



Garment Sector Child Labour Forum

Report of the multi-stakeholder initiative to eliminate
child labour from the garment supply chain in India



GLOBAL MARCH
Against Child Labour
Contra el Trabajo Infantil
Contre le Travail des Enfants

Garment Sector Child Labour Forum

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Background

In October 2007, the Guardian/Observer reported the use of underage child labourers in embroidery sweatshops in the supply chain of garment giant GAP Inc. The civil society groups working to end child labour and the consumers buying the products were shocked with the revelation of a big multinational corporation violating the child labour laws in India and the core international labour standards. The indignant civil society lead by Bachpan Bachao Andolan (BBA) are rescued the children from the sweatshops in South Delhi. This was followed by a series of consultations with the retailer, civil society organisations, government representatives, trade union representatives and UN agencies to address the issues of child labour in the garment supply chain in India.

Between 2007 and 2008 number of small projects and programmes were initiated by the corporations as well as the civil society groups to impact elimination of child labour in the garment sector in India. The initiatives worked in isolation, neither covering the garment supply chain nor bringing the range of stakeholders in the garment supply chain into consideration. At best, the programmes in small pockets improved awareness levels among vulnerable communities. However, not much progress could be made in bring the different garment sector stakeholders in collective dialogue for a sector-wide plan of action until this project.

The twin agenda for action proposed by Global March for elimination of child labour from the garment sector include: first, identify the vulnerable communities and improve their awareness and promote access to statutory social protection schemes to prevent exploitation; and second, focus on the garment supply chain with a multi-stakeholder perspective to identify the gaps and needs in the supply chain management to prevent underage children from working in the garment sector.



Brief description of the garment sector in India

The garment and apparel sector is the second largest employer in India and accounts for 4 per cent of GDP. Garments are one of the fastest moving consumer products and India is one of the largest garment hubs in the world. Garment sourcing supply chains are a complicated web spanning many countries and regions. Child labour can be found at different layers in the supply chain, and the vast majority of them are concentrated in the value-addition handwork segment of the supply chain. Compounding the situation is the significant informal nature of this industry. The manufacture of garments for export is spread all over the country but mostly concentrated in urban centres. The garment industry consists of independent, small proprietary units at one end, and subcontracting units at the other. A considerable number of end jobs are also farmed out to home-based workers. Characteristically, the methods of production and work organisation in this industry remain heterogeneous. Orders received from the organised vendors are often completely executed by the unregistered units in the informal sector.

Child labourers in the garment sweatshops can be as young as 6 years of age, coming from the impoverished areas of Bihar, West Bengal, and Uttar Pradesh. Once trafficked to a garment sweatshop these children often work for more than 14 hours each day and get paid a measly Rs. 50 (US\$ 1.1) per week, if they are lucky. Verbal and physical abuse are the norm and many are victims of sexual abuse.

It is extremely difficult to estimate the total number of children working illegally in the garment sector and the subset working in handwork. However, approximate reports have indicated a possible figure as high as 100,000 in Delhi alone.

Project activities

1. Understanding the garment sector in India

The Global March has a background in the research, campaign and advocacy on various levels with a range of stakeholders in eliminating child labour and promoting education for all. Foraying into the area of child labour in the garment sector in India, a small team of dedicated and competent professionals of the International Secretariat undertook the task of understanding the different processes in the garment sector in India, the garment supply chain, the key actors and influencers in the supply chain and the garment industry at large, and at indications to the use of underage workers in the garment manufacturing process. The team also visited sub-contracted unregistered units in Delhi to observe the working conditions and the work processes in garment handwork and embroidery.

With the cooperation from the partner organisation BBA, the team also participated in rescue operation to get a primary understanding of the living and working conditions of child labourers. It also helped the team to observe the mechanics of work between different government agencies – labour department, police, local administration and the NGO in rescuing a child labourer from exploitative labour condition, as well as situate the rescue within a statutory social protection system, aligning the roles and responsibilities of the different agencies in different laws and the compensation for the child labourer and his/her family.

Additionally, it was important to undertake a rough mapping of the assorted initiatives by the garment businesses and the civil society on child labour elimination and promotion of ethical trade practices. This helped in positioning the next phase of one and one communication with different retailer, manufacturers, trade unions, employers associations, government representatives and civil society groups.

