



कालीन निर्यात संवर्धन परिषद् CARPET EXPORT PROMOTION COUNCIL

(Set up by Ministry of Textiles, Govt. of India)

Working Office: Niryat Bhawan, 3rd Floor, Rao Tula Ram Marg, Opp. Army R & R Hospital, New Delhi - 110 057

Phone +91 11 2615 3466, 2615 3467 **Fax** +91 11 2615 3465

Email cepc@airtelmail.in, cepc@vsnl.com **Website** www.indiancarpets.com

Regd. Office: Shreejee Complex, Shop No. T-3, Sharma Market, Harola, NOIDA (U.P.)

May 20, 2011

U.S. Department of Labor
Office of Child Labor, Forced Labor and Human Trafficking
Bureau of International Labor Affairs
200 Constitution Avenue, NW, Room S-5317
Washington, D.C. 20210

Re: **Docket No. DOL-2011-0002: Request for Information and Invitation to Comment; 76 Fed. Reg. 22921 (April 25, 2011)**

Attn: Honorable Deputy Undersecretary Sandra Polaski

Dear Ms. Polaski:

The Carpet Export Promotion Council of India (CEPC or Council) takes this opportunity to respond to the April 25, 2011 Federal Register notice by the U.S. Department of Labor (DOL) seeking new information relevant to the Trade and Development Act of 2000 Report (2009 Findings on the Worst Forms of Child Labor), the Trafficking Victims Protection Reauthorization Act list and the Executive Order 13126 list. With these comments, the Council is pleased to provide an updated report on the continuing and successful efforts to address forced or indentured child labor in the Indian carpet industry, through an extensive inspection system and through rehabilitation and and legal enforcement actions.

I. About the CEPC

As the Council has previously advised DOL, the Council is well positioned to provide reliable and informed data and insights on the issue of child labor in the carpet industry in India. The CEPC was established in 1982 by the Government of India to promote the export of hand-knotted carpets and other floor coverings. The Council has been a success story, recognized for its aggressive promotional efforts as well as its support for and promotion of ethical business practices. In response to concerns about the incidence of child labor in the carpet-weaving industry, the Council has made it a primary goal to seek the eradication of child labor in India and continues to make steady and significant progress toward full achievement of that important goal. All 2,233 Council members adhere to a strict code of ethics and submit to an independent monitoring process, with every loom subject to registration and a random unannounced inspection process.

Since the 1990's, the Council has routinely represented the interests of its members before U.S. Government agencies, participating in proceedings under the U.S. GSP program and reviews conducted by the DOL, and voluntarily making its good offices available to the U.S. Government as part of various fact finding programs and initiatives to address needs in the carpet weaving regions of India, including efforts to address poverty and provide access to basic education.





कालीन निर्यात संवर्धन परिषद् CARPET EXPORT PROMOTION COUNCIL

(Set up by Ministry of Textiles, Govt. of India)

Working Office: Niryat Bhawan, 3rd Floor, Rao Tula Ram Marg, Opp. Army R & R Hospital, New Delhi - 110 057

Phone +91 11 2615 3466, 2615 3467 **Fax** +91 11 2615 3465

Email cepec@airtelmail.in, cepec@vsnl.com **Website** www.indiancarpets.com

Regd. Office: Shreejee Complex, Shop No. T-3, Sharma Market, Harola, NOIDA (U.P.)

II. Continued Effective Measures To Address Child Labor in the Carpet Industry Justify The Exclusion of Carpets from the DOL Lists

Eradication of child labor and promotion of child welfare have been and remain priorities for India, and for the Indian hand-made carpet industry. This is reflected in the Indian constitution. Further, the Council has taken the lead in addressing and removing children from both illegal and legal labor.¹ Toward that end, the Council has a Code of Conduct with which all exporters of hand-made carpets must comply in order to maintain their right to export. Under that Code,

- All looms must be registered with the Council.
- Only members in good standing may export and only carpets woven on registered looms may be exported.
- Members must commit that no child labor prohibited by India's Child Labor Prohibition & Regulation Act of 1986 will be employed.
- Council members may buy or sell carpets only to or from other Council members. It is the responsibility of the members to ensure that no order of manufacturing carpets is given to, nor raw material issued for, the weaving of carpets on a loom that has not been registered or has been subsequently de-registered.

