was done in May 2008, partnering with SGS.

- During the Delhi International Leather Fair in October 2009, CLE sponsored a seminar on WRAP for its members to heighten awareness on social responsibility.

- At the 2010 India International Leather Fair (IILF) this past January, CLE sponsored an in depth seminar on health and safety in shoe factories by the Henkle company, one of the leaders in global supply of safe shoe making chemicals. A Seminar on WRAP was also scheduled during the IILF Jan' 2010 at Chennai.

- In April 2010, CLE sponsored a seminar on social responsibility for its members in southern India, partnering with Intertek to raise awareness of international standards including the critical importance of excluding any child labor from factories and all outsourcing.

- Also in 2010, the CLE has organized Awareness/Educational Seminars in Delhi (May31), in Mumbai (June 4) by SGS India Ltd, in Agra (June 5) by SGS India.

- **To cement its commitment to continuing education on child labor and social responsibility compliance, CLE has officially empanelled an internationally reputed agency M/s Intertek to regularly update, inform and guide its members on social compliance issues.**

- Also in conjunction with the DOL request on the TVPRA list and in order to get an update on the labour standards followed in the manufacturing facilities of the Indian Leather Sector, CLE recently undertook a survey of its members, particularly those engaged in trade with the US. All respondents reported that they do not employ any child labour and use 18 years as the minimum age for employment, which clearly proves the fact that Child Labour is not engaged in any factories in Leather Sector. The statements of leading members of CLE on their personal commitment to prevention of child labour were also submitted along with our earlier submission.

PART II

i) Update on CLE's Initiatives

CLE continues its good work on prevention of child labour in the leather and footwear sectors. Some of CLE's initiatives taken after the second submission ie. June 14, 2010 are given below :

- In June 23, 2010 CLE organized Seminar on Child Labour Awareness in Kolkata by SGS India in which more than 80 members attended the programme.

- Similarly, in October 28, 2010, CLE organized seminar on Social Compliance in Kanpur by M/s Intertek.

- As committed in our previous Submission to the USDOL, the Council, brought out information booklet on Social Compliance Norms towards educating our members on various Social Compliance parameters. The booklet contains information on CLE's initiatives on Social Compliance including importantly on the prevention of child labour. The Indian Government's Constitutional and legal provisions prohibiting use of child labour have also been listed in this booklet.

    - *The Booklet was distributed to all the members of the Council spread all over India numbering about 2500.*

    - *Many of the key executives in US were also contacted in person through our Consultant in US and information about new code of conduct was shared with them. The Social Compliance booklet was also provided to the US buyers.*

- As committed in our previous Submission to the USDOL, the Council also developed the Code of Conduct our members, which was adopted by the the Committee of Administration, which is the Governing Body of the Council. This Code of Conduct and has also been hosted in the Council's website

ii) **Code of Conduct for CLE Members**

1. It will be the responsibility of the Members to ensure that the Minimum Age of Employment in all their production units is as permissible under Indian Law, and that no child labor is employed as prohibited by the Child Labor (Prohibition and Regulation) Act 1986 and the Factories Act, 1948.
2. It shall also be the responsibility of each Member to ensure that such prohibitions on child labor are respected by any entity that performs production work on behalf of the Member outside of the Member's premises.
3. In case of violation of the Code of Conduct, a Show-Cause Notice will be issued to the members by giving him/her an opportunity to explain the circumstances under which the violation has been made.
4. The explanation so received will be placed before the Committee of Administration to enable it to decide action to be taken in respect of that violation.
5. In case a member is found guilty of violating any of the terms of the Code of Conduct of more than two occasions, the Chairman and Executive Director, Council for Leather Exports will put the case before the Committee of Administration for a decision regarding de-registration of such members.
6. It will be the responsibility of each member to ensure strict compliance of the Code of Conduct.
7. The Code of Conduct shall apply to all members of the Council including Associate Members.

iii) Report by M/s Intertek – CLE's Empanelled Agency for Members guidance on Social Compliance

CHILD LABOR

Child labor is one of the critical issues of compliance for the buyers. In this area has undergone a tremendous Improvement, It was noted that child labor is eradicated in the Export oriented Units.

