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CHILDREN'S LIVES AT STAKE: Working Together to End Child Labour in Agra Footwear Production

DECEMBER 2017: Final Project Report 2015-2017

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The **Fair Labor Association** promotes and protects workers' rights and improves workplace conditions through collaboration between business, civil society, and colleges and universities. The FLA conducts transparent and independent monitoring to ensure that rigorous labor standards are upheld wherever FLA affiliates source their products, identifies root causes of non-compliances, and proposes solutions to workplace problems. The FLA is headquartered in Washington, D.C., and maintains offices in Geneva and Shanghai. www.fairlabor.org

The **Stop Child Labour Coalition** is an alliance of six Dutch NGOs and trade unions working closely together with local organisations in Africa, Asia and Latin America. Stop Child Labour partners work with an area-based approach that has proven to be an effective method to get all children in a certain area out of work and (back) into school. This enables the creation of 'child labour free zones:' a specific area (village, neighbourhood, etc.) where all stakeholders – community-based organisations, teachers, parents, children, local authorities and companies – work together around the norm that 'no child should work – every child must be in school.' www.stopchildlabour.eu



EXECUTIVE SUMMARY

Research conducted by the Fair Labor Association and iMentor between October 2014 and December 2016 demonstrates a high prevalence of child labour in Agra, India, a city where the production of shoes is the most important economic sector after tourism related to the Taj Mahal. Twenty-five per cent of Agra's population is involved in making shoes, producing around 200 million pairs annually and supplying up to 65 per cent of the domestic market.

The research project, commissioned and supported by the Stop Child Labour Coalition (SCL), and supported by international footwear brands sourcing from Agra, found that low wages for adults and insufficient educational infrastructure for children were the two primary root causes of the widespread incidence of child labour in Agra. The project team also found that while export-focused factories in Agra have taken steps to prevent child labour among their regular workforce, informal piece-rate work and the use of subcontracting present clear child labour risks.

With the goal of reducing the incidence of child labour in Agra, upon the project's conclusion, the team recommended the establishment of a "Child Labor Free Zone" pilot through a collaboration between the government, brands, suppliers, civil society, and members of the community in one or more communities in Agra. In creating a "Child Labour Free Zone," participants focus not on a specific industry sector, but on eliminating all forms of child labour from a specific geographic area, whether children are working to produce footwear, in the tourism industry, or in some other sector.

The MV Foundation, a partner of SCL, has pioneered this approach initially in Andhra

Pradesh, India, and replicated the approach in several rural and urban communities in India and Africa, successfully moving one million children from work to school in India alone.

RESEARCH ON CONDITIONS IN FOOTWEAR-PRODUCING COMMUNITIES

Early in the project, a research team from MV Foundation joined project staff from iMentor and the FLA on a visit to Agra to learn more about local educational challenges facing families with children.

The team spoke with government officials, visited both government-run and private schools, and conducted a survey of 36 families in a neighbourhood where employment in informal footwear manufacturing is prevalent. The team learned that nearly 20 per cent of children from the families surveyed were involved in making shoes. Interviews with labour department officials, civil society organizations, and industry officials yielded agreement that child labour is a widespread and significant problem in Agra, with the informal footwear industry as the largest employer of child labour. In visits to small manufacturing units, including home-based units, the team observed children involved in hand stitching, machine stitching, thread cutting, pressing, adhesive application, marking, packing, and other shoe-making tasks.

Local officials informed the project team that child labour is officially forbidden in Agra in all registered manufacturing units employing more than five workers. Home-based work units, or others employing no more than five workers, need not be registered with the government; all stakeholders agreed that these units posed the greatest risk for child labour.

Officials pointed out that other workplaces — such as hotels and auto mechanics — run a high risk for child labour in Agra as well.

Numerous stakeholders reported poverty as the root cause of child labor, explaining that parents alone are not able to earn enough from making footwear to adequately provide for their families, with wages in the home-based footwear sector often falling below the legal minimum. The team also found lack of access to education to be a root cause of child labour in Agra, where government high schools (for children 12 and older) do not exist in the communities visited by the project. For children younger than 12, local primary schools are dilapidated and not adequately equipped to provide children with a robust education, and there are not enough free or low-cost schools to serve all children in the area.

CHILD LABOUR IN HOUSEHOLDS AND INFORMAL WORKPLACES

To more comprehensively explore the issue of child labour and its underlying causes, the project team conducted an in-depth survey in 200 households across four shoe-manufacturing communities in Agra. The team conducted eight focus group discussions — two in each community — with one discussion per community for child workers and one for adults.

For nearly 95 per cent of families surveyed, the informal footwear sector provided the primary source of the families' livelihood. Most families included five to seven family members, and most families surveyed had a combined monthly income lower than INR 9,000, with 40 per cent of families' incomes lower than INR

The research team observed children involved in hand stitching, machine stitching, thread cutting, pressing, adhesive application, marking, packing, and other shoe-making tasks.

6,000. Meanwhile, the legal minimum wage for a single unskilled worker is just over INR 7,000,¹ and the World Bank international poverty line for a family of three is just over INR 5,000.²

The majority of respondents reported that children begin to work in the footwear industry between the ages of 8 and fourteen. The survey revealed that while

boys may either work at home or travel to neighbourhood workshops (sometimes with a family member), most girls contribute to footwear production brought into the home. In workshops, boys work from around 8 a.m. to 6 p.m. The team found that only half of the children age 12 or younger in the families surveyed were attending school.

RISK OF SUB-CONTRACTING TO INFORMAL WORKPLACES BY EXPORT FACILITIES

For the next phase of the project, the team visited ten tier-one manufacturing facilities, all of which were manufacturing leather footwear products for multiple brands, and nine of which were producing footwear for export.

All ten suppliers confirmed that the minimum age is 18 for workers they formally hire. Suppliers acknowledged that they can legally hire young workers between the ages of 14 and 18, but stated that the administrative burden of doing so makes employment of young workers undesirable. All factories reported that they require age documentation before hiring, and

¹ INR 7,107.64. The minimum wage for a skilled worker is 8,757.85.

² INR 5,103.25: Find World Bank poverty statistics, minimum wage levels, and further wage-related benchmarks for India in the FLA's Fair Compensation Benchmark report: http://www.fairlabor.org/sites/default/files/india_benchmarks_and_charts_072916.pdf

confirmed that they are being audited by their brand customers for compliance with strict standards against child labour.

However, nine of ten factories also confirmed that the majority of their workforce is composed of piece-rate workers, rather than regular hired workers. Factory management cited high worker turnover, and the seasonal nature of customer orders as factors in the high employment of informal workers that do not have long-term employment contracts, and are not on the company payroll. Factories reported that they verify the ages of all their piece-rate workers, though this could not be independently confirmed.

All factories visited for this study reported that their buyers forbid subcontracting, and suggested that subcontracting is not done. However, over the course of the study, several indications of subcontracting emerged. For example, one factory reported subcontracting the production of leather uppers. This factory's management does not conduct compliance visits to its subcontractor, has not disclosed

its use of subcontracting to its buyers, and requested that the researcher not disclose this information. Two other factories similarly disclosed that they subcontract hand-stitching work, sometimes to households, while two others provided contradictory information about subcontracting.

CONCLUSIONS AND RECOMMENDATIONS

Export-focused factories in Agra are aware of child labour issues and have taken steps to prevent child labour among their regular workforce. Informal piece-rate work and unauthorized subcontracting present the greatest risks of child labour. A strict policy against subcontracting may not be sufficient to ensure an international brand sourcing from Agra that work is not being outsourced to small workshops or home-based manufacturing units where children are working.

While the project team recommends broad multi-stakeholder collaboration on the creation of a “Child Labour Free Zone” in Agra, in the meantime, international brands sourcing from Agra should also:

- ▶ Directly and regularly collaborate with suppliers to build trust, provide guidance, and obtain accurate information about subcontracting and child-labour issues in upstream supply chains;
- ▶ Conduct regular monitoring visits, focusing closely on issues facing young workers, and taking steps to eliminate unauthorized subcontracting;
- ▶ Avoid purchasing practices that exert economic pressure on suppliers, contractors, or subcontractors that may encourage child labour.

Further recommendations for brands, and other stakeholders — government, civil society, suppliers, and others — appear on p. 13 of this report.





PART I—CONDENSED REPORT

INTRODUCTION TO THE RESEARCH PROJECT

The Fair Labor Association (FLA) and implementing partner iMentor began working on this project in October 2014, after research was commissioned by the Stop Child Labour Coalition (SCL) to examine the use of child labour in the leather and footwear sector in Agra, India. The goals of the SCL-FLA project were to measure the prevalence of child labour in the footwear supply chain in Agra, from home-based units all the way up to export-oriented units, to detect where it occurs and determine its underlying causes. The project also sought to analyse two potential remediation strategies: an “area-based approach” to work towards a Child Labour Free Zone (CLFZ) in a specific geographic area; and a “supply-chain approach” that seeks to prevent and address child labour

(and other labour issues), in all factories, home workshops, or other manufacturing facilities, through the leverage of the companies in the supply chain. Four international companies sourcing footwear from Agra supported part of the research and a subsequent multistakeholder convening that defined next steps to be undertaken in the cluster.

This report consolidates several interim reports. Part I of this report contains the primary conclusions and recommendations emerging from this project. Part II provides an in-depth review of the research, documenting project activities and findings over time; each section in Part II includes its own conclusion and recommendations aimed at different target groups.

PHASE I: Desk-Based Research and Exploration, October 2014 – May 2015

The first phase of the project, consisting of extensive desk-based research, was conducted to map footwear production in Agra and interview the various stakeholders. These included household-based production units, small units based in the communities, and various non-governmental organisations (NGOs) and individual civil-society representatives working on issues of children's rights, health, and education, as well as government representatives from the Department of Labour, Department

of Education, and Department of Health. Additionally, a research team from MV Foundation³ joined project staff from iMentor and the FLA on a visit to Agra. The purpose of this visit was to learn more about local educational opportunities and challenges facing families with children, as well as to conduct initial inquiries into the existence and magnitude of child labour.

³ MV Foundation is a resource organisation working with SCL and is originator of the Child Labour Free Zone approach: <http://mvfindia.in/>

Main Findings of the Exploratory Phase I

Twenty-five per cent of Agra's population is involved in making shoes, producing around 200 million pairs annually and supplying between 53 and 65 per cent of the domestic market. Several international footwear companies also retail in the domestic market under the same brand name or a local brand name. In addition, Agra-based businesses produce large quantities of shoes for export. The research team's visits to "fabrication units," small independent subcontractors that produce mostly for the export market, yielded limited information about specific international brands, as staff in these fabrication units stated that export facilities forbid disclosure of brand names. Nevertheless, the research team could identify two international brands⁴ products being made in these units where workers between the ages of 14 and 18 were employed. The project team along with MV Foundation conducted a household survey of 36 families in a neighbourhood where employment in footwear manufacturing is prevalent; the survey showed that 26 out of the 130 children in these families (nearly 20 per cent) were involved in making shoes.

Stakeholder interviews with labour department officials, civil-society organisations (CSOs) and industry officials indicate that child labour is a widespread and significant problem in Agra. In visits to manufacturing units, the team observed children involved in hand stitching, machine stitching, thread cutting, pressing, adhesive application, marking, packing and other shoemaking tasks.

Child labour is strictly forbidden in registered export manufacturing facilities in Agra. All manufacturers employing more than five workers must register with the government. However, it is difficult to accurately determine the number of registered units in Agra, due to inconsistent record-keeping and contradictory reporting. Home-based work units, or others formally employing no more than five

⁴ Researchers found no products for the companies supporting this research being made in the fabricators or home-based units. In addition, researchers found no evidence that any factory, workshop, or home-based unit they visited in Agra was producing for any FLA affiliate at the time of the project, and no FLA-affiliated company reports that they are currently sourcing export-oriented products from the Agra area.



workers, do not need to be registered with the government, and all stakeholders agreed that these units posed the greatest risk of child labour. Individuals interviewed suggested that other workplaces, such as hotels and auto mechanic shops, run a high risk for child labour in Agra as well.

Many of those interviewed reported low household income as the primary driver of child labour, with poor education infrastructure — including non-functional and dilapidated schools — cited as another important factor. The project team found that any efforts to eliminate child labour in Agra would be hampered by the lack of educational opportunities. Local primary schools are

insufficiently equipped to provide children with a robust education and an alarming number of the working children in the investigated area have never attended any school. Schooling beyond lower primary education (upper primary school and high school) is not available in the visited areas at all, seriously limiting the options available to children after around ten years of age.

Working from this initial research, the team concluded that the development of a Child Labour Free Zone (CLFZ) to overcome economic and educational challenges in Agra would be both “necessary and feasible”: *necessary* given that most child labour is not subject to inspection or monitored during supply-chain audits (and prone to move into other sectors such as the service industry when inspected or monitored); *feasible* given that the communities have the required preconditions such as social cohesion, parental interest in education, and commitment from influential community members. The ‘area-based’ approach of the CLFZ model has proven to be effective in helping all children in a certain area transition out of work and (back) into school. This approach calls on all stakeholders — community-based organisations, teachers, parents, children, local authorities, and companies — to work together to make it a reality that no child should work and every child must be in school.