As the Council has explained in previous comments to the DOL, looms are subject to an inspection program, with the inspections conducted by an independent entity. The Academy of Management Studies (AMS), Lucknow (U.P.) which is a research based professional organization carrying out similar responsibilities for UNICEF, The World Bank, USAID – WIDTECH Project, UNDP – SAWERA Project, and STEP Foundation, Switzerland, conducts the inspections.

The current inspection program has been in place since April 2007. The Council respectfully refers the DOL to the comments filed by the Council on December 10, 2009 in Docket No. DOL-2010-0002 for a full explanation of the loom registration and inspection process, including the use of a computerized list of registered looms, the structured questionnaire, the methodologies employed by the inspectors to detect cases of hired labor, and the system of cross-checking through revisits for five percent of the inspection sites.

Under the inspection process, on an annual basis, 15 percent of the 200,000 looms are inspected. This necessitates the inspection of 30,000 looms annually. As a practical matter, based on the Council's extensive experience with loom inspection, it appears that nearly half of the

¹ Bonded and indentured labor and work by children under the age of 14 years outside the family setting is illegal.





कालीन निर्यात संवर्धन परिषद् CARPET EXPORT PROMOTION COUNCIL

(Set up by Ministry of Textiles, Govt. of India)

Working Office: Niryat Bhawan, 3rd Floor, Rao Tula Ram Marg, Opp. Army R & R Hospital, New Delhi - 110 057

Phone +91 11 2615 3466, 2615 3467 **Fax** +91 11 2615 3465

Email cepec@airtelmail.in, cepec@vsnl.com **Website** www.indiancarpets.com

Regd. Office: Shreejee Complex, Shop No. T-3, Sharma Market, Harola, NOIDA (U.P.)

looms are generally found to be inoperative at the time of inspection. In the most recent period, due to the economic recession in the major export markets, including the United States, an even greater number of looms appears to have not been in use at the time of inspections. Nevertheless, the inspectors continue to seek to achieve an inspection rate of 15 percent of the total registered looms.

On the basis of the inspection work carried out by the independent authority, the Council receives fortnightly, quarterly and annual consolidated reports that provide detailed information on various aspects as given below :

- Which looms are working and which are non-working
- Whether loom registration certificates are being displayed on the looms
- Whether proper work-order is being given to the loom-owners
- Age-wise distribution of the workers observed to be engaged in weaving time of inspection
- The number of child workers in two categories, namely, family members and hired workers²
- Incidence of child labour [defined as non-family labor], his/her name and name of the exporter whose carpet was being woven (based on the information provided by the loom owners)

The most recent data available to the Council extends to the period ending March 2011. Based upon that data, which is shown in table form as Annex 1, the Council has concluded that the incidence of illegal – hired -- child labor in the carpet weaving industry is currently approximately 0.81 percent. That is a further improvement over the data available through November 2009, which at that time indicated that the incidence of illegal – hired – child labor in the industry was 1.1 percent.

In April 2011, Development Commissioner (Handicraft), Government of India, mandated that those with the CEPC Registration Certificate will be given preference for the issuance of

² The survey distinguishes between family and hired labor. This is done by asking the full name of any child found to be working on the loom and thus, trying to ascertain his caste and religion. If his caste/religion is different from that of the loom owner, then he can not be a family member. Such cases are deduced to be hired workers. There is no alternative but to adopt this 'indirect' approach, because if the inspectors ask a direct question about the relationship, in all probability, they will be told that the child is a family member. The issue of forced or indentured child labor would be limited to those instances in which the child is hired, and is more difficult to detect, but hired child labor cannot be automatically equated with forced or indentured labor.