M/s Intertek has performed around 437 audits from July 2010 to December 2010. From the audit, the following were noted.

- No Child labor is employed in the export oriented industry.
- The companies check the proof of age of the employees through the following documents issued by the Government/ Government bodies.

1. Birth certificate
2. Voter ID card
3. Letter from Gram Panchayat
4. Affidavit from the notary
5. Driving license
6. Dentists certificate
7. School leaving certificate
8. Ration card

- Most of the companies have a clear recruitment policy so as to avoid employment of child labour.

Conclusion

In short, I take the opportunity to submit the following for your kind perusal.

1) There are constitutional and legal provisions in India for safeguarding the interests of Children and for preventing all forms of Child Labour in the country.

2) The Government of India has been implementing a sustained and concerted programme in co-ordination with the State Government and NGOs towards protecting the rights of children and ensuring their welfare.

3) The Indian Leather Industry is strictly adhering to laws and regulations in India on Child Labour and is also committed to abiding by international Social Compliance norms. CLE, being the apex organization of the Leather Industry is also committed to intensify its campaign on preventing Child Labour.

4) The CLE has been carrying out various Social Compliance and Child Labour Prevention programmes on continuous basis so as to create more awareness among entrepreneurs in the Indian leather industry.

We once again request the U.S.Department of Labour to consider **the exclusion of the Indian footwear and leather & leather products sectors from future TVPRA designations as child labor sectors.**

Respectfully submitted,

Ali Ahmed Khan
Executive Director
Council for Leather Exports, India

Vinay Kwatra
Minister (Commerce)
Phone: 202 939 9826
Fax: 202 797 4693
Email:-mincom@indiagov.org

भारत का दूतावास
Embassy of India
Commerce Wing
Washington, DC

May 20, 2011

Dear Ms.Eugenio,

Subject: Federal Register Notice of request for information and/or comment on reports issued by Bureau of International Labor Affairs (ILAB), regarding child labor and forced labor in foreign countries. Docket No. DOL-2011-0002: Request for Information and Invitation to Comment; 76 Fed. Reg. 22921 (April 25, 2011)

This has reference to Bureau of International Labor Affair's (ILAB) Federal Register Notice dated April 25, 2011, seeking information or comments on reports issued by the U.S. Department of labor to update findings and suggestions.

In this regard, we have the pleasure to forward a self-contained response received from the Executive Director, Council for Leather Exports.

We would be grateful for a line in confirmation.

Best regards,

Yours sincerely

(Vinay Kwatra)

Ms. Marcia Eugenio
Director
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Copy to:

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Enclosures:

Annexure : Letter from Council for Leather Exports

Vitas, Bogdan - ILAB

From: Rigby, Rachel - ILAB
Sent: Friday, May 20, 2011 5:31 PM
To: Wolkomir, Elizabeth D - ILAB
Subject: FW: CLE comments
Attachments: CLE comments.pdf; USDOL SUBMISSION - CLE comments.pdf

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From: McCarter, Tina - ILAB
Sent: Friday, May 20, 2011 4:30 PM
To: Vitas, Bogdan - ILAB
Cc: Rigby, Rachel - ILAB; Peltzer, Angela - ILAB
Subject: FW: CLE comments

Bogdan

Please save on O under India, creating a new subfolder for "Leather."

Thank you, Tina

From: Minister Commerce E/I Washington [mailto:mincom@indiagov.org]
Sent: Friday, May 20, 2011 3:11 PM
To: Eugenio, Marcia - ILAB
Cc: McCarter, Tina - ILAB
Subject: CLE comments

Vinay Kwatra
Minister (Commerce)
Phone: 202 939 9826
Fax: 202 797 4693
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(Vinay Kwatra)

Ms. Marcia Eugenio
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Enclosures:

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