Involvement of Footwear Brands

In April 2015, SCL and the FLA invited several footwear brands and retailers for a meeting in Amsterdam to present findings from Phase I. These international companies were then invited to engage in research in Agra as their cooperation was considered essential to gain further insight into the supply chain, production patterns, and remedies

for child labour. SCL and FLA stressed the need not only for additional research but also for a concrete industry-wide action plan involving multiple stakeholders. The FLA gratefully acknowledges the leadership of these companies in supporting the project to determine a strategy to reduce child labour in the entire cluster.

PHASE II: Continued Research with Support of Companies, January – December 2016

Phase II of the Agra leather and footwear research project comprised two separate research activities:

1) Household survey in four communities conducted in May 2016, in Agra. The objective of this survey was to study the magnitude and underlying causes of child

labour in workers' communities identified as footwear hotspots by local stakeholders.

2) Leather footwear supply chain mapping during the first half of 2016, with visits to 10 tier-1 exporters located in Agra to determine labour recruitment practices and risks of child labour.

Main Findings from the Household Survey in Agra, May 2016

iMentor and FLA undertook the household survey to obtain detailed information concerning conditions for families in areas with considerable footwear production, mostly in informal workplaces. Researchers did not know beforehand if the areas were linked to the supply chains of companies producing for the international market. The footwear sector provided the primary source of livelihood for 188 of the 200 families surveyed. Most families (an average of six people per household) had a combined monthly income (including income from children) below INR 9,000 (US\$ 139); 84 families (42 per cent) earned less than INR 6,000 (US\$ 93). The World Bank's international poverty line for a family of three is INR 5,103.25 (US\$ 79); 113 of the 200 families reported monthly incomes below India's legal minimum wage for a single person, which ranges from INR 7,107.64 (US\$ 104.52) for an unskilled worker to INR 8,757.85 (US\$ 128.80) for a skilled worker.⁵ The Asia Floor Wage Alliance calculated the living wage for India to be INR 18,727 (US\$ 275.40)⁶ in 2015.

Three-fifths (60 per cent) of families reported low wages as the cause of child labour, with

another one-fifth (20 per cent) declining to name one specific cause. The remaining one-fifth (20 per cent) provided various answers, such as lack of access to education or a perceived need for children to acquire workplace skills. Other data from the survey highlighted the fact that families report loan repayments as their second largest expenditures (17 per cent of income), a clear indicator of the poor financial situation of the families. Families also reported spending 5.15 per cent of income on alcohol, compared to 4.3 per cent on education.

In addition to low wages, poverty is further compounded by a lack of regular work, and, at present, the relevant local workers' groups and trade unions lack capacity to have a substantial impact on workers' rights. The communities surveyed had no collective bargaining mechanisms that might support home-based workers demanding better procurement prices for their services and goods.

5 http://www.fairlabor.org/sites/default/files/india_benchmarks_and_charts_072916.pdf

6 <http://asia.floorwage.org/resources/wage-reports/asia-floor-wage-figures/view>

The survey also highlighted the priority of many families to put children to work instead of sending them to school. Just over half (55 per cent) of the school-aged children of surveyed families actually attended school,⁷ and more than half of the working children (52 per cent) were never enrolled in school at all. The majority of respondents (117 of 200) reported that most children begin to work in the footwear industry between ages 8 and 14. The survey revealed that most girls work in their homes (stitching uppers, for instance), while boys in shops generally work from 8 a.m. to 6 p.m., sometimes performing

tasks involving chemicals, which is considered hazardous work.

Low enrollment in school is exacerbated by the reality that there are few government-run schools in the region. Some children (mostly girls) are sent to private schools or tuition centres, but for most families working in the footwear sector, private education is simply unaffordable.

⁷ This survey considered school-age children ages 5-14.

Main Findings from the Tier-1 Supplier Visits, May – August 2016

To understand the labour recruitment process and risks of child labour at export units, the research team contacted 10 Agra-based tier-1 suppliers exporting footwear and held interviews with both factory managers and workers.

All 10 factories manufactured footwear for multiple brands and had contracts with international companies (nine of the 10 factories were producing footwear only for export). All reported six-day work weeks, with facilities employing between 100 and 1,000 workers. All suppliers confirmed that as per their factory policies, the minimum age for employment is 18, stated that they require age documentation, and confirmed that they are audited by buyers for compliance with strict child-labour standards. Suppliers acknowledged that they can legally hire workers between the ages of 14 and 18 but only under burdensome administrative procedures. The team detected no child labour in any tier-1 facility, but did not visit any factories subcontracting for these suppliers, where the risk of child labour is greater.

Nine of 10 factories confirmed that the majority of their workforce is composed of seasonal or temporary workers (often at piece rate), the result of the seasonal nature of customer orders. Seasonal or temporary workers are not part of permanent payroll records. They are brought in by a lead stitcher (as his assistants or helpers) and paid by him through an arrangement with factories based on weekly output. In line with the industry-wide practice, workers are paid weekly, regardless whether they are contracted on a piece-rate or monthly basis. Of the workers interviewed, most workers are not registered with the factory and receive no social-security benefits. Also, researchers found instances of double-book keeping that made it impossible to verify workers' actual wages and hours of work.

Despite the presence of numerous subcontractors, or "fabrication units," working for the export market, in Agra, factories reported that buyers forbid subcontracting. One factory reported subcontracting the production of leather uppers; management

did not conduct compliance visits to the subcontractor and did not disclose the subcontracting to buyers. Two other factories similarly informed the research team that they subcontract hand-stitching work, sometimes to households, while two others provided contradictory information about subcontracting.

Factory managers explained that, for the past three years, the footwear export market has experienced a 25 per cent slowdown, with several factories operating below available capacity. Challenges have arisen with the slowdown, including timely securing of raw materials (especially from domestic vendors), shortage of workers, chemical testing of raw materials before buyer approval and, in some cases, securing last-minute approvals from buyers. According to the factory managers these challenges are not considered as threats to the production cycle, however some managers expressed concerns about the future of the footwear industry in Agra due to an expected shortage of skilled labour if fewer children are working to acquiring relevant skills. Currently many children learn manufacturing skills while working in home-based units, and factory managers emphasised

there is currently no other infrastructure or resource available for training a skilled workforce.

In response to these concerns, factory managers say they want to focus on institutionalising skills and vocational training. Several suppliers mentioned that education must be related to the trade prevalent in a geographic region—for example, the integration of footwear manufacturing skills into the curriculum of Agra's government high schools. It is their opinion that only the government can effectively eradicate child labour and at the same time meet the industry's requirement for a skilled workforce. In such a scenario, children would attend school rather than stay at home to learn the trade.

Overall, the factories' management are aware of the issue of child labour in Agra and have made efforts to create mechanisms to prevent it. These mechanisms include age verification systems and relocating production from community-based factories to industrial areas. Community-based factories are susceptible to the informal and unorganised nature of their production methods and employment systems, where records may be fabricated.

Multi-Stakeholder Consultation in Agra, February 16-17, 2017

Stakeholders operating in the cluster were brought together as part of a convening titled "Strengthening Children's Rights and Decent Work in the Agra Leather and Footwear Cluster." CSOs and government representatives convened in the morning of the first day, while the afternoon session brought together eight international companies and 11 Agra-based footwear suppliers. The purpose of these two sessions was to provide an opportunity for discussion with the goal of arriving at possible

solutions to improving workers' and children's rights in the footwear sector in Agra. On the second day, 64 participants gathered in a multi-stakeholder setting to reflect on ideas proposed on the first day. A panel of experts presented the community-based child-labour mitigation strategies currently being implemented in India. The group came up with practical recommendations and next steps that are included under the recommendations section.

CONCLUSIONS

The research and surveys conducted over the past two years show a high prevalence of child labour in Agra. Footwear is the most important economic sector in Agra after tourism, employing a large part of the population. The number of children working in the footwear sector, mostly in informal smaller production units where they are exposed to hazardous chemicals and work, is alarming. A large number of children are dropouts or never attended school at all.

Schools in Agra are inadequate, with most primary schools in deteriorated condition in communities with a high number of footwear workers. Many communities offer no public schooling beyond grade 5. Schools offering higher education are either far away from the communities or do not have enough space to accommodate all the children. Private schools are available but well beyond the financial means of the majority of the families contacted for the research. These families, mostly working in the informal footwear production, are in a perpetual cycle of debt,

given that compensation is often well below legal minimum-wage standards.

The high level of child labour (and the general impression that the situation in Agra is not up to today's labour rights standards) deters some international buyers from sourcing from Agra. No FLA-affiliated company reports that they are currently sourcing export-oriented products from the Agra area, and researchers found no evidence that any factory, workshop, or home-based unit they visited in Agra was producing for any FLA affiliate at the time of the project.

Export-oriented factories in Agra are aware of child labour issues and have taken steps to prevent child labour amongst their regular workforce; however, informal (often piece-rate) work as well as unauthorized subcontracting presents child-labour and other risks for companies. A strict policy banning subcontracting may not be sufficient to prevent outsourcing to small workshops or home-based manufacturing units. Companies exporting from Agra must take effective and visible measures to ensure



their supply chain is free of child labour. Equally important, companies sourcing from Agra must create a safe space for suppliers to discuss openly and without fear issues such as supply chain mapping and compliance with labour standards. Business relationships must nurture good-faith partnership models. Additionally footwear companies, both buyers and suppliers, can contribute to a number of multi-stakeholder approaches to tackling child labour in footwear hotspots to help make their supply chains and the city of Agra free of child labour.

Companies and suppliers should advocate to the local government for development of a more strict registration and inspection system

for informal workshops. The suppliers should work with the local government to support vocational training programs for youth in their factories (in the form of regulated internships). The companies and suppliers should conduct further research into the procurement prices and their impact on working conditions in the footwear value chain. Finally, companies and suppliers should financially support a pilot to set up a “Child Labour Free Zone” project in Agra and showcase its results to the local and central government to seek long-term support. The business community in Agra should take a collective stand against child labour and strongly advocate for children’s rights at industry association meetings and with the government.

RECOMMENDATIONS

The following recommendations are based on research conducted in Agra as well as key inputs from conversations during the convening.

Recommendations for Supply-Chain Actors

1. International companies should **foster positive collaboration with their tier-one factories** to build trust and learn more about their full upstream supply chains, to ensure that supplier practices around subcontracting and sourcing of raw materials do not lead to child labour. It is important for both suppliers and buyers to identify and understand any challenges factories face mapping supply chains, and to provide support in terms of tools and guidance to overcome them.
2. Buyers sourcing footwear from Agra should **establish a system for assessing working conditions** against a strong Workplace Code of Conduct designed to uphold international labor standards. Buyers should use the assessment process to develop an understanding of the prevalence of young workers, informal and piece-rate workers, and subcontractors within their supply chain; specific attention should be given to conditions for workers aged 15 to 18.
3. Suppliers should **ensure that they always have up-to-date information available** on all of their raw materials suppliers, sub-suppliers, and subcontracting units to help identify and address potential child labour risks.
4. For buyers, it is important to **avoid purchasing or other practices** (like very short production times, small orders, or frequent design changes) **that exert economic pressure on suppliers,**



contractors, or subcontractors, and that may encourage child labour or the infringement of children's rights (including the right to education and the right to health and development).

5. The government labour department should **ensure that all footwear units are officially registered** and that none of the units engage in child labour. Officials and company representatives should visit such units to train and educate them about children's rights and proper working conditions.
6. Buyers in collaboration with suppliers and in consultation with relevant stakeholders like SCL, trade unions, and NGOs should **assess the relationship between procurement prices, wages and compensation, and the mechanisms for determining wages** (including collective bargaining and union involvement) in the entire value chain of footwear manufacturing. Given that most people interviewed cited the inability of families to secure decent wages purely based on footwear manufacturing, a procurement prices assessment should provide insights into where in the value chain efficiencies can be achieved that can financially help footwear workers.
7. The footwear industry should advocate for the government of Agra to provide a comprehensive education for children that may include a **vocational curriculum** for those who wish to learn about the footwear sector.
8. Buyers and suppliers should conduct **further research to map the supply chains** of international and domestic companies to determine if they use the same or different production locations (factories and clusters) for export and domestic markets. Agra produces a large volume for the domestic market and a number of international companies also retail in the domestic market, hence it is crucial to understand the procurement process and production for domestic retailing in India.
9. Representatives from the footwear industry, government, local civil society organizations and community members should join forces to **pilot a project that raises awareness about children's rights, addresses child labour in the local workforce, and improves the local education infrastructure**. This should begin with coalition building, strong local coordination, and collective defining of concrete actions to take in select communities. Other international and local organizations might be brought in for their specific expertise, cooperation in implementing programs, and ability to provide funding.

Recommendations for Building a Child Labour Free Zone and Conducting Other Community-Based Interventions

Any programme to mitigate the incidence of child labour must incorporate a way to increase school enrollment and, more importantly, the attendance rate of school-aged children. The two objectives depend upon each other. In other words, child labour can only be eliminated effectively if all children have access to quality education and attend school full time.