This exercise was helpful to the Global March team in deepening their understanding of the garment sector and the different initiatives. However, it also threw many challenges: first among them is the lack of understanding of the depth and breadth of the garment supply chain in India, especially in light of the concern for child labourers working in the garment sector. The information is mainly anecdotal and news articles, or even from programme activities of some civil society organisations working for rescue and rehabilitation of child labourers. Second, the rough mapping exercise indicated again to a lack of information in the area of child labour elimination in the garment sector. There is an urgent need for more understanding of both the above and to fill the deficiencies in the information.

2. Communication with different stakeholders

A database of key stakeholders in the garment industry, civil society groups active in promoting labour standards in the sector, responsible government agencies and other agencies was developed. The database contains contact information from approximately 200 industry, civil society, government and other agencies. Through a process of due diligence, based on information from strategic experts from the civil society and the industry, the contacts were graded into different groups for ease of communication.

A flyer with the project description, core areas of focus and background information on the Global March was designed and printed.

Electronic communication links through e-mails was established with the first list of contact persons. From this, face-to-face meetings, teleconferences and small group discussions were initiated to introduce the organisation, the project and get a better understanding of the needs and expectations of the industry members and the civil society groups for a stakeholder skeletal framework and the need for a multi-stakeholder forum to eliminate child labour from the garment sector in India. It also helped in getting the different challenges faced by different actors in the supply chain in addressing child labour and the various initiatives by the industry and/or the civil society to tackle child labour and promote decent working conditions.

The multiple meetings and communications helped to build mutual trust and rapport between Global March and others, ensuring regular flow of information and practices.

The team also participated in many seminars and consultations on the garment industry and corporate social responsible initiatives to improve labour standards in the industry.

It was understood from the various meeting and telephonic communication that there is clear lack of multi-directional and free communication among all the stakeholders. The competition in the industry creates an atmosphere of non-transparency and lack of information sharing among each other, while the industry and the civil society lack trust due to their inherent nature – profit making vs. non-profit ventures. The trade unions representing the workers rights and the brands and manufacturers are on different sides as well. For any intervention to be successful to eliminate child labour in the garment sector and multi-stakeholder initiatives to deliver, the bedrock of mutual trust and confidence with regular and free information sharing is critical. A lot of energy and resource need to be invested in making a genuine multi-stakeholder initiative successful.

3. Documentation and reporting

As mentioned in the above section a database was created and maintained of different garment manufacturing supply chain actors. The database created in excel contains more than 2000 records.

The communication records of the face-to-face meeting, teleconferences, group discussion were all compiled and analysed for salient features and pointers to feed into the skeletal framework as well as for the conference planning. These meetings (virtual and physical) also helped in identifying the different auditing procedures and standards/voluntary codes of conducts that were being followed, their strengths and gaps.

The field reports and visits to the factories and the rescue operations were compiled and analysed for greater knowledge of the processes and factors in eliminating child labour.

Second, the team prepared different presentations for different audiences and for the meeting.

Finally, two short guides were drafted – *Brief Guide to Garment Manufacturing and Child Labour in Garment Sector*, and *Snapshot of Initiatives to address Child Labour in Supply Chain*.

4. Stakeholder Skeletal Framework for elimination of child labour from the garment sector in India

A key task of the project was the drafting of a stakeholders' skeletal framework for auditing. In the meetings and communications with various stakeholders, and review of documents and researches on the Internet, it was found that 'audit frameworks' and 'audit fatigue' currently plagues the industry. One more social audit framework would only add to the burden and get lost in the multitude of frameworks and codes of conducts. It was important that the framework contributed to ameliorate the conditions of child labour in the garment supply chain and improving the working conditions of the adult workers efficiently. This was discussed at length with the representatives from the industry, trade unions, ILO and within the Global March, and it was agreed that instead of an audit framework, an inspection, monitoring and remediation framework would be designed for elimination of child labour in the garment sector in India.

Through a process of due diligence which included consultations with the Global March board members, trade union representatives and ILO consultant experts to draft the

skeletal framework were shortlisted and a terms of reference was send to the selected expert.

The skeletal framework was drafted by Nicholas Grisewood an expert on child protection, education and international labour standards. The minutes of the meetings, draft reports and guides were instrumental in shaping the framework.

5. Garment Stakeholders Forum on Child Labour

The Garment Stakeholders Forum on Child Labour was a small conference organised on 19 February 2010 to introduce the skeletal framework, build consensus on it and mobilise a small group of stakeholders to agree to come together to plan a way forward on it.