कालीन निर्यात संवर्धन परिषद् CARPET EXPORT PROMOTION COUNCIL

(Set up by Ministry of Textiles, Govt. of India)

Working Office: Niryat Bhawan, 3rd Floor, Rao Tula Ram Marg, Opp. Army R & R Hospital, New Delhi - 110 057

Phone +91 11 2615 3466, 2615 3467 **Fax** +91 11 2615 3465

Email cepec@airtelmail.in, cepec@vsnl.com **Website** www.indiancarpets.com

Regd. Office: Shreejee Complex, Shop No. T-3, Sharma Market, Harola, NOIDA (U.P.)

Artisan Cards, which is the basic document conferring “artisan” status to a person, thereby entitling that person to avail himself or herself of the various welfare schemes launched for artisans. As a direct result of this policy, the Council is already witnessing more weavers pledging to abide by the Council’s code of conduct, including the responsibility to abstain from using child labor. The Council notes that this change in policy is expected to continue to increase the number of weavers who register with the CEPC and are therefore subject to inspection.

The Council continues to work to identify and eliminate all incidence of child labor in the carpet weaving industry. For those loom owners who have failed to abide by the commitment not to use child labor, enforcement actions follow. Below is the most recent data, covering the period April, 2007 through March, 2011, regarding loom owners who have defaulted on their commitment not to hire children and the measures taken by the Council in response:

Action	Quantity
No. of Looms inspected	2,29,726
No. of Looms found working	91,325
No. of hired child labour	2,234
No. of family child labour	3,683
No. of looms blacklisted	1,570
No. of Warning Letters issued to Loom Owners	225
No. of Warning Letters issued to Member-Exporters	43
No. of Member-Exporters de-registered	6

Moreover, the Council and the Government of India are taking steps to enroll identified child laborers in schools and to provide employment to the families of those children.

III. Indian Government Initiatives

Updated statistics on the legal actions taken through February 2011 in Uttar Pradesh, the primary area of carpet weaving, demonstrate the continuing determination of the industry and the Indian Government to enforce the law against illegal child labor. Attached as Annex 2 is a table of the child labor identification, rehabilitation (including education and employment) and prosecutions undertaken. Further, the Council would like to remind the DOL of the information previously provided, regarding the number of social security/welfare programs for the handicraft artisans launched by the Government. The Council has been and continues to take the initiative of organizing special camps for reaching out to registered weavers to ensure that they take advantage of these schemes.





कालीन निर्यात संवर्धन परिषद् CARPET EXPORT PROMOTION COUNCIL

(Set up by Ministry of Textiles, Govt. of India)

Working Office: Niryat Bhawan, 3rd Floor, Rao Tula Ram Marg, Opp. Army R & R Hospital, New Delhi - 110 057

Phone +91 11 2615 3466, 2615 3467 **Fax** +91 11 2615 3465

Email cepec@airtelmail.in, cepec@vsnl.com **Website** www.indiancarpets.com

Regd. Office: Shreejee Complex, Shop No. T-3, Sharma Market, Harola, NOIDA (U.P.)

IV. Conclusions

The Council cannot yet say that there is no child labor in the carpet weaving industry in India, just as no one could say that there is no child labor in the United States. But India and the Council can and will say the incidents are increasingly truly the exception, that it believes firmly that it is continuing to achieve great success in ensuring that there is no forced or indentured child labor, and that there is a clear determination by the Council and by the Indian Government, including through poverty eradication programs and education programs, to achieve a zero rate of child labor.

The Council is confident that DOL's own study will confirm the efforts of the industry and the Indian Government. The Council respectfully urges the DOL to continue to recognize the significant initiative and success of the industry by continuing to exclude Indian carpets from its Executive Order 13126 list.