1. In Agra, **improving the educational infrastructure** is essential. Both physical buildings as well as teacher quality, require improvement, and transitional education must be provided for the large group of children who were never enrolled or who have dropped out of school (as is stipulated in the Indian Education Act). **The government has the responsibility** to implement these improvements, while local organizations and private enterprises can provide support to make this possible.
2. Parents should be made aware of the benefit of **sending their children to school and of demanding quality education**. This should be done in close collaboration with the departments of labour and education, which implement existing on-the-ground programming that can be leveraged and enlarged to include awareness building.
3. Community leaders, buyers, suppliers, civil society organisations and others in Agra should collaborate to launch an initiative to mitigate child labour using an “**area-based approach**”. A pilot could be started in one or two communities where both shoe manufacturing and child labour are prevalent. This approach will help **enhance collaboration between government, companies, parents, teachers, and CSOs**
4. In order to **build the capacity and technical expertise of key local CSOs and community-based organisations** on area-based approaches to address child labour, the research team recommends that the MV Foundation conduct an action-based training for local stakeholders. Education officials and other government departments working on child labour should be invited to these sessions to learn about transitioning children from work and integrating them into school. Similarly, the capacity and expertise of local school management committees and ward members must be strengthened through training and capacity building programmes. This can be taken up with the support from other expert organisations in India.
5. Orientation programmes for parents, community members, and teachers on **child labour laws and the right to education** should be offered. Local CSOs can develop awareness campaigns using posters, pamphlets, rallies, and public meetings to sensitise the communities about the topic.
6. The Education Department should conduct a **mapping of all out-of-school children** — potentially with the assistance of a local

to ensure that all forms of child labour are addressed within a geographical location and all children are able to receive quality education. NGOs and trade unions have already successfully used this approach to work towards Child Labour Free Zones (CLFZ) or child-friendly communities in both rural and urban-industrial areas in India. More than one million children have been enrolled in schools as a result.

CSO or research agency — and take immediate measures to ensure enrollment and retention of these children in schools. This initiative must be undertaken at the local level (*bastis* and wards), where each child can be tracked by name, their status reviewed, and specific action plans drawn up to enable them to attend school. This recommendation should be accomplished alongside efforts made by the Department of Education to improve the condition of local schools and establish new ones where there is a deficit.

7. Footwear workers — especially informal and casual workers — should explore economic opportunities outside the footwear industry. Government or NGO bodies may also wish to establish programs to help workers diversify their incomes as part of a broader effort to **create additional income opportunities**. This

can be part of a larger programme (run by the government or civil society) to address child labour with the active involvement of local community members.

8. Buyers and suppliers working together should **increase wages and piece-rate compensation** for footwear production and offer more secure contracts to casual workers, as the research shows that current piece-rate prices are not enough to keep families of casual workers and home-based workers out of poverty.

To break the vicious cycle of poverty and child labour, all stakeholders should come together to design holistic solutions. Buyers, suppliers, government, civil society, and members of local communities, by working together, can and should all be part of the solution.





PART II—EXPANDED REPORT

This section provides detailed reports of the several components of the research project started in October 2014 and finalised at a multi-stakeholder convening in Agra in February 2017.

I. ABOUT THE RESEARCH PROJECT

Introduction

In **October 2014**, the Fair Labor Association (FLA)⁸ and local implementing partner iMentor Services Pvt. Ltd.⁹ began work on a project commissioned by the Stop Child Labour Coalition (SCL)¹⁰ to examine the use of child labour in the leather and footwear cluster in Agra, India. In 2015, further collaboration with international companies sourcing from Agra established support for the project and the multi-stakeholder convening.

The issue of child labour in the footwear supply chain in India (mainly Agra in Uttar Pradesh and Ambur in Tamil Nadu) was first highlighted by research conducted by the Centre for Research on Multinational Corporations (SOMO) and SCL and published

8 www.fairlabor.org

9 www.imentor.in

10 www.stopchildlabour.eu

in June 2012.¹¹ In the same year, SCL launched a campaign to highlight and eliminate child labour in the worldwide production of leather footwear and released scorecards in December 2012 and November 2013¹² evaluating 28 multinational companies involved in the production and retailing of leather footwear.^{13,14} Through this campaign, several international brands and footwear companies were updated about the risk of child labour in their supply chains as well as the need to address and prevent the practice. However, relatively little work has been done at the lower supply-chain tiers, including with home workers, where child labour was thought to be prevalent. Subsequently, two

multi-stakeholder convenings held in Agra and Chennai in April 2013 focused on the need to conduct further research into the prevalence of child labour at various tiers of the leather footwear supply chain and to identify the most effective way to tackle the issue. Hence, in October 2014, SCL commissioned the FLA to conduct independent research into child labour in the leather and footwear cluster in

11 www.indianet.nl/pdf/WhereTheShoePinches.pdf

12 “Working on the Right Shoes”
<http://www.indianet.nl/pdf/WorkingOnTheRightShoes.pdf>

13 www.hivos.org/news/new-hivos-report-progress-tackling-child-labour-leather-footwear-sector

14 www.stopchildlabour.org/Stop-Childlabour/News-Items/Which-companies-are-scoring-against-child-labour

Project Objectives

The goals of this research project were to measure the prevalence of child labour in the footwear supply chain in Agra (in the various tiers, from home-based units all the way up to export-oriented units) and determine underlying causes; and to better understand the social and economic situation of footwear workers and their families and the relationship between their situation and the prevalence of child labour. The project staff also sought to analyse two potential remediation strategies:

- 1) an “**area-based approach**” that works towards the creation of a Child Labour Free Zone (CLFZ)¹⁵ in a specific geographic area, with the intention of eradicating all forms of child labour and ensuring that all children receive quality education;
- 2) a “**supply-chain approach**” that seeks to eradicate child labour within all factories (and other manufacturing facilities) and home workshops, wherever they are located, through the leverage of the supply-

chain actors (companies, trade associations, suppliers and sub-suppliers).¹⁶

In both strategies, civil-society organisations and the government play a critical role.

15 A **Child Labour Free Zone** is a specific area, such as a village, plantation, urban neighbourhood or an industrial cluster, where everyone is convinced that “No child should be working, every child should be in school”. Teachers, local authorities, village leaders, employers, parents and children in these zones work together to get children out of work and into school. In a child labour free zone, the focus is not on child labour in specific sectors (although actors from a specific sector can have an important role) or on the “worst forms of child labour”, but rather on all children who work or are out of school and at risk of getting involved in child labour. More info: www.stopchildlabour.eu/child-labour-free-zones

16 The supply-chain approach is a company- and supply-driven top-down approach. In this approach, the companies advocate for improvements in their direct supply chains by establishing of code of conduct, carrying out monitoring and verification visits, implementing training and capacity-building activities, and facilitating remediation at the supplier level. The focus of interventions is directly on suppliers and other sub-suppliers that have been traced by the companies and may be perceived to present risks to companies’ brand reputation or production processes. Companies tend to collaborate through industry platforms and work together with other stakeholders through consultation and dialogue to bring about sustainable change in their supplier base. In the case of home-based work in Agra, where the direct-sourcing relationship between the companies and home-based units is unclear, it is difficult to work on the issue of child labour through only the application of the supply-chain approach; hence the applicability of the area-based CLFZ was also assessed.

Project Methodology and Data Collection

The project followed the methodology developed and used by the FLA over the past decade for assessing beyond tier 1 segments of the supply chain. The components included:

1) Desk-based research and scoping visits to Agra: The project team studied existing literature and research papers on the footwear industry to profile Agra and the history and importance of footwear manufacturing in this cluster. The team collected information on the total number of export units and registered informal household units involved. A snapshot visit to Agra was made in January 2015, to establish contacts with stakeholders for data collection, and to determine opportunities and challenges. The team visited two *bastis*¹⁷ in Taj Gang with the help

of a local resource person, two home-based workshops, one semiformal workshop employing 15-20 workers, and one fabricator employing around 100 workers. The team also interviewed several home-based workers and several stakeholders. A second visit was made in February 2015, to collect data on the footwear supply chain, and identify hot spot areas in Agra.

2) Supply-chain mapping: Mapping of supply-chain actors, including face-to-face visits, were made for 10 tier-1 exporters, two semiformal production units (known as fabricators), and more than 20 informal home-based units where child labour was

¹⁷ Small communities or group of residential areas within a city.



expected and was found. The team paid particular attention to outsourcing practices for hand-stitching operations and the position of homeworkers vis-à-vis export units. The supply-chain mapping provided an overview and understanding of the various levels of the footwear supply chain structure.

- 3) Stakeholder mapping:** Mapping of external and internal stakeholders was undertaken during a scoping exercise to have a clear overview of the actors. The team met with 20 external stakeholders, including government officials, service providers, trade unions, civil society organisations and independent experts and activists. The meetings elicited information on individual efforts and local programmes regarding child labour prevention. Stakeholder mapping helped to identify local grassroot organisations that could play a role in follow-up activities (specifically on remedial interventions).
- 4) Community profiling:** This component sought to illuminate the dynamics and functioning of communities involved in home-based units. The profiling of five communities helped in drawing a comprehensive picture of current infrastructure, access to services, education, cultural practices and social issues. This aided in identifying “hotspot areas” where most footwear-manufacturing units (formal and informal) were clustered, and the challenges posed by the existing environment in which children and their families operate.
- 5) Task and risk mapping:** This component included mapping of the footwear production processes that pose the highest risks of child labour. The team examined production process at all upstream levels of the footwear supply chain, including home-based work and common stitching centres.

- 6) Child labour survey and feasibility study of Child Labour Free Zone approach:** This component tested the feasibility of a follow-up project to eradicate child labour using the CLFZ approach in collaboration with the MV Foundation¹⁸. Thirty-six households were visited to gather information on working children and the main impediments to attending school. The visits lead to recommendations on steps to pilot a CLFZ in selected areas.
- 7) Household survey:** To comprehensively explore the magnitude of the child labour problem in Agra and thoroughly investigate the underlying causes, the project team conducted an in-depth quantitative household survey for 200 households across four Agra footwear manufacturing communities: *Gober Ki Mandi*, *Jagdishpura*, *Khawas Pura* and *Sewla Jat*. These communities are not necessarily linked to the supply chain of international companies but were identified by the stakeholders as hot spot areas for footwear manufacturing in Agra. In addition, the team conducted eight focus-group discussions — two in each community — including one discussion per community for child workers and one for adults.
- 8) Stakeholder convening:** Finally, a multi-stakeholder convening titled “*Strengthening Children’s Rights and Decent Work in the Agra Leather and Footwear Cluster*” was organised on February 16-17, 2017 to provide an opportunity for discussion with the goal of arriving at solutions.

¹⁸ MV Foundation is a resource organisation that addresses child labor. It is considered the originator of the CLFZ approach and pioneers its use in rural and urban settings in and around Hyderabad, India, and in some African countries. MV Foundation has thus far succeeded in getting more than a million children out of work and into school by establishing CLFZs, mostly in rural areas.



II. CHILD LABOUR IN INDIA¹⁹

According to the 2011 census of India,²⁰ 23.8 million children were engaged in child labour, about 5 per cent of the total Indian workforce. Other sources estimate the number of working children to be higher – 38 million between ages 6 and 13.²¹ The number might be even higher given that children between ages 13 and 18 working in hazardous tasks were excluded from the second estimate and, moreover, migrant children were unlikely to be included in the census statistics.²² The very narrow definition of “labour” used by the census explains the disparity and suggests that overall estimates of child labour are higher than estimated²³. The participation rate of girls in the female workforce is 6.3 per cent higher than for boys in the male workforce.

Child labour in India covers a wide range of activities and circumstances. The principal (and partly overlapping) ones include:

- Children working in agriculture, either on family farm or the farms of others;
- Children working in their own homes or as servants in the home of others, often full-time;
- Children doing poorly paid or unpaid work in factories, workshops, mines or quarries, or working in the service sector;

¹⁹ This section is derived from the Stop Child Labour document “Cooperating with the Private Sector in Child Labour Free Zones in India”.

²⁰ The Indian census provides information on demographics, economic activity, literacy and education, housing and household amenities, urbanisation, fertility and mortality. See: <http://censusindia.gov.in>

²¹ See: <http://www.thehindubusinessline.com/opinion/still-too-many-children-out-of-school/article7814794.ece?homepage=true>

²² Alex George and Sameet Panda, (September 2015), “Child Labour Law Amendment: Applying the Brakes on Social Mobility”, Economic and Political Weekly, Vol. L, No. 38.

²³ Children are counted as workers only if they make monetary contribution to national product; this may not include all work-related activities performed by children that hinder their development. Prognosys (2012), “Child Labour: Always Right in Front of You but Why Constantly Hidden from Your View”. http://planningcommission.nic.in/reports/sereport/ser/ser_nclp1709.pdf

- Children performing “street jobs” such as shoe shining, rag picking, begging and vending;
- Bonded children pledged by their parents for paltry loans in various rural and urban situated occupations;
- Children exploited for sex;
- Migrant children of marginalised rural families who leave for urban centres in search of seasonal work.

The majority of child labourers (75 per cent) are engaged in agricultural work and allied sectors. Children often work in the same activities and sectors as adults. A significant number of working children in India are engaged in hazardous work resulting in adverse health consequences. Most child labourers are engaged in the informal sector; many companies with child-labour policies do not directly face the realities of the problem. However, when the suppliers of these companies subcontract production to smaller factories, workshops or home workers, the risks of child labour in the supply chain increases drastically. Despite a growing sense of urgency amongst international companies, most efforts to prevent child labour have led to improvements only in the first tier of production; child labour has moved to other sectors, to tiers 2 and 3, or to subcontractors and informal production units.