The key objectives of the conference were the emergence of a Multi-stakeholder forum that will work towards mutual understanding, common platform for mutual dialogue and interventions, and to find socio-economically viable and sustainable solutions to prevent children working in the Indian garment handwork industry, identify good practices and lessons learned and create models of replication that can be applied on broader regional and global scales.

Garment Stakeholders Forum on Child Labour

The speakers invited to address participants in the opening session of the conference came from a broad range of key stakeholder groups, including government, trade unions and civil society. However, while representing different stakeholders, speakers presented a common message that there should be collective efforts across the length and breadth of the supply chain and amongst the vulnerable communities to address child labour in the garment supply chain.

Introduction: The conference guests and participants were welcomed by Ms. Priyanka Ribhu from the Global March International Secretariat. She started with a presentation introducing the motivation and the sequence of events behind this initiative by the Global March and extent and condition of child labour in India and in garment sector in particular. The introduced also summarised the key responses, needs and expectations from the various stakeholder groups to this initiative by the Global March and the stakeholders' forum.

The keynote address to the forum was made by Kailash Satyarthi, Chairperson, Global

March Against Child Labour. In his address Mr. Satyarthi stressed the need for common action among the different stakeholders to identify, remove and rehabilitated child labour in the garment supply chain in India.

He noted with concern that child labour is still prevalent in 21st century India, and that all stakeholders need to work more closely and effectively together to support interventions to help at-risk children. Pointing to the recent spate of calls for boycotts and sanctions by different countries and NGOs, Mr. Satyarthi cleared that Global March has worked hard to counter this movement and holds that the solutions can emerge from the responsible stakeholder groups in the countries, in this case in India in the garment sector. A key element in putting together a collective response to child labour, especially within the garment sector, is that of social partnership and shared responsibility and Mr. Satyarthi pointed out that the need for government, industry partners, trade unions, civil society organisations and others to work together on these and related issues.

Ms. Sherin Khan, Senior Child Labour Specialist of the ILO Sub-regional office in India presented the ILO-led initiatives to eliminate child labour in different sectors and countries, including garment sector in Bangladesh. She stressed on the complexity of the global supply chain and the need to focus on the entire sector and system to impact elimination of child labour. She laid focus on the need for regular inspection and monitoring for sustained impact.

Mr. Amod Kanth, Chairman, Delhi Commission for the Protection of Child Rights (DCPCR), as the chaired the session “Challenges in identifying and addressing child labour in garment handwork supply chain, and Ethical trading practices and supply chain management to prevent child labour and trafficked children in garment industry.” Introducing the session, Mr. Kanth reiterated that the garment sector has a major stake in the Indian economy and it is important that united efforts are made to promote ethical trade in the sector, and ensure that child labour is not accepted in the garment manufacturing supply chain. As the government representative responsible for the protection of all child rights in the National Capital Region (NCR), he affirmed that his department would take strong notice of any violations and will give all due support for rescue and rehabilitation of the child labourers found in the garment sweatshops in the region.

Mr. Shanthakumar, State Secretary for Karnataka of Indian National Trade Union Congress (INTUC) one of the largest and widely recognised trade unions in India, briefly presented the diverse causes of child labour, including poverty, illiteracy and adult unemployment. Mr. Shanthakumar presented a paper “The Garment Workers Union (An affiliate of INTUC/ ITGLWF) Garment Industry and workers conditions in Karnataka.” The paper documented the problems faced by the garment workers from forced and uncompensated

overtime to verbal and physical abuse, minimum wage issues and problems faced by women workers. It also indicates to the employment of child labourers in the garment factories, with questionable age proof documents. It also mentions that children are being trafficked from neighbouring states like Andhra Pradesh to work in the garment factories in Karnataka. "Recently 10 minor girls were rescued by a NGO at Bangalore city railway station while they are trafficked for work in a Garment Factory. All of them are brought from villages of Andhra Pradesh." Reporting on the Garment Workers Union, an initiative of INTUC, he said, "The Garment Workers Union is the first registered Union amongst Garment workers in Karnataka. Interventions of other unions are also very important in bringing changes in the Garment Industry. There are lots of pro workers developments in the industry in one decade. Workers conditions are much better as compared to late nineties in the Industry in Karnataka. Still, we have lot of things to do to bring healthy working conditions in the Industry and create a fruitful working atmosphere (Annex 10)."