Respectfully submitted,

Shiv Kumar Gupta
Executive Director-cum-Secretary

O.P. Garg
Chairman

Annexes attached



Child Labor Data till March 2011

Inspection Program	2007-08	2008-09	2009-10	2010-11
Total No. of Looms Inspected	50276	60000	72449	47001
No. of Looms Found Working at the Time of Inspection	23443	24486	27769	15627
No. of Persons Found Weaving at the Time of Inspection	41170	36699	47858	28300
No. of Family Children Found Weaving at the Time of Inspection	876 (2.12%)	928 (2.52%)	1103 (2.30%)	776 (2.74%)
No. of Hired Children Found Weaving at the Time of Inspection	900 (2.18%)	566 (1.54%)	538 (1.12%)	230 (0.81%)

	2007-08	2008-09	2009-10	2010-11
Incidence of Family Child Workers	2.12%	2.52%	2.30%	2.74%
Incidence of Hired Child Workers	2.18%	1.54%	1.12%	0.81%
Total	4.30%	4.06%	3.42%	3.55%

State wise break-up of Child Labor Data (2010-11)

Period	State	Total No. of Looms Inspected	No. of Looms Found Working at the Time of Inspection	No. of Persons Found Weaving at the Time of Inspection	No. of Family Children Found Weaving at the Time of Inspection	No. of Hired Children Found Weaving at the Time of Inspection	Incidence of Family Child Workers (%)	Incidence of Hired Child Workers (%)	Total (%)
2010-11	Uttar Pradesh	23747	8021	12947	470	183	3.63	1.41	5.04
	Rajasthan	14353	4234	9768	254	47	2.60	0.48	3.08
	Jammu & Kashmir	4733	1766	3093	38	0	1.23	0.00	1.23
	Punjab	1666	580	899	14	0	1.56	0.00	1.56
	Haryana	2502	1026	1593	0	0	0.00	0.00	0.00
	Total	47001	15627	28300	776	230	2.74	0.81	3.55

**CHILD LABOUR IDENTIFICATION / REHABILITATION (EDUCATIONAL/EMPLOYMENT) &
LEGAL ACTION DURING 1997-98 TO 2010-11 (up to February 2011) (Uttar Pradesh)**

Sr. No.	Subject	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011 (Till Feb 2011)	Progressive after 10.12.96 to Feb.2011
01	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Number of inspection conducted	169835	50328	30229	18869	1677	2058	8496	03	1926	3807	6432	5682	4925	2723	306990
2	Identified Child Labourers	32498	18937	2879	2053	3865	1608	3895	04	1621	3963	7911	7563	5899	3482	96178
	(i) Hazardous (ii) Non-Hazardous	15137 17361	9450 9487	2021 858	763 1290	1047 2818	450 1158	855 3040	0 4	253 1368	2513 1450	5421 2490	5423 2140	2514 3385	1420 2062	47267 48911
3	No.of Employers	4461	3519	311	180	1200	326	738	--	109	688	1890	708	1278	784	16192
4	No.of R.C. issued	--	3921	1536	582	478	265	330	61	61	192	592	678	596	403	9695
5	No. of Prosecution launched	3448	563	1217	587	955	196	399	31	19	117	548	604	666	1032	10382
6	No. of convictions	255 (1997-98 to 2001-02)					23	0	10	40	19	46	99	55	119	444
7	No. of acquittals	291 (1997-98 to 2001-02)					171	154	57	247	128	166	89	62	251	605
8	Amount recovered (in lakh)	--	17.17	25.94	20.42	19.08	6.91	7.78	5.41	4.98	5.57	15.83	32.82	55.55	69.15	286.61
9	No. of Child Labourers enrolled	10547	20899	3965	8307	7163	2260	2369	1232	708	1251	5323	6717	3909	2012	76662
	(i) Hazardous (ii) Non-Hazardous	7123 3424	7393 13506	2199 1766	3556 4751	2862 4301	737 1523	435 1934	316 916	48 660	245 1006	3425 1898	5040 1677	1733 2176	514 1498	35626 41036
10	No. of Families	11938	6997	1005	325	1780	1304	880	--	159	1344	3841	4071	2135	1256	37035
11	Employment given to Families	501	1598	167	1335	951	42	78	290	75	128	388	499	608	350	7010