The U.S. Department of Labor (USDOL) identifies the leather and footwear industry as an at-risk sector.²⁴ The issue of child labour in the footwear supply chain in India (mainly Agra in Uttar Pradesh and Ambur in Tamil Nadu) was brought to the attention of international companies producing and selling footwear in the Netherlands, and to the global community generally, by SCL and SOMO in June 2012.²⁵ In addition, other organisations have highlighted the issue of child labour in the production of leather and



footwear, especially at the levels beyond tier 1.²⁶ These reports indicate that payment of wages is based mostly on piece rates and are well below minimum wage.²⁷ Other violations include insufficient protection from health and safety risks, lack of access to social security, nonpayments of entitlements like pension funds and health insurance, excessive working hours, and the discrimination against or absence of workers' unions. Female homeworkers producing shoe uppers at low-piece rates are particularly vulnerable.

²⁴ <https://www.dol.gov/ilab/reports/child-labor/list-of-goods/>

²⁵ <http://www.indianet.nl/pdf/WhereTheShoePinches.pdf>

²⁶ For example, (1) *Tougher than Leather, Working Conditions in Indian Tanneries*, Pramita Ray, Cividep & Framtiden, 2015 <http://www.cividep.org/2016/02/18/tougher-leather-working-conditions-indian-tanneries/> (2) *Walk a Mile in Their Shoes: Workers' Rights Violations in the India Leather and Footwear Industry*, Sudwind and Society for Labour & Development, 2016 http://changeyourshoes-bg.org/wp-content/uploads/2015/06/indiaReportEN_korr4.pdf (3) *Apparel & Footwear Benchmark Findings Report: How Are 20 of the Largest Companies Addressing Forces Labour in Their Supply Chains?*, Know the Chain, 2016 <https://knowthechain.org/benchmarks/3/> (4) *Do Leather Workers Matter*, India Committee of the Netherlands, 2017 <http://www.indianet.nl/DoLeatherWorkersMatter.html>

²⁷ The report “*Walk a Mile in Their Shoes*” indicates that the workers in Agra receive wages that are well below the living wage standard and that the workers' health and safety and freedom of association are not being taken care of sufficiently. According to the research, few workers have access to social insurance, and overall they conclude that the working conditions in Agra poorer than for footwear workers in Ambur, both being clearly below international and national standards.

III. LEGAL FRAMEWORK

This section provides detailed reports of the several components of the research project started in October 2014 and finalised at a multi-stakeholder convening in Agra in February 2017.²⁸

International Standards on Child Labour

There are a number of international legal instruments that set standards on child protection and child labour. The most relevant are detailed in Figure 1. While the Convention on Child Rights (CRC) and ILO Conventions are legally binding instruments meant for the governments, the U.N. Guiding Principles (UNGP) on Business and Human Rights and OECD Guidelines for Multinational Enterprises are meant for both governments and businesses. Finally, in 2016 the UN released the Sustainable Development Goals (SDGs) 2030. Child labour is one of the indicators mentioned under SDG 8 on Decent Work and Economic Growth. While the SDGs are not legally

binding, governments are expected to take ownership and establish national frameworks for the achievement of the 17 Goals. Countries have the primary responsibility for follow-up and review of the progress made in implementing the Goals.

India ratified the CRC in 1992. Only on June 13, 2017, India ratified the two core ILO Conventions 138 and 182 on child labour²⁹.

²⁸ This section is derived from the Stop Child Labour document "Cooperating with the private sector in Child Labour Free Zones in India" http://www.stopchildlabour.eu/assets/Hi-17-06-SKA-CSR-guidelines-India_LR_ios_02.pdf

²⁹ http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_557295/lang--en/index.htm

FIGURE 1: International Legal Instruments and Guidelines on Child Protection and Child Labour



Indian Child Labour Standards

Rights recognised under India's constitution are expressed in specific legislation. The most relevant articles of the constitution and subsequent documents are detailed in Figure 2.

Under the old Child Labour Act, minimal penalties prescribed for engaging in child labour in prohibited sectors have not had significant deterring effect.³⁰ Implementation of the Right to Education Act (RTE) has also been slow, with none of the states reaching the 2015 targets for universal primary school enrolment and quality of education.³¹ It is unlikely that the objectives under the RTE will be achieved unless child labour (at least to age 14) is outlawed completely. In 2012, the government proposed to amend the Child Labour Act to bring it in line with RTE and two fundamental ILO conventions: the Minimum Age Convention, 1973 (No. 138)³² and the Worst Forms of Child Labour Convention, 1999 (No. 182).³³ However, child-rights groups have criticised this proposed amendment, as it would allow for child labour to take place in family enterprises,³⁴ thus diluting the objective of banning child labour until age 14.³⁵

In 2016, the Indian government proposed amendments to the Child Labour Act

(Prohibition and Regulation). FLA published a brief analysing the amendments, their potential impact on children and the role of companies in child labour.³⁶ Given that child labour in Agra is practised mostly in home-based units, these recent amendments have not yet made their impact felt, as the law allows children to work in family enterprises. On June 13, 2017, the government ratified ILO conventions 138 and 182. This development might give a new boost to the Child Labour Act.

30 Usha Ramanathan. 2009. Evolution of the Law on Child Labour in India in Hugh D. Hindman, ed., *The World of Child Labor: An Historical and Regional Survey*. Armonk, NY: ME Sharpe (<http://www.ielrc.org/content/a0905.pdf>)

31 Indian Express (2014). 5 Years On, *Right to Education is Still Far Cry in AP*

32 Convention 138 requires governments to set a minimum age under which no one shall be admitted to employment or work in any occupation, except for light work and artistic performances. http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

33 Convention 182 is about the prohibition and elimination of the worst forms of child labour, including slavery, forced labour and trafficking; the use of children in armed conflict; the use of a child for prostitution, pornography and in illicit activities (such as drug trafficking); and hazardous work. http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_557295/lang-en/index.htm

34 Covering those engaged in agriculture, home-based work and artisanship.

35 Child Labour Law Amendment: Applying the Brakes on Social Mobility, *Supra* N 2.

36 <http://www.fairlabor.org/report/changes-indias-child-labor-law>

FIGURE 2: Provisions of prohibition of child labour under the Constitution of India



BOX 1: Article 32 of the Convention on the Rights of the Child (CRC)

1. States recognise the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.
2. States shall take legislative, administrative, social and educational measures to ensure the implementation of the present article. To this end, and in regard to the relevant provisions of other international instruments, states shall in particular:
 - (a) Provide for a minimum age or minimum ages for admission to employment;
 - (b) Provide for appropriate regulation of the hours and conditions of employment;
 - (c) Provide for appropriate penalties or other sanctions to ensure the effective enforcement of the present article.

BOX 2: Duties of states and companies under the United Nations Guiding Principles on Business and Human Rights (UNGPs)

- It is the State's "duty to protect human rights against abuse by third parties, including business, through appropriate policies, legislation, regulations and adjudication."
- Companies bear the responsibility to "respect human rights, meaning to act with due diligence to avoid infringing the rights of others and to address negative impacts with which they are involved."
- The state must provide for greater access to effective remedy, both judicial and nonjudicial, for victims of business related human-rights abuse.

In addition, there are other legal provisions and policies and schemes implemented at the state level (Figure 3). The Indian government enacted legislation on child labour in 1986 followed by a national policy on child labour

in 1987 and the National Child Labour Project Scheme (NCLP) in 1988, with the objective of rehabilitating children working in hazardous occupations and processes and returning them to school. Under NCLP, special training centres have been set up to provide, among other options, bridge education, vocational training, midday meals, and health care to former child labourers in the age range 9 to

FIGURE 3: Policies of central and state governments supporting the Child Labour Act



14 years. After rehabilitation, these children are mainstreamed into formal education (the NCLP was further revised in 2016.) The National Policy for Children of 2013 provides for special programmes and schemes on children’s development, education, protection and participation. The government recognises that child labour exists in India and that child labour is the outcome of multiple causes including poverty, irregular family income, economic shocks, ignorance, lack of access to social security, education and health facilities, food security, etc.³⁷

BOX 3: Sustainable Development Goal 8: Decent Work and Economic Growth (Indicator 8.7)

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

³⁷ Revised NCLP Guidelines, Ministry of Labour and Employment, Child Labour Division, 2016 <http://labour.gov.in/schemes/national-child-labour-project-scheme>

Corporate Social Responsibilities (CSR) Duties Under the Companies Act

In 2013, the central government of India modified the Companies Act by adopting Section 135³⁸ and issuing Guidelines on Corporate Social Responsibility (CSR) and Sustainability for Central Public Sector Enterprises.³⁹ This action made India the first country in the world to make CSR requirements mandatory. While the guidelines include several key requirements for companies, the one receiving most attention specifies that companies spend “at least 2 per cent of the average net profits made during the three immediately preceding financial years on CSR⁴⁰ activities”.

All large companies (net profit of INR 5 Crores, or US\$ 7.5 million) and independent and ancillary small to medium enterprises (SMEs that do not meet profit requirements) incorporated in India, whether domestic or a foreign subsidiary, must establish CSR requirements (Figure 4). CSR spending is determined by a board committee (comprising at least three members, one independent of the company). The board committee is responsible for reviewing, approving, and validating the company’s investments in CSR.

Prior to each annual meeting, the board must submit a report that includes details about the CSR initiatives undertaken during the previous financial year. The board’s independent director helps ensure the credibility of this process. However, the act does not provide any guidance on what constitutes acceptable reasons for a company avoiding the 2 per cent CSR requirement.

Implementation of Section 135 could incentivise companies sourcing from or producing in Agra to spend on CSR activities that address child labour and decent work in Agra.

³⁸ <https://www.pwc.in/assets/pdfs/publications/2013/handbook-on-corporate-social-responsibility-in-india.pdf>

³⁹ “CSR and sustainability are so closely entwined, it can be said that corporate social responsibility and sustainability is a company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical”. Source: Confederation of Indian Industry and PwC India, (2014) Handbook on CSR in India.

⁴⁰ The act defines CSR as activities that promote poverty reduction, education, health, environmental sustainability, gender equality, and vocational skills. Companies can choose which area to invest in, or contribute to central or state government funds earmarked for socioeconomic development. While this definition of CSR is broad and open to interpretation, it clearly emphasises corporate philanthropy rather than strategic CSR. The act does, however, specify that companies “shall give preference to the local area and areas around where it operates”.

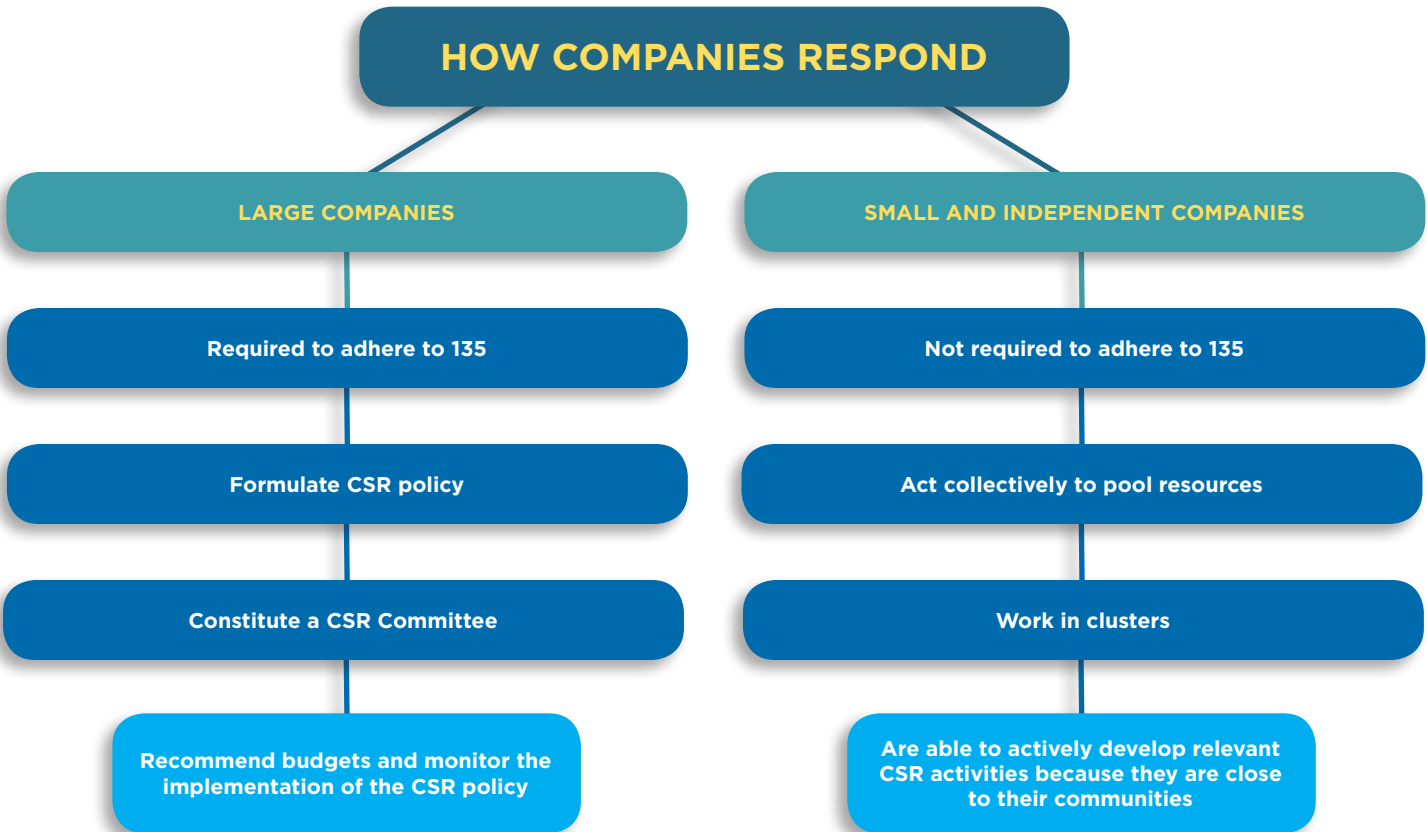


FIGURE 4: Adherence to Section 135 of the Companies Act, 2013

IV. AGRA FOOTWEAR SECTOR AND SUPPLY CHAIN STRUCTURE

History of Agra footwear production and exports

Agra, once the capital of the Mughal Empire, started manufacturing handmade shoes in the sixteenth century. In 1885, the British established the first mechanised shoe-manufacturing unit to produce military and civil officers’ boots⁴¹. Agra grew into a major manufacturing hub, catering to increasing domestic demand for shoes. After India’s independence in 1947, footwear manufacturers began to export to East Asian countries, but demand from the communist countries (mainly Russia and its satellites) in the mid-1950s bolstered the industry.⁴² Exports peaked

in the 1980s when the Soviet Union became the single largest importer of footwear from Agra, buying from 150 shoe producers and exporters. The dissolution of the Soviet Union in 1990s resulted in the closure of 60 per cent of its shoe-exporting units. Recently, the industry has picked up, with 70 to 75 units exporting the bulk of production to Europe

41 Kumar, Subas C. (1997), “Indian Leather Industry: Growth, Productivity and Export Performance”, APH Publication, New Delhi.