In the open discussion, industry representative came forward with the challenges they face in identifying child labour in the garment supply chain. Many responded including representative from Lindex, Orient Fashion and Karnataka Garment Manufacturers Association with the rhetoric that there was no child labour in their enterprises and if they find any underage child working through a remediation plan the children are withdrawn and rehabilitated with the industry enterprise supporting the child and his family financially. Additionally, the errant unit or factory is put in the 'stop-list' until an external audit clears it. In case of a second violation, the retailer stops working with the factory altogether. Sub-contractors are not the preferred choice of industry engagement, but they exist in huge numbers due to the very tight timelines and large volumes of orders. Internal and external audits are used regularly to check that the company's code of conduct and the norms are followed by the manufacturers.

Though many representatives admitted that audits, internal and external, are limited to the first two tiers of the supply chain and often, do not reach beyond the factory (organised) level.

GAP representative discussed the actions GAP initiated post the exposure of child labour in their products. The initiation of a 'think tank' by GAP with the Ministry of Women and Child Development and the project with Society for Promotion of Youth and Masses (SPYM) in Mewat area near Delhi were steps taken to prevent trafficked children from working in GAP supply chain. The 'think tank' however it was admitted has not performed to its potential.

Mothercare representative Mr. Raphael Jose lamented that beyond the boundaries of the factories in the sub-contracted units and the unregistered workshops, labour standards are mostly violated, and this is where the brands have the least control on the supply chain.

Children often filter into these units and the retailer or primary employer is unaware of their existence in the supply chain. This is compounded by the lack of transparency below the exporter, with no written documentation of the workers, and poor and delayed wage payments. He remarked that the industry works under tremendous time and volume pressure. The time of delivery from the order placement is usually a short 90 days and it leaves around 5-7 days for the handwork and embroidery on the finished garments. The combination of time and volume pressure offsets a 'chain reaction of sub-contracting.'

A key focus of the industry enterprises, especially, the retailers, has been on implementation of the company code of conduct and the audits (internal and/or external). This unusual thrust on audits that concentrate on the top-tiers of the supply chain has also diluted the engagement and understanding among the other levels of the supply chain. The trickle effect and transfer of knowledge and capacity from the top-tiers to the lower ones has not happened, due to lack of engagement and even, mapping of the spread and depth of the supply chain. While the risk of labour standards violation is maximum beyond the factory walls, the understanding of the dynamics of the supply chain and involvement with the stakeholder is minimum beyond the factory walls.

A small manufacturing unit owner revealed that with a child working the wage is not a consideration since they are not paid, while with the employment of an adult worker they have to pay Rs. 7000-9000 (US\$ 159 – 204) per month. This cuts into their profit margins and they cannot afford to employ adult workers in this case. However, he further accepted that with the increase in civil society action, especially by organisations like BBA in Delhi, they are afraid of employing children in the units. So, some of them like him have even shifted from handwork to tailoring sector, which is not very profitable.

Referring to the low wage rates in the handwork sector, Mr. Sanjay Singh, Self Employed Women's Association (SEWA) said that both low wage rates and seasonality of the sector lead to trafficking of children to work in the garment sector. He mentioned that the wage rates are as meagre as Rs. 1.50 (US\$ 0.03) per hour of handwork. With this rate it is not possible for an adult worker to earn a livelihood and this becomes the pull for the exploitation of underage and illegal child labourers. He elaborated on the SEWA model where the women workers are empowered to undertake additional home work especially handwork to support the family income and a minimum wage is promoted, with the guarantee that women would not engage their children in the completion of the tasks/orders. This has been quite successful, but the issue of timely payment of wages and fair wages still remain.

Supporting this Mr. Rana Alok Singh of the National Homeworkers Group (NHG) an initiative of Ethical Trading Initiative (ETI) said that the short time for the manufacturers to complete the order, especially the time on the hand embroidery, sequins, and allied work is

very short. The manufacturers often sub-contract these activities then to unregistered workshops, which employ children and violate the national and international labour standards. The wages are also a main consideration, he added. Mr. Singh also revealed that the industry does not want to move where the workers are rather it wants the workers to migrate and relocate to the industry's locations or clusters. The pressure is from the brands, which do not want their products to move for example beyond 100 km. It creates the push factors for trafficking of adults and children to the urban industrial clusters. It has also led to the fostering of unauthorised and illegal work clusters around cities like Delhi, where social and environmental violations are rampant.

