



EXPORT PROMOTION COUNCIL FOR HANDICRAFTS

(Sponsored by Ministry of Textiles, Govt. of India)

"EPCH HOUSE" POCKET 6 & 7, SECTOR - C, L.S.C., VASANT KUNJ, NEW DELHI-110 070
 TEL. : +91-11-26135256 / 57 / 58 E-mail : epch@vsnl.com
 Fax : +91-11-26135518 / 19 Web. : www.epch.in

EPCH/LABOUR LAWS/ 2009

June 8, 2010

Ms. Charita Castro,
 U.S. Department of Labour,
 ILAB/OCFT, 200 Constitution Avenue,
 NW, Room S 5317,
 Washington DC 20210, USA
 Email ilab-tvpra@dol.gov

**SUBJECT: INFORMATION ON BUSINESS PRACTICES TO REDUCE
 THE LIKELIHOOD OF FORCED LABOUR OR CHILD
 LABOUR IN CASE OF EMBROIDERED TEXTILES (ZARI).**

Dear Ms. Charita Castro,

We would hereby take the opportunity to submit comments on the TVPRA Lists' including Embroidered Textiles (Zari) from India. We are following the procedure of The Procedural Guidelines published in Federal Register Vol. 72, No. 247 on December 27, 2007.


These comments are in continuation of the earlier submissions, dated 10 December 2009, on the inclusion of Embroidered Textiles (Zari) from India in EO List and the additional submissions of 22 January 2010, submission of 30th March, 2010 (Bibliography-wise reply) and submission of 8 April, 2010.

We hope that these submissions are accepted in good regard and further information could persuade you to remove Embroidered Textiles (Zari) exports from India off the TVPRA List.

Thank You for your cooperation,

Yours sincerely,


(Rakesh Kumar)
 Executive Director


(Raj Kumar Malhotra)
 Chairman

Copy to Shri Sibi George, Counsellor (com.), Embassy of India, Consular Wing, 2536 Massachusetts Avenue, NW Washington, DC 20008, USA - for information please.

EPCH Response to US DoL Notice of 12 April 2010

A. INTRODUCTION

1. The Export Promotion Council for Handicrafts (EPCH) would like to respond to the notice dated 12 April 2010 of the United States Department of Labor (US DoL) seeking information regarding the "current practices of firms, business associations, and other private sector groups to reduce the likelihood of child labor and forced labor in the production of goods". EPCH would like to bring to the notice of the US DoL such practices in the production of Embroidered Textiles (Zari) in India.
2. This response is in continuation of the earlier comments provided by EPCH in 2009 and 2010 following the inclusion of Zari products from India in the list of products under the EO and TVPRA lists of 2009. EPCH is of the view that Zari exporters from India take adequate precaution to ensure that there is no child or forced labor involvement and the product should therefore be removed from the two lists proposed by US DoL.
3. EPCH under the aegis of Development Commissioner (Handicrafts), Ministry of Textiles, Government of India is a non-profit organization, established under the Export-Import (EXIM) policy of Government of India in the year 1986-87. It has created necessary infrastructure as well as marketing and information facilities,

which are availed both by the member exporters and importers. EPCH is engaged in promotion of handicrafts from India.

B. EPCH'S EFFORTS TO CHECK CHILD AND FORCED LABOUR

4. EPCH has over 6000 members producing handicrafts for export and domestic consumption. In 2009 the United States was the largest market of India's Zari products exports with a market share of close to 27% of the total zari and zari products exports. India's exports of zari products to the US were over \$ 10.55 million. EPCH constantly updates its members of the need to meet with the social obligations including issues such as child labor.
5. Advocacy by EPCH: EPCH since inception has advocated strict social responsibility norms for its members. Over the years it has been creating valuable platforms to drive home the point about meeting social obligations so that India remains a mature and reliable trading member in export markets.
6. Seminars: As part of its on-going advocacy program, the Council conducted seven Seminars for its members in 2009 enumerating the common future vision to preserve and promote the industry. It was mandated that exploitation of child labour in the factories would be dealt firmly.
7. Senior EPCH officials also declared in the seminar that if any manufacturer or exporter is found enforcing child labour for the production of their goods then their products would not be allowed to be exported or sold in the domestic market.

8. It was also made clear at the seminar that a policy of zero tolerance would be adopted on this issue and members reiterated their commitment to meet with the social obligations and laws of India which prohibit the use of child labor.
9. Besides seminars, the Council also uses other platforms like its regular newsletter to inform members of the new social compliance platforms available to them to ensure that their goods are received properly in export markets.
10. For example the March 2010 issue of Craftcil- a regular newsletter of the Council has provided details of the Bolivian CSR label developed by UNCEF, ILO and Bolivian Institute of Foreign Trade (IBCE).
11. The "Triple Stamp" that is brought out by these three institutes is a certificated label which confirms that the entire production chain of an agricultural or timber product is free of:
 - I. Child labor (as defined by the UN Children Rights Convention and the ILO Conventions)
 - II. Forced labor
 - III. Discrimination
12. This certification is based on six critical-base documents with requirements that the company's product and its production chain have to comply with in order to be able to sell the product with the Triple Stamp label.