42 Lynch, O.M. (1969), “The Politics of Untouchability”, Columbia University Press, New York.

and a small share to the U.S., Australia and other countries. Two decades ago, all footwear production took place inside city limits, but export-oriented units have moved from Agra to nearby Sikandara and are located on either side of the Agra-Mathura bypass

road. Traditional informal or semiformal units continue to operate inside Agra⁴³.

43 Other major footwear production clusters in India are located in the following cities: Chennai, Ranipet, Ambur, Mumbai, Pune, Kanpur, Kolkatta, Jalandhar, Ludhiana, Delhi, Karnal, Sonpet, Faridabad, Calicut and Ernakul.

Importance of Footwear Industry to Agra

A report by the Council for Leather Exports (CLE) states that in 2013-14, India produced more than two billion pairs of shoes, of which 115 million pairs were exported; therefore, 95 per cent were sold on the domestic market.⁴⁴ India produces 909 million pairs of leather footwear, 100 million pairs of leather shoe uppers, and over a billion pairs of non-leather footwear. Daily output of footwear in India ranges from 250,000 to 300,000 pairs. Footwear accounts for nearly 43 per cent of in India's total leather and leather product exports.

In Agra, the footwear industry is the second highest contributor to the city's economy after tourism⁴⁵. According to a report published by the Ministry of Small Scale Industries⁴⁶, 25 per cent of Agra's population is engaged directly or indirectly in the industry, which produces 200 million pairs of shoes, sandals and chappals annually, satisfying approximately 53 per cent of India's domestic demand. Another

report has Agra's footwear industry supplying up to 65 per cent of domestic demand.⁴⁷ The various statistical sources exemplify the fact that Agra is one of the largest footwear manufacturing clusters⁴⁸ in India, important for both domestic and export markets (accounting for almost 25 per cent of leather footwear exports from India)⁴⁹.

44 Council for Leather Exports, sponsored by Ministry of Commerce & Industry, <http://www.leatherindia.org/products/footwear-2014.asp>

45 Agra is one of the biggest tourist destinations in India due to the UNESCO World Heritage site Taj Mahal <http://whc.unesco.org/en/list/252>

46 An undated report: Diagnostic Study Report for Leather Footwear Cluster, Agra-GOI, Ministry of Small Scale Industries (data references to 2005, with proposed activities for 2005-06), G P Agarwal, Asst. Director (I/f) & Cluster Development Executive.

47 <http://businesstoday.intoday.in/story/hell-for-leather/1/551.html>, Kapil Bajaj, Oct, 7, 2007, Hell for Leather.

48 Three Indian states—Uttar Pradesh, West Bengal and Tamil Nadu—employ four-fifths of the total workforce engaged in leather and footwear manufacturing. The largest clusters producing leather footwear in India are Kolkata, Agra, Kanpur, Chennai and Vaniyambadi-Ambur.

49 In the absence of tanneries in and around Agra the total export of other leather components is about 20 per cent of the total leather-related good exports from India.

Unregistered and Informal Footwear Manufacturing Units

The size, composition and formality of footwear manufacturers in Agra vary in size⁵⁰ and is ever evolving. According to a 2008 report published

by World Footwear,⁵¹ the industry at that time consisted of 60 export units,⁵² 200 larger domestic units,⁵³ 200 smaller domestic units⁵⁴

50 The units located inside old Agra and producing largely for domestic market are three size:s (1) semi-mechanised units producing 200 to 2,000 pairs per day; (2) smaller workshops producing 50 to 200 pairs per day; and (3) tiny household units producing 12 to 50 pairs per day.

51 Ganguly, S. (2008), "Agra—Centre of the Indian Footwear Industry", World Footwear, March-April.

52 Among 60 exporters, 10 have the capacity to produce more than 3,000 pairs of shoes per day and they employ 800 or more workers. The rest belong to the midsize groups employing 200 to 500 workers.

53 Among larger domestic units, the larger ones (<10) employ 100-200 workers and the rest employ 50-100 workers.

54 The smaller domestic workshops employ up to 50 workers.

and 4,500 home-based units.⁵⁵ According to an official with the District Industries Centre (DIC), there are 1,145 micro, small and medium enterprises in Agra in the leather-based product category, while the 2005 Small Scale Industry (SSI) report estimates 5,000 cottage and SME units⁵⁶. Officials from the DIC reported that Entrepreneur Development Act of September 2006 “de-recognised” all SSI registrations and manufacturing units could hence obtain a voluntary Entrepreneur Memorandum Number. An online process for Entrepreneur Memorandum Numbers became available in November 2012; the online total of leather-based enterprises in Agra through February 2015 (not categorised by products, i.e., footwear, garments, accessories, etc.) was 1,145 (worth INR 197.779 Crores or US\$ 31.62 million). These enterprises provided employment to 15,379 people.

The discrepancies in the above-mentioned statistics could partly be attributed to the fact that most production by community-based units goes unrecorded. These informal units do not have an Entrepreneur Memorandum Number or are not registered under other authorities. In addition, the traditional traders’

wholesale market for these units is Hing Ki Mandi, located in the heart of the Agra old city, where most financial transactions use the informal *parchi* system (a signed paper slip) without sales and excise taxes or documented trading records. Traceability is difficult.

NGO and MSME officials reported that all tanneries have been shifted outside Agra. According to government officials, this was a safety measure to prevent deterioration of the Taj Mahal. The tanneries are now located in and around the city of Kanpur, about 280 kilometres from Agra, in the state of Uttar Pradesh. One stakeholder mentioned that low-quality leather is still produced in home-based tanning units in Agra’s Mantola area, home to Muslim butchers.

According to a newspaper report, most small units in Agra work with nonleather materials (65.86 per cent of Agra footwear). The owners of small units explained that leather shoe production is costlier and requires investment. All small units visited as part of this research worked on nonleather footwear.

Agra has several leather footwear accessories manufacturing units. According to the above-mentioned World Footwear report⁵⁷ “There are nine mechanised last-making⁵⁸ factories producing 1,500 pairs of lasts per day and 20-30 small units making 1,000 wooden lasts per day. There are 200 sole-making units with capacity to produce 400,000 pairs of PU, PVC and TPR soles per day. Besides there are 20 modern factories producing insoles.”

55 The largest group of 4,500 tiny units employ less than 10 workers.

56 An undated report: Diagnostic Study Report for Leather Footwear Cluster, Agra-GOI, Ministry of Small Scale Industries (data references to 2005, with proposed activities for 2005-06), G P Agarwal, Asst. Director (I/f) & Cluster Development Executive.

57 Ganguly, S. (2008), “Agra—Centre of the Indian Footwear Industry”, World Footwear, March-April.

58 A *last* is a hard object, usually wooden, that shoemakers build their shoes around. Lasts look like feet, with extra space in front of the toes to accommodate the sleek pointed-style common in shoes.



Supply-chain structure

Team visits to communities found three kinds of work:

1. **producing a complete shoe;**
2. **producing uppers;**
3. **hand stitching on uppers or knitting designs for uppers.**

Based on the number of workers and the nature of work, footwear-manufacturing units can be categorised into six types:

- I. **Home workers**
- II. **Cottage units**
- III. **Small factories**
- IV. **Domestic (brand) factories**
- V. **Export factories**
- VI. **Fabrication units**

Almost all adult workers in community-based units are employed on a piece-rate basis. Child labourers are also paid at piece rates and with a daily wage component (elaborated later in the report).

Home Workers: These units do not employ outside workers, only family members. They perform hand stitching or knitting for small or cottage factories and make their own uppers or complete shoes to sell in the haat (open market). The raw material is bought from the local market. The completed shoes are of low quality and reportedly sold to the lower-quality traders operating from a market called *tikonja*.

Cottage Units: These work units employ up to 10 workers and are home-based. They make uppers and complete shoes:

- a. The uppers units produce mostly for other cottage units or factories and may employ other workers, but usually consist of up to five people.
- b. A complete shoemaking cottage unit employs other workers for specific skills

and operations. These units subcontract to a uppers units and to home workers for hand stitching. These units sell their products to traders in Hing Ki Mandi, the wholesale footwear market; some of them may sell directly to buyers outside Agra. Cottage units buy ready-made soles and other raw materials. Usually they produce the shoes and then take samples to the market to get orders from Hing Ki Mandi traders or from buyers from other cities. Occasionally they work on orders direct from buyers. Most cottage unit owners produce nonleather products; they may create own designs or hire local freelance designers.

Small Factories: The small factories producing footwear in Agra employ more workers, between 25 and 35, and have a bigger business volume. Some factories employ as few as 10 workers; others as many as 100. Because of larger capacities, these factories work for miscellaneous domestic brands from outside Agra and/or Hing Ki Mandi. Generally they produce nonleather products.

Domestic Factories: These factories, located mostly in industrial areas, reportedly work for renowned local brands (unspecified by stakeholders). They have better machinery and systems for higher-quality production. Domestic factories usually employ more than 50 workers and subcontract work for uppers and hand stitching as needed. They work from direct orders but they may also sell their own brand-name shoes to wholesalers in Hing Ki Mandi or in other cities. Production for the domestic market takes place from October to May. One reason for this seasonality: the glue used to make shoes lacks adhesiveness during wet weather.

Export Factories: These factories are located outside the city of Agra in and around Sikandra, Artoni or other industrial areas. Ninety-five per cent of the footwear produced in export factories is leather. Export factories employ 100 to 800 workers and work mostly for international brands. As reported by the Labour Department, NGOs and other supply-chain actors, these factories must meet national and international labour standards; it is unlikely that any use child labour. However, some stakeholders reported that some export factories employ young workers recruited from the communities through labour contractors who play a vital role as middlemen and control payment of wages. More information on export units is presented later in the report.

Fabrication Units: Fabrication units (the owner is called the fabricator) are independent, operate in semiformal community-based workshops (larger than houses and much smaller than factories), and generally work for export factories. The fabricator hires workers from the local communities on piece-rate basis. Export factories subcontract the production of shoe uppers to fabricating units, mostly located in Agra. However, interviewees reported that the cutting of the uppers is done in export factories and these cuttings are provided along with other raw materials (with the exception of adhesives) to the fabricators.

A fabricator may undertake production work for one or for more export factories.

Interviewees at one fabricating unit in Agra reported to team researchers that they receive strict instructions from export factories not to disclose names of international brands; thus it was difficult to link fabricating units to export factories and international brands. The stakeholders also stressed that local export factories may not disclose all subcontracted work, so even the brands may not be aware where all parts of their products are produced.

One fabricator interviewed by the research team reported that export factories have production lines on premises but also use subcontractors. Subcontractors do not employ skilled workers or register workers with labour and social security departments, and so do not bear any additional costs. The fabrication unit visited was not registered and did not have a legal license to operate; in effect, it was invisible to government inspectors. The fabricator reasoned that the savings from non-payment of legal benefits and other administrative fees allows him to produce more cheaply and thus makes economic sense for exporters to outsource to him. Piece-rate payment systems also provide fabricators with flexibility to increase or decrease work crews depending upon order volume. Workers in export factories on payroll cannot be laid off during the lean season. Finally, because production of uppers is labour intensive, exporters producing on premise must employ a large workforce, increasing legal and economic liabilities and taxing limited space in factories.

Business Environment at the Wholesale Footwear Market Hing Ki Mandi

This section reflects on the local business environment to illustrate the context in which small manufacturers operate. Most of the cottage or small manufacturers sell their products in Hing Ki Mandi. Interestingly, all of them have their own

brand names and logos, which are sometimes similar to those of bigger domestic brands. A pair of nonleather shoes are offered wholesale for INR 120-140 (US\$ 1.86-2.17), a pair of leather shoes for INR 1,200 (US\$ 18.6).