Moving beyond the discussion on the challenges faced in addressing child labour in the garment sector, the participants concentrated the discussion on the changing customer practices. It was felt that the customers are increasingly becoming ethical and concerns regarding the products and services they procure. Though the percent of ethical consumers is very small, this is a segment that has potential in changing the market practices, as has been noticed in the carpets/rugs sector or even the cosmetics with the environmental concerns. The concerns were not regarding the burden of price increase at the customer end but on the implementation of an equitable price increase at all levels of the supply chain – the implementation of the delivery of price increase.

The behaviour of the export market versus the domestic market in India was also a major question. The domestic market is still insensitive to the concerns of child labour in the garment supply chain and there is a serious lack of information into the extent and condition of child labour being employed in the garment sector for domestic market, and the response of the industry to acknowledge and address the issues.

Finally, it was acknowledged that the scope of the forum needs definition for its viability and success, with increased and sustained communication and knowledge sharing among the stakeholders.

6. Formation of Steer Group on the Stakeholder Forum

The session was started post tea with a presentation on the Stakeholder Skeletal Framework by Ms. Ribhu.

Fairtrade consultant Mr. R Sridhar presented a short powerpoint to lead the formation of a 'taskforce' (as it was called in the presentation) and its objectives. This presentation was aimed at prompting the voluntary formation of a small group of stakeholders for collective action.

Mr. Satyarthi called for small and intensive group discussion on the following:

- Whether a taskforce/committee/working group is required?
- What should be its objectives, broad structure and roles?
- Does it need an accountability framework? If yes, what should it be like?
- Issues regarding rehabilitation of child labourers in the garment supply chain

Following the introductions and the key discussion questions, the forum was split into 4 small groups.

Conclusion of the small group discussion:

- There is a need for a taskforce/committee/steer group to address child labour in the garment supply chain.
- The steer group should be broad-based including retailers, manufacturers, civil society organisation and trade unions.
- The steer group should be independent so that it can deliver promptly and not influenced by external factors.
- The steer group could look towards engagement with the government agencies and departments since the interventions would focus on efficient and effective action by the state.
- The steer group should be participatory and voluntary in nature.
- It should be commitment based and empowered and not just recommendatory.
- The focus should be on mapping of the stakeholders strengths and identifying capacity needs and provide a platform for sharing of information and knowledge.
- The steer group would need an accountability framework, which the forum decided should be debated by the steer group in its meetings.
- Regarding rehabilitation it was proposed that it should be two-pronged – one focused on utilisation of the unspent and accumulated state resources marked for child labour rehabilitation, and secondly, joint stakeholder initiatives should be undertaken for prompt and efficient remediation of child labour.

With this a formal call was made for volunteering to form the steer group, and the following group emerged:

NGOs – BBA, SAVE, CARE-T, NHG

Retailers/Brands– Mothercare, Trent, Gap, Wal-mart, and Marks and Spencer

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Manufacturers – Panorama Exports, Global Exports, Orient Fashion
Trade Union –INTUC, SEWA

The ILO confirmed its presence in the steer group in an advisory role. The Global March would facilitate the steer group, communicating and coordinating with the members.

The first meeting of the steer group was fixed tentatively for end of April 2010. It was also confirmed that new members should be co-opted in the steer group for more inclusive representation.

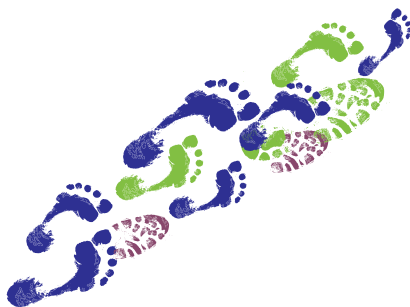
The Chair of the session Ms. Sandhya Bajaj, Member, National Commission for Protection of Child Rights (NCPCR), remarked at the success of the forum and the formation of the steer group. She observed that this was a positive step in the elimination of child labour from India. As a representative from the nodal agency responsible for the welfare and development of children in India, she said that the NCPCR would support the actions of the forum.

The forum ended with a vote of thanks to all the participants by Ms. Ribhu for the animated discussions, the solemn effort in forming the steer group and in reserving a tentative date for its meeting.

Follow-up of the Garment Stakeholder Forum and Steer Group

Following the garment stakeholder forum on child labour and the formation of the Steer Group, a quick note of thank you and short report of the forum (annex 13) was circulated to the participants, and those who the team had established contact but could not attend the forum.

Regular communication was maintained with the Steer Group members for the formalisation of the date of the first meeting. Considering the availability of all members of the Steer Group, the date of 5 May 2010 was finalised. Preparations for the steer group meeting are in progress as the report is being written.



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