13. There are thus regular updates provided to members and companies too are encouraged to get themselves audited by the buyer to ensure that they have clear access into export markets.

C. BUYERS AUDIT INDIAN EXPORTERS ON SOCIAL COMPLIANCE:

14. It is important to note that many buyers of Zari products globally are members of some large international programs like the Supplier Ethical Data Exchange (SEDEX) or the Worldwide Responsible Apparel Production (WRAP) program both of which mandate that buyers and sellers meet with international obligations on child labor issues.

15. Being a supplier to buyers that are affiliated to these not for profit organizations like SEDEX and WRAP means that there is awareness among EPCH members on the need to meet international obligations on social compliance.

16. Even if some buyers are not members of such non-for profit organizations they meet with the international and domestic obligations and ensure that their suppliers in India also meet with the domestic laws in the market where they operate.

17. WRAP is a not-for-profit organization dedicated to promoting ethical, humane, and lawful conditions and practices in manufacturing facilities around the world.

18. The WRAP program is the world's largest facility certification program mainly focused on the apparel, footwear and sewn products sectors. Facilities receive a



certification of six months to one year based on compliance with the 12 WRAP Principles.

19. The Principles are based on generally accepted international workplace standards, local laws and workplace regulations which encompass human resources management, health and safety, environmental practices, and legal compliance including import/export and customs compliance and security standards. WRAP mandates the prohibition of forced and child labor.
20. SEDEX is a not-for-profit organization based in the UK, open for membership to any company anywhere in the world. SEDEX is a membership organization for businesses committed to continuous improvement of the ethical performance of their supply chains.
21. SEDEX enables member companies to efficiently manage the ethical and responsible practices of their global supply chains, generating transparency through the provision of a data exchange.
22. SEDEX Membership mandates that the suppliers to such buyers enforce ethical norms of production and undergo mandatory audits to ensure the same. SEDEX has over 375 members, inclusive of subsidiary brands of primary buyers.
23. SEDEX promotes ethical functioning for suppliers as a mandate for buyers to ensure that only best practices for production are promoted and consumers are confident of not purchasing exploitative produces.

24. The SEDEX Members Ethical Trade Audit (SMETA) Best Practice Guidance, 2009 prescribes detailed requirements for suppliers to fulfill regarding child and forced labour.

25. The Guidelines make it imperative that there shall be no recruitment of child labour; companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child and children and young persons under 18 shall not be employed at night or in hazardous conditions.

26. The audits undertaken for SEDEX Members are comprehensive and the auditors ensure, amongst other things, that:

- i. The exporter clearly states the law of the country/region in respect of this issue
- ii. The exporter checks system for checking workers' ages. This is systematic and documentary evidence is retained, such as copies of original ID cards or other evidence that has been produced. The evidence produced will vary from country to country and wherever possible should be cross-referenced to an independent source. The facility management should also be questioned to check whether they are aware of how to check for fraudulent documents.

* * * ERROR REPORT (JUN. 11. 2010 10:14AM) * * *

FAX HEADER: DOL ILAB/ICLP

FILE	PERSONAL NAME	ADDRESS	MODE	TIME	PAGE	RESULT
232		91 11 26135519	RED	1'35"	P. 1	E

PAGE NOT RECEIVED

QUICK SERVICE CODE

P. 1

00-01

: BATCH
L : SEND LATER
D : DETAIL

C : CONFIDENTIAL
@ : FORWARDING
F : FINE

P : POLLING
E : ECM

M : MEMORY TX
S : STANDARD

certification of six months to one year based on compliance with the 12 WRAP Principles.

19. The Principles are based on generally accepted international workplace standards, local laws and workplace regulations which encompass human resources management, health and safety, environmental practices, and legal compliance including import/export and customs compliance and security standards. WRAP mandates the prohibition of forced and child labor.

20. SEDEX is a not-for-profit organization based in the UK, open for membership to any company anywhere in the world. SEDEX is a membership organization for businesses committed to continuous improvement of the ethical performance of their supply chains.

21. SEDEX enables member companies to efficiently manage the ethical and responsible practices of their global supply chains, generating transparency through the provision of a data exchange.

22. SEDEX Membership mandates that the suppliers to such buyers enforce ethical norms of production and undergo mandatory audits to ensure the same. SEDEX has over 375 members, inclusive of subsidiary brands of primary buyers.