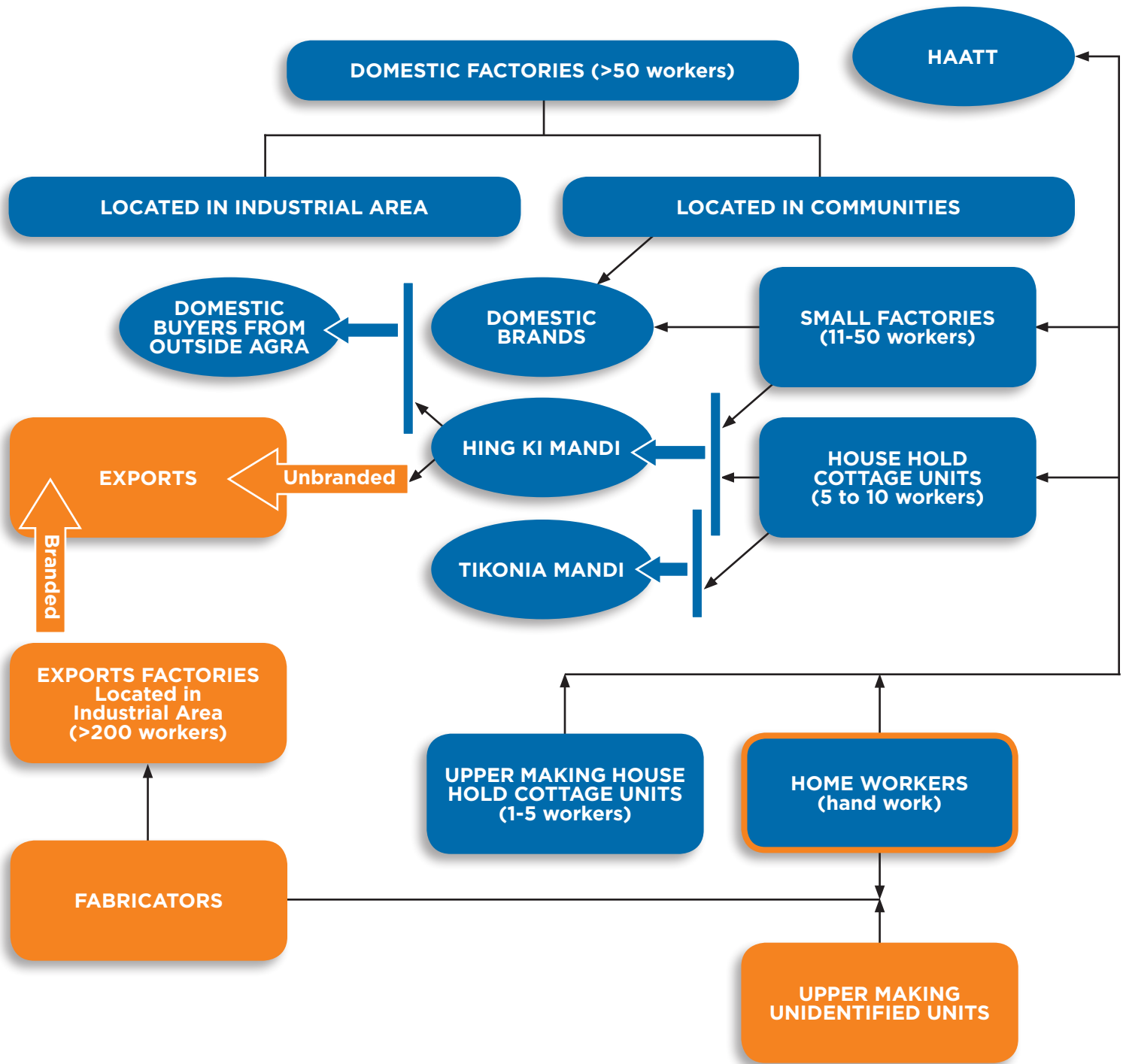


FIGURE 5: Production and transaction flow for domestic market (in blue) and export market (in orange)

Hing Ki Mandi is said to be India’s largest footwear wholesale market, attracting buyers from nearby countries and regions, including the Middle East. Numerous raw material shops line the main road in Hing Ki Mandi. Traders’ shops crowd the narrow streets.

It was reported that some accessories suppliers illegally sell national and international brand logos to local manufacturers. But traders in Hing Ki Mandi are said to be cautious about dealing in counterfeit products for fear of confiscation, and manufacturers

say counterfeit products are difficult to sell. Counterfeit products are reported to be of the lowest quality and sold in Tikonia Mandi.

There are two types of traders in this market: traders who pay the manufacturers at time of delivery, and traders who give sellers tokens (called *parchis*). A payment date is written on the *parchi*, and the traders generally take three months to make the payment. *Parchis* can be transferred to any other trader, including those dealing in raw materials. *Parchis* can also be cashed in at certain money lenders, but only for an interest payment of 1 to 5 per cent, depending on the length of the validity period of the *parchi*, the reputation of the trader, and the amount. In this way, these tokens continually circulate in the market.

Some of the unit owners reported that the *parchi* system is problematic and exploitative. Manufacturers who need to cash in a *parchi* must pay interest to money lenders, and small traders might not know that they must pay interest. Traders at Hing Ki Mandi pay manufacturers after taking a 2 to 3 per cent brokerage commission. The domestic unit owner in Sewla reported that the *parchi* system is doubly exploitative for them. The system has one advantage: manufacturers and traders do not have to carry cash. However,



FIGURE 6: *Parchi*

the tokens cannot be broken down into smaller units and are not completely liquid.

Figure 5 represents the production and transaction flow in the footwear industry for the domestic market (in blue) and the export market (in orange), based on information gathered from various stakeholders during the exploratory phase.

Hotspots of Footwear Manufacturing

In 2004, as part of the Agra Urban Health Programme, local organisation Shri Nirottilal Buddha Sansthan (SNBS) conducted a mapping and assessment of urban slums⁵⁹ that suggested that 90 per cent have footwear production, confirming information from stakeholders that home workers, cottage units and small factories are located all around the city. The highest concentration of these units

was in the communities around Hing Ki Mandi. The stakeholders repeatedly identified at least 17 communities where footwear manufacturing occurs at the household level or where footwear workers reside.

⁵⁹ The assessment was undertaken for USAID and jointly facilitated by the Department of Health and Family Welfare.

Major communities frequently identified by stakeholders were:

Sadar Bhatti, Mantola	Jagdishpura
Nala Qazi Para	Gobar Chowki

Additionally, others were identified as having significant footwear production:

Nai Ki Sarai	Shahganj
Suder Para	Rajnagar
Teela Sheikh Mannu Basti	Jagjeevan Nagar
Bodhla, Naraich	Madhunagar
Peer Kalyani	Sewla Jat
Khawaspura	Tamoli Para

All of the communities, urban slums, were similar in terms of socioeconomic characteristics and infrastructure (roads, water supply, electricity). Most houses are unattached, built on land measuring 25 to 40 square yards. Muslim or scheduled caste community members are engaged in footwear production.

Communities identified during the research are labeled in Figure 7.

FIGURE 7: Location of five hotspot areas visited during the exploratory phase



V. STAKEHOLDER MAPPING AND FEEDBACK

The mapping exercise created a comprehensive list of all stakeholders operating in Agra who have a direct or indirect impact on child labour. FLA, iMentor and MVF teams interview 25 of them to garner information about the situation in Agra and their activities relating to child labour issues in this cluster.

Civil-Society Organisations (CSOs) and Their Activities

1. Shri Niroti Lal Budhha Sansthan (SNBS)⁶⁰:

SNBS has programmes on maternal and child health, family planning, water and sanitation, and welfare of child labourers. SNBS along with seven other CSOs conducted government-commissioned child-labour surveys⁶¹ in sample communities in 2005 and 2011.

2. Centre for Health, Education, Training and Nutrition Awareness (Chetna)⁶²:

Chetna has programmes focusing on street children and working children. Chetna operates Childline, a helpline in Agra with 18 contact points across the city, which receives numerous calls to rescue and rehabilitate children (the children are reintegrated into their families or admitted to suitable child welfare institutions). Chetna also operates a harm-reduction centre to assist children withdrawn from difficult circumstances. Centre activities include outings to post offices, banks and similar institutions to enhance children's learning, confidence and skills. In addition, Chetna operates nonformal education centres (NFE) in 17 bastis that enroll children who were found working through a survey. Between 40 and 50 children stay at these NFE centres from 10 a.m. up to 5 p.m. The centres do not work to address the child-labour problem at the community level, or to convince families to enroll children in mainstream education. Chetna personnel said they were unaware

any network of NGOs in the Agra region and would be happy to be a part of one.

3. Chetna Sewa Sansthan⁶³: This CSO offers programming on HIV/AIDS awareness for migrant workers in Agra. According to Chetna Sewa Sansthan, most migrant workers come from other parts of Uttar Pradesh, Bihar, West Bengal and Rajasthan and engage principally in construction work. They have had contact with 10,575 migrant workers in various communities since 2010 and 76 were associated with the footwear sector. They define a migrant worker as any worker who lives in the community between three to five months a year. Overall, the number of migrant

⁶⁰ <http://snbsindia.org/page9.html>

⁶¹ Because of the child labour survey, the research team was told that the labour department authorized the establishment of 40 child labour schools to be run by 20 CSOs under the National Child Labour Program (NCLP). Each of the schools was a community-based centre for providing bridge education to the children, with capacity of 50 children in each center. However, the centers have been closed since September 2014 due to a notification from the Central Government. The Central Ministry is planning to issue new guidelines but they were not available until the time of this research (<http://labour.gov.in/content/division/setting-up-new-nclp.php>). SNBS operated two centers and had to enroll the students at mainstream schools as an immediate measure. A media report reportedly claimed that the child labour centers were not functional or could not be found in some cases. SNBS and two other NGOs were not named in the media report, according to SNBS. As a result, the labour department conducted their own inspections and eventually blacklisted a few NGOs for the program. SNBS described its 20-year long history on the issue of child labour, bridge education and mainstreaming but does not have any other project or initiative on child labour.

⁶² <http://chetnaindia.org>

⁶³ <http://cssrampur.org>

workers in the footwear sector, especially in the communities, was reported to be very low. Chetna reported that there is a District Child Labour Task Force in Agra, which was initiated by the Labour Department but has not held the scheduled periodic meetings for the last two years. Officials from the Labour Department, Health Department (CMO), police, ChildLine, and the Education Department are members of this task force.

- 4. Aadhar:** Aadhar contributed to a skill-development project in the leather footwear industry in 2007. The umbrella project was conceived by the Department of Industrial Policy and Planning (DIPP) as having two phases: the first identified workers in the footwear sector and created identity cards for them; the second strove to develop master trainers who in turn provided skills training to workers. Aadhar issued 65,000 workers ID cards in 2007; however, the second phase never launched.

Aadhar is currently carrying out a project on health but not in the footwear sector.

- 5. CREATE⁶⁴:** This CSO focuses on rural entrepreneurship and technical education, HIV/AIDS awareness, nonformal education for children of rickshaw pullers in Agra, and microfinance and health.
- 6. Ramky Foundation⁶⁵:** Ramky is overseeing a project to combat tuberculosis affecting truck drivers and is interested in children's issues in the Agra footwear industry. It has linkages to manufacturing units and Hing Ki Mandi traders. Ramky reported TB to be a major disease in Agra, with 1,700 new cases diagnosed every month. Information on TB's prevalence in the leather sector is unavailable.

⁶⁴ <http://create.org.in>

⁶⁵ <http://www.ramkyfoundation.org>

Civil-Society Members and Individual Activists

The research team identified a few civil-society members interested in child labour or education issues in specific communities in Agra. They included a worker in a footwear unit, an owner of a home-based unit, a social activist and a doctor.

The research team met three local physicians operating in Gobar Chowki. One of the physicians also runs a community-based NGO titled Holistic Health Care Organisation. According to them, lack of treatment or self-medication for prolonged fever can induce typhoid and ultimately lead to TB, especially among children. Consumption of alcohol magnifies susceptibility. Health and safety risks in footwear production are related, with

particular concern regarding the use of pressing and skiving machines (which require expertise). Skiving without the use of facemasks poses a risk of dust inhalation. Pasting work, performed in small units often without gloves and masks, may be hazardous for children because of the risk of fume inhalation. Health issues afflicting workers include tuberculosis, asthma, anaemia and eczema. However, apart from skin problems, these problems are not directly related to footwear production but pertain to malnutrition, poverty, self-medication practices and poor living conditions in congested residential areas lacking adequate ventilation.

The research team met several other civil-society members and activists, among them:

1. A local shoe manufacturer from Khawas Pura interested in children's education;
2. A social activist on child rights in Agra, running a project for the NGO "CRY";
3. The head of the Siddiqui Welfare Society, an organisation that conducts various welfare activities through volunteers;
4. A former footwear worker in Gobar Chowki currently engaged in community issues;
5. A local contact person resourceful in providing access to home-based units;
6. The president of the Indian National Trade Union Congress (INTUC) in Agra who organises formal workplaces.

According to stakeholders interviewed, various factors contribute to child labour. Poverty was mentioned most often. Alcoholism was reported to be a widespread problem among male workers in the footwear sector and a cause of persistent poverty. Poor education infrastructure and poor quality of education in government-run schools were cited as contributing to child labour.

Government Bodies

1. **Child Welfare Committee—Agra:** Agra's CWC team was established in 2010 and has five members. The committee reported that the footwear and handicraft sectors are the biggest employers of child labour in Agra. CWC receive calls about lost children, and sometimes about trafficked children (reportedly from the areas of Bihar and Jharkhand), and they have also rescued children. They do not get calls reporting child labour, and they do not have a monitoring programme as such. CWC also mentioned a vigilance committee but said that CWC is not part of the Labour Department's vigilance committee and is not invited to meetings.
2. **Labour Enforcement Officer and Field Officer of the National Child Labour Programme, (NCLP):** The enforcement desk of the Labour Department does not have a mandate to address child labour in community footwear units, as these are not registered units. A footwear unit is required to register if it employs more than five workers. Agra has nearly 160 registered footwear manufacturing units.⁶⁶ Several are located in communities. The Labour Department does not conduct monitoring activities for child labour in the informal footwear industry, and cites instances of families denying that children discovered in unregistered units were actually working. However, the NCLP's enforcement officer believes that cooperation among stakeholders and various government departments could make a difference. The officer expressed willingness to work with NGOs on the rehabilitation of child labourers. NCLP staff also noted that NCLP schools were functional until the NCLP project closed down in Agra in 2014.
3. **Education Department Statistics Officer—Sarva Shiksha Abhiyan⁶⁷:** The Education Department does not have a programme specific to working children. According to stakeholders, even the provisions in the Right to Education Act are not implemented properly. Schools in Agra are generally in poor condition, and there are no government schools within accessible distance. Fifteen wards have no schools at all. An official in

⁶⁶ Different officials in the same government department provided different numbers of registered units; none of this data was verified by document review.

⁶⁷ <http://ssa.nic.in>

the Education Department reported that there are 135 government schools in Agra municipality region with only 230 teaching staff. Officials estimate that 450 additional schools are needed. A survey conducted in 2015 revealed 1,706 children in Agra were out of school, but that the officials suspect that the actual number is much higher. An official in the education department reported that the Sarva Shiksha Abhiyan programme provides all the expenses for running schools but it does not provide funds for buildings. The authorities cannot maintain the buildings due to a lack of funds, and older buildings are unstable. Schools are operated in rented buildings, but owners are often unsatisfied with the rent they receive. A child-rights activist shared his experience assisting slum children in getting admitted to a government school. He described the headmaster refusing the children admission because they “smelled bad.” (In response, the Education Department started up classes for the children, and department officials came under pressure to get the children enrolled in the school.) No special interventions have been established for the identification and rehabilitation of child labourers. All children belonging to Scheduled Caste and Scheduled Tribe communities and attending school were provided textbooks and uniforms. A non-detention promotion policy⁶⁸ was being followed in all the schools.

4. Ministry of Micro, Small and Medium

Enterprises (MSME): According to a 2012 MSME report, there were 932 micro and small footwear-related industries registered in Agra⁶⁹. Meanwhile, a report from 2005 estimated 5,000 cottage and SME units in the region⁷⁰. Although the role of the MSME is not to look directly into the child labour issue, its representatives provide access to export-oriented units. One representative stated that child labour is the result of severe poverty

and mainly exists in communities not in the export-oriented footwear production units.

5. Council for Leather Exports (CLE)—Export Promotion Officer, New Delhi:

CLE is one of the largest high-level bodies that promote trade of leather goods from India⁷¹. Information received from CLE is included in the sections above.

6. Women Development and Child Welfare:

Officials including the district project officer mentioned that there are two open-shelter homes, one children’s home, and an observation home to accommodate children withdrawn from difficult circumstances⁷². A special home for juveniles is yet to be established in the area.

7. Government-run Anganwadi Centre

(Preschool Centre): The research team visited the Centre in Gobar Chowki, with 60 registered children. Centre caretakers said that 30 to 40 children attend the centre most days. All children 5 years and older are meant to attend the local school, but interviews with stakeholders noted that children are often denied admission owing to the limited capacity (number of seats). Though the responsibility of transferring children from the centre to local school rests with the Anganwadi teacher, she was not aware of any government directives about attendance.

68 Non-detention policy promotes all children into higher classes without making them to repeat, irrespective of the results of their final examinations.

69 <http://dcmsme.gov.in/dips/Agra.pdf>

70 An undated report: *Diagnostic Study Report for Leather Footwear Cluster, Agra-GOI*, Ministry of Small Scale Industries (data references to 2005, with proposed activities for 2005-06), G P Agarwal, Assistant Director (I/f) & Cluster Development Executive.

71 <http://howtoexportimport.com/Council-for-Leather-Exports-1697.aspx>

72 Observation homes are meant for the temporary reception of juveniles in conflict with the law pending further inquiry. Shelter homes function as drop-in centres for children in the need of urgent support. Children homes provide care, protection and treatment by catering to developmental needs by adopting a child-friendly approach.

Status of Education and School Infrastructure in Agra

Government-run primary schools (up to V standard, i.e., for the children under age 14) are mandatory and free, as per the Right to Education Act. However, parents need to pay for uniforms, books and stationery. Most schools are poorly run, lack infrastructure, are staffed by unqualified personnel, leading to high drop-out rates. In some cases, government-run schools exist only in official documents and not in reality.

Some private schools are reported to be better and parents prefer that their children attend these schools. However, the fee of INR 100-120 per month (US\$ 1.5-1.8) is unaffordable by many families. One community member who earns a monthly salary of INR 4,000 (US\$ 62.24) considers private-school education expensive. In addition, government schools provide complimentary midday meals⁷³.

According to interviewees, girls are able to continue their education through primary levels but are forced to drop out if there is no middle school in their neighbourhoods. Parents often send boys to private schools and girls to government schools. In general, families are unaccustomed to sending their children to school. They are not aware of the admission procedures and often fail to provide the required documentation, admission forms, caste and income certificates, etc. As a result, large numbers of children are denied school admission.

The Jatav Community Association in Gobar Chowki established a community-run school (Jatav is a scheduled caste and Gobar Chowki a local slum). According to the school headmaster, the community has a positive attitude towards education if the quality is good and facilities are available. If they are not, and



FIGURE 8: A government school in Siddhath Nagar basti in Gobar Chowki

the family is poor, education is low priority. The MVF and iMentor team visited the school (I-VIII standards, nearly 125 students) in April 2017. Student fees were INR 100 per month (US\$ 1.5), though parents were daily and weekly wage earners, considered poor. This suggests the headmaster's assessment is accurate.

They also visited Gobar Chowki Primary School, which operates with two government teachers. The school building was demolished over a local land dispute, so classes are conducted on a small platform without protection against the sun and rain (Figure 8). A total of 84 children are enrolled in the school, but only 30 to 40 children attend. The team estimates about 1,000 school-age children (6 to 14 years old) live in Gobar Chowki.

Another primary school in the area, Kanyabaghrajpur, has 98 children enrolled, but only 30 children attend on a regular basis.

⁷³ <http://mdm.nic.in/>

There are only two classrooms in the school. The surrounding residential area consisted of around 500 school-age children (based on visual estimates) but the school does not have capacity to accommodate them.

During a visit to a slum in the Jagadishpura

area, the team found many children working in home-based units producing footwear. The local school operated in a private residential building under a tin shed with two teachers for 30 to 35 students. The teachers approached the Education Department for additional resources, but no action has been taken.

Child Labour in Agra

TABLE 1⁷⁴: PREVALENCE OF CHILD LABOUR IN AGRA BASED ON 2011 CENSUS

AGE GROUP	TOTAL POPULATION	MAIN WORKERS	MARGINAL WORKERS	TOTAL CHILD LABOUR (ACTIVE)	PERCENTAGE
5-9 years	533,649	8,146	14,162	22,308	4.2%
10-14 years	574,120	15,084	26,701	41,785	7.3%
Total under 14	1,107,769	23,230	40,863	64,093	5.8%
15-19 years ⁷⁵	541,732	66,738	67,720	unknown	
TOTAL AGRA POPULATION	4,418,797	1,050,562	471,363		

All respondents, including the Labour Department officials in Agra, reported that child labour is widespread in Agra and the informal footwear industry is the largest employer of child labour. The Labour Department provided official statistics from a child labour survey conducted in select communities in 2011. According to this report, 2,563 out of 4,557 child workers identified (56 per cent) were reported to be in the leather and footwear industry. The 2011 census data for Agra shows a total of 64,093 child workers under the age 14, including children as young as 5, but does not provide a breakdown by economic sector.⁷⁶

Almost all home-based and cottage units visited in Agra employ children in the production process (see Box 4). An eight-year-old child might start by applying latex (natural rubber adhesive) in uppers or in the packing process. The child learns and performs other

tasks over time; by 18 the child is skilled in upper making. Some children who work with their families attend school but engage in shoe production after school. Children working in other units mostly do not attend school.

Typical pay for child labour is INR 3-5, or US\$ 0.04-0.07, per task per shoe. A visit to units in the *bastis* (urban slum) found children involved

74 Definitions and data from: <https://data.gov.in/catalog/main-workers-marginal-workers-non-workers-and-those-marginal-workers-non-workers>; http://www.censusindia.gov.in/2011census/dchb/0915_PART_B_DCHB_AGRA.pdf **Main workers:** worked for the major part of the reference period six months or more). **Marginal workers:** worked for the major part of the reference period less than six months.

75 These numbers refer to the workers in the age group population. There is no reference to the hazardous nature of work; therefore, the number of children aged 15-19 involved in child labour is unknown.

76 According to the CSOs, although many surveys are being conducted at the field level, none of the official figures are reliable and the problem is bigger than what is being officially reported.

BOX 4: Mukesh's family

Mukesh's family runs a home-based unit producing shoes on the terrace of their house. The eldest son, 17 years old, helps the father to buy raw materials, soles, and other components for shoes. A daughter, 13 or 14 years old, helps her mother with stitching. Mukesh, 11 years old, works full-time primarily applying glue to the shoe soles. The youngest son is 7 or 8 years old and works part-time after school. According to the family, if a child is not interested in attending school, parents prefer to teach the child a skill—otherwise they would be wasting a financial resource. According to Mukesh, *"It is better that I help my father in shoemaking. I don't enjoy school and here at least I am helping my father and making some money."* Mukesh's mother pointed out family finances and the need for their children to work: *"Par likh ke kya karlega madam, acha school mein hum bhej nehi sakte, aur baad mein naukri toh milne wala hai nehi, isse acha hai ki who juta banana sikh jaye aur apne pitaji ko help kare."* ("What will our children do with the education? We cannot afford to send them to good schools. There is no guarantee of a job even if they attend school. Hence, it is better that they learn how to make shoes and help their father.")



FIGURE 9: Mukesh (11 years old, name changed) working in his parents' footwear workshop.

BOX 5: Working conditions in a home-based unit

Shyam, a local shoe manufacturer in Jagdishpura, makes 200 pairs a day either on order or to sell himself at the market. He does cutting, pasting, and pressing in his home-based first-floor workshop and outsources stitching work to Rahim (see Box 6, names changed in Boxes 5 and 6). Shyam claims no children are employed in this unit. The research team observed three children working there, whom he identified as his brothers' and not his own.

Shyam's 4x8-foot workshop accommodates five workers: two adults besides the three children. The room had a small window and a low door. Adults of normal height had to bend to enter the room. Only two researchers could enter the room at any given moment. Two more adults worked outside the room on a small verandah, using sharp instruments to cut the sheets for shoe uppers. A small toilet without a proper door (a long cloth covered the entrance) was visible in a corner of the verandah.

Based on physical cues (faces, personality), the children appeared to be 9 to 14 years old. The children did not lift their heads and avoided eye contact. When questioned, they said they were enrolled in school, although the visit occurred at 11:00 a.m. Each child performed a different job. For pasting work, a child is paid INR 3 per piece. The adult workers were eager to show the research team their cutting and pasting skills, which require dexterity.

BOX 6: Rahim's stitching workshop

Rahim's family does stitching work for Shyam and other manufacturers in their house in Gobar Chowki. Rahim is paid a piece rate based on production. The work is seasonal.

The house has two rooms on the first floor and one room on the ground floor. The room downstairs was a bedroom; the upstairs area included a small kitchen and a workshop/bedroom. Rahim showed the research team the sewing machine in front of the bed and some sample uppers. His wife, who was sitting on a bed in the workshop room, was suffering from HIV-AIDS.

The couple has four children, three daughters and a son. A daughter, between 14 and 18 years old, spoke to the team and mentioned that she and her two sisters attended middle school to the VIII standard. Their brother still attends school and currently is in the IX standard (he was at school at the time of the visit around noon). When asked if she and her sisters wanted to pursue their educations, Rahim's daughter said they must care for their ailing mother and help the family. She said her father will seek suitable husbands for them and they will be married in the near future.

in the following footwear manufacturing tasks: lasting, adhesive application, pressing, thread cutting, packing, hand stitching (except for cutting), machine stitching, marking, and final pasting. Not all tasks were performed in all units. Children did not perform skiving in upper-making units.

Only boys were employed in units that manufacture complete shoes and in upper-making units; girls worked in family units, performing hand stitching. Results of a survey of 200 households undertaken to establish the magnitude of child labour in home-based units are presented later in this report.