23. SEDEX promotes ethical functioning for suppliers as a mandate for buyers to ensure that only best practices for production are promoted and consumers are confident of not purchasing exploitative produces.

24. The SEDEX Members Ethical Trade Audit (SMETA) Best Practice Guidance, 2009 prescribes detailed requirements for suppliers to fulfill regarding child and forced labour.
25. The Guidelines make it imperative that there shall be no recruitment of child labour; companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child and children and young persons under 18 shall not be employed at night or in hazardous conditions.
26. The audits undertaken for SEDEX Members are comprehensive and the auditors ensure, amongst other things, that:
- i. The exporter clearly states the law of the country/region in respect of this issue
 - ii. The exporter checks system for checking workers' ages. This is systematic and documentary evidence is retained, such as copies of original ID cards or other evidence that has been produced. The evidence produced will vary from country to country and wherever possible should be cross-referenced to an independent source. The facility management should also be questioned to check whether they are aware of how to check for fraudulent documents.

- iii. The exporter checks records of hiring and terminations for the previous 12 month period to see whether there is a pattern of young workers being sacked in the run-up to the audit.
- iv. Particular attention is paid to any training schemes in operation. Conditions relating to these are clearly stated and where such systems exist, registration with local authorities is cross-checked. Where workers are under age, contracts are verified, if they have been signed by a parent or guardian.
- v. Workers selected for interview are questioned about the company's policy concerning employing children and young workers to ensure that there is a clear communication on this topic.
- vi. Workers who look young are prioritized for interview.
- vii. It is important for the auditor to err on the side of caution and assume that a young-looking worker is a child, until verifiable evidence to the contrary is provided. This may involve reviewing age documents of the child and verifying that they are genuine.

D. INDIAN INDUSTRY MEETS SOCIAL OBLIGATIONS:

27. Besides international compulsions industry in India on its own is aware of the need to comply with stringent checks to ensure that exports are not hampered and international buyers and subsequent consumers do not have cause to raise concern regarding the workers producing the goods.

28. The result is that instances of child labor in handicrafts are even when used in the domestic industry are becoming into stray cases with NGO's and enforcement agencies remaining vigilant and government continuously educating people on the need to eradicate this problem.
29. Even in stray cases, enforcement agencies take prompt action to ensure children rescued from bonded are not forced into the same milieu.
30. EPCH plays a key role to keep its membership aware on the need to stay away from unfair and unethical manufacturing practices that can have an adverse effect on the entire industry and therefore on the millions employed.

E. BACKGROUND TO CHILD LABOR IN INDIA OVER THE DECADES:

31. There are a number of factors that could make children vulnerable to trafficking for labour. Some of these are at the family level and some others at the community or society level.
32. While at the family level, the major push factors are poverty, illiteracy, dysfunctional family life, under-employment and a lack of income-generating opportunities for families, those at the community or society level are a general apathy or tolerance towards exploitative forms of child labour, lack of community support and social vulnerabilities.

F. INDIAN RESPONSE TO THIS PROBLEM OVER YEARS:

33. Considering the complexity of the problem, the Indian government and Industry has over the years worked out a comprehensive multi-pronged approach to this problem. This covers not only the educational rehabilitation of these children to prevent them from entering and re-entering such exploitative labour situations but also various socio-economic causal factors such as poverty, illiteracy, lack of awareness, etc.
34. The measures adopted include economically empowering the families by covering them under various schemes of the Government, community mobilization and attitudinal changes through awareness generation, creation of suitable rehabilitation infrastructure, backed by unambiguous legislative provisions against offenders and stronger enforcement.

G. INTERNATIONAL AGENCIES RECOGNIZE INDIA'S PROGRESS:

35. The 2009 UNHCR Report (prepared by the US Department of State) also recognizes these efforts by noting, "Indian government authorities made significant progress in law enforcement efforts against sex trafficking and forced child labor during the year..... India also prohibits bonded and forced labor through the Bonded Labor (Abolition) Act of 1976, the Child Labor (Prohibition and Regulation) Act of 1986, and the Juvenile Justice Act of 1986."¹

¹ United States Department of State, *Trafficking in Persons Report 2009 - India*, 16 June 2009, available at <http://www.unhcr.org/refworld/docid/4a4214b4c.html>

36. Further, in its State of the World's Children Report 2009, UNICEF points out that the number of children enrolled in primary school, regardless of age, expressed as a percentage of the total number of children of official primary school age for males is 90% and for females is 87%.²

H. CONCLUSION

37. The strong system of checking incidents of child labor is being viewed as a successful model and helps in moving towards ending the social evil of child labor. India is committed to match world standards in health and education. Garment exporters of Zari products are also devoted to supply legitimate products to the world buyers.

² UNICEF The State Of The World's Children Report 2009, available at http://www.unicef.org/sowc09/docs/SOWC09_FullReport-EN.pdf