VI. ASSESSING FEASIBILITY OF CHILD LABOUR FREE ZONES IN AGRA

In April 2015, MVF surveyed 36 families in Gobar Chowki, to investigate the feasibility of a child labour free zone in Agra. The survey was administered with the assistance of four volunteers from SNBS and iMentor. Data were collected on:

- number of children in the household;
- educational status of the children;
- work performed by children;
- reasons children quit school;
- willingness of parents to send children to school (given available).

Main findings

- ▶ Except for one family, **all reported owning a house.**
- ▶ **Households averaged 3.6 children** (131 children in 36 families; 70 boys and 61 girls). The largest number of children in one family was six and the lowest was one.
- ▶ Of the 131 children, **40 boys (57 per cent) and 41 girls (67 per cent) attended school**; of these, 39 boys and 39 girls attended private schools. To look at this statistic another way, only 6 per cent of children in the survey attended the government school, which is free; 36 children (21 boys and 15 girls) had dropped out of school, most after V standard, but many others because there was no tenth standard in the community.
- ▶ Survey results indicated that, in general, **parents are interested in sending their children to schools**, provide their availability. Girls are highly interested in pursuing higher education but are prevented by guardians from doing because of safety concerns.
- ▶ **Respondents identified 22 functioning schools.** Most of these schools are private and far away from Gobar Chowki. Parents must be able to afford transportation. School fees vary from INR 45 to INR 200 per month (US\$ 0.7-3.2). There are two free government schools in Gobar Chowki, Gobar Chowki Primary School and Kanyabaghrajpur School.
- ▶ **The government primary school in the community is deteriorated.** There are only two teachers. Children sit on an outdoor platform which serves as the classroom. Most parents prefer to send their children to private schools despite the fees. There

is also a school that is run by a charitable organisation with classes up to eighth standard. Parents pay a fee of INR 100 per month (US\$ 1.5) per child. At the time of the survey, 84 children were registered at this school, but only about 30 were attending regularly. The survey did not determine the total number of school-age children in the households.

► **Most of the families surveyed were directly or indirectly working in shoe manufacturing.** Children working in households mainly assisted making uppers or bottoms making or did pasting. Sixteen boys (23 per cent) and 10 girls (16 per cent) were cutting, pasting or performing other work related to shoe manufacturing outside the home.

Challenges and Constraints

- **There are many unregistered footwear manufacturing units in Agra.** Determining of the number of children working in these units will take time.
- **Government departments and officials do not seem overly concerned about child labour;** they have made sparse efforts to identify, rescue and rehabilitate child labourers in the footwear sector (or in other sectors of the economy in Agra) and they do not collaborate with one another. This results in delays and postponements in addressing key issues. For example, parents must present an income statement and a caste certificate to admit children to school, but the Revenue Department does not issue such

certificates in a timely manner; thus the child is denied admission.

- **There are no youth groups in the region.** Motivating youth to form youth groups for the prevention of child labour (a fundamental step in the CLFZ approach) will take time.
- **The few existing schools lack basic infrastructure,** and this inhibits enrollment and retention of children. There has been no response from higher authorities to petitions submitted by stakeholders and teachers for improvement of school infrastructure.
- **Measures for mainstreaming older, out-of-school children and dropouts into the education system are inadequate.**

Conclusions on CLFZ

Though attendance registers as well as official statistics show children in Agra attending schools, many work as child labourers in unregistered footwear units. The probability of children — especially those in higher standards — dropping out of school to work or marry is high. It's a vicious circle: children feel compelled to work because education opportunities are not available. Parents and guardians lack information about the

benefits of education. Currently, most parents, community members and even school teachers are unaware of laws regarding child labour (including the Right to Education Act), bonded labour and child marriage.

Beyond the limited educational achievement of the parents and the ignorance of the community in regard to their rights, roles and responsibilities in the functioning of

the schools, Agra is handicapped by the lack of higher-level schools, poor school infrastructure, and the apathy of government officials towards child labour and education. The current situation calls for the creation of an agency that could interconnect all relevant institutions and mobilize the community.

Despite the absence of youth groups, there are committed young individuals in the local slums who could be trained as education volunteers to track dropouts and

mainstream them back into schools. Many could be reintroduced into the educational system through residential bridge-course camps. Government departments and officials need to reach out to communities and conduct programmes aimed at increasing the enrollment and retention of children in schools. Work at the grassroot level is important to stop child labour in the footwear sector. All these factors lead to the conclusion that a child labour free zone is feasible and necessary in Agra.

Recommended Next Steps

1. Plan for universal education:

The inextricable link between the universalisation of education and abolition of all child labour must be recognised: no child should work and all children aged 5-14 must be in school. This requires a comprehensive plan that addresses issues relevant to children — especially to first-generation learners, older children, and children in higher classes. A mapping of the status of all children through an extensive survey is necessary to move forward.

2. Mobilise the community to build social norms discouraging child labour:

Mobilisation has to be handled differently for various community member: parents, schoolteachers, the education bureaucracy, bastis and employers of child labourers, and child labourers themselves. Setting up local institutions such as Child Rights Protection Forums is necessary to bridge the gap between the government, public institutions and poor households.

3. Retain children in schools:

Keeping children in schools is as important as mobilising children out of work. School attendance must be tracked every day.

4. Shift children from primary schools to high schools:

The government must make school systems more sensitive to the needs of the poor, especially first-generation learners, by relaxing admission rules and formal procedures. Most children drop out of school in early classes (before upper primary, middle or high school), often because parents cannot procure necessary documentation to transfer. Schools should take the responsibility for transferring students from one school to another. An institutional arrangement of this nature would go a long way reducing disruption in a child's education.

5. Mainstream working children back into schools:

Parents and communities must hear the message: no child is too old for school. Children removed from work can be reoriented back into the education system through residential bridge-course camps, motivation centres, special coaching sessions and other local initiatives. None of these initiatives should be seen as substitutes for regular schools; they are to be regarded as arrangements to encourage older children to join full-time formal schools. But provision should be made to

help older children reenter classrooms with younger students, enabling as smooth a transition as possible.

- 6. Strengthen the role of government:** All child-related departments — education, health, women and child welfare, police, revenue, labour — must be involved in the

programme. Meetings must be conducted with relevant officials of each department, from the basti to the district level, to share information and planning strategies. A task force comprising representatives of all relevant departments at block and district levels should take immediate action in cases of violation of child rights.

VII. HOUSEHOLD SURVEY RESULTS CONDUCTED BY FLA AND iMENTOR

Building on the MVF survey, FLA and iMentor conducted a comprehensive household survey in May 2016 to establish the magnitude of child labour in four workers' communities. The primary method for data collection was structured interviews. Focus Group Discussions (FGDs) were also held to understand

biases and identify trends for analysis. The four workers' communities were selected because they were identified by stakeholders as significant hotspots for footwear production. In each community, 50 households were selected by random sampling. Table 2 presents the general profile of the four communities.

TABLE 2: GENERAL PROFILE OF SURVEY COMMUNITIES*

NAME OF THE AREA AND BASTI	GOBER KI MANDI	JAGDISH PURA (RAM NAGAR)	SEWLA JAT	KHAWAS PURA (NARI PURA)
Number of <i>mohalla</i> or <i>galis</i>	4	7	6	8
Ward number	89	19	10	43
Total number of registered voters	6,000	7,500	7,000	6,000
Total number of households	2,600	2,900	2,800	2,500
Total number of government hospitals or public health clinics	0	1	1	1
TOTAL NUMBER OF SCHOOLS	11	12	12	No data
Government-run schools	2	0	0	No data
Private schools	9	12	12	No data
Standard/levels offered	Up to Grade 8	Up to Grade 8	Grade 8 (7 schools), Grade 12 (5 schools)	No data

*Information collected from official documents and publicly available information

- ▶ The primary household respondents could be male or female — equal representation ensured gender balance.
- ▶ The sample consisted of 200 households; an additional 20 (10 per cent) were included to ensure data validity.
- ▶ 50 households were surveyed in four locations:
 - Khawas Pura
 - Jagdishpura
 - Gober Ki Mandi
 - Sewla Jat
- ▶ Structured interviews were conducted with each household. In addition, eight Focus Group Discussions (FGDs) were conducted in four communities. Each FGDs had six to 10 participants.
 - Four FGDs were conducted with children/young workers, one in each of the four communities.
 - Four FGDs were conducted with adult male and female population, one in each of the four communities.

The households to be surveyed were selected through a nonprobability sample⁷⁷. The households were linked to footwear production as home-based workshops or employers of workers in the industry. Six volunteers from SNBS Sansthan

BOX 7: Areas of inquiry

- ▶ Average family size and demographic profile of households in worker communities
- ▶ Primary sources of livelihood or processes in which workers are involved
- ▶ Primary expenses of workers' families
- ▶ Social support systems for meeting family needs
- ▶ Number of children in school and out of school
- ▶ Employment of out of school children
- ▶ Underlying causes of child labour in the footwear sector
- ▶ Underlying causes of child labour in sectors other than footwear

were selected to be data collectors, with supervision from two iMentor staff. An additional volunteer in each of the communities was engaged as coordinator. A pilot with data from 10 respondents checked biases and refined analysis. FGDs were conducted for cross-verification of information. The main areas of inquiry are presented in Box 7.

⁷⁷ **Nonprobability sampling:** If random sampling is not an option, and there is difficulty accessing home production units, we used nonprobability sampling and conducted a survey on all the family members (counting them as one unit) working in home production units to which we had access.

Definition of Child Labour Used for the Survey

For this survey, children were defined as under age 14. Three specific criteria within and outside of the footwear sector were used:

- a. Children at risk** (children out of school or children in school with siblings working in the footwear sector)
- b. Children working in the footwear sector**
- c. Children working in sectors other than footwear**

Findings

These survey findings are augmented with empirical interpretations from the FGDs and results from the exploratory Phase I report.

Family Demographics

- a. Age group and gender ratio:** About 47.5 per cent of survey respondents were in the age group 40-50 years, 25 per cent in the age group 22-39 years, and 25.5 per cent in the age group 51-70 years. Of the total household members, 58 per cent were male and 46 per cent female. In 2011, Agra had a population of 4,418,797 (males 2,364,953 or 53.51 per cent, females 2,053,844 or 46.49 per cent).
- b. Household size:** An average of 6.2 persons resided in each household. Statistical data (Table 3) indicates that 59 per cent of families had 5-7 family members, about 20 per cent had 3-4 members, and 13 per cent had 8-10 members. The exploratory research Phase I found six people resided in each household on average. During the focused group discussions, family sizes were reported between 8-12 members, even larger in some cases.

Primary Source of Livelihood and Nature of Work

As the exploratory research phase indicated, footwear manufacturing is the primary employer in Agra, the second being tourism (although tourism generates the highest level of earnings in Agra). Of the 200 households surveyed, 188 households (94 per cent) reported footwear manufacturing as their primary livelihood (Table 3). FGDs with adults confirmed the survey analysis. Other sources of livelihood was mostly unskilled labour, with one exception of a school-canteen (small-business) owner. There survey suggests that once families start working in the footwear sector, they remain there.

The main production processes in these four communities are cutting of upper components, gluing and pasting, machine stitching, hand stitching, assembly, lasting and finishing. Cutting, assembly, lasting and finishing happens in small *karkhanas* or workshops that produce shoes to fill orders from Agra traders.

TABLE 3: PRIMARY SOURCE OF LIVELIHOOD	
PRIMARY SOURCE OF LIVELIHOOD FOR HOUSEHOLDS	FREQUENCY
Footwear manufacturing	188
Construction work	4
Driving	1
Helper (tent house and restaurants)	3
Helper (clothing shop)	1
Canteen operator	1
No response	2

These workshops outsource production of uppers to households (the process is further divided into uppers and hand stitching). Soles are sourced from local shops.

Upper making is the most labour-intensive process and one that involves most members of the community. Some upper workers

are employed at *karkhanas* and others are self-employed, working in their household on small volume contracts. Only the more spacious *karkhanas* can accommodate a larger number of upper stitchers. For hand

stitching, local contractors (or agents) get the work from the *karkhana* and distribute it among the women in their neighbourhood at an agent commission of INR 2 per pair (about US\$ 0.03).

Household Income, Expenses, Savings and Assets

Household Income

The mean family income was calculated by averaging the income reported by each household and dividing by the total number of households. It was INR⁷⁸ 9,374 (US\$ 137.85). Eighty-four out of 200 households have a combined family income below INR 6,000 (US\$ 88.24), while 113 families reported earning monthly incomes below legal minimum wage for a single person (INR 7,107.64 or US\$ 104.52 for an unskilled worker; INR 8,757.85 or US\$ 128.80 for a skilled worker). See Table 6 on legal minimum wages in the region. The Asia Floor Wage Alliance put the living wage for India at INR 18,727 (US\$ 275.40)⁷⁹ in 2015. These data suggest that the households involved in informal footwear production made one-third of the living wage in India prescribed by the Asia Floor Wage Alliance.

78 1 US\$ = INR 68 as of December 2016.

79 <http://asia.floorwage.org/resources/wage-reports/asia-floor-wage-figures/view>

TABLE 4: COMBINED FAMILY INCOME	
MONTHLY AVERAGE FAMILY COMBINED INCOME (INR)	FREQUENCY OF FAMILIES (OUT OF 200)
Did not comment	2
Up to 3,000	14
3,001-6,000	70
6,001-9,000	40
9,001-12,000	33
12,001-15,000	9
15,001-18,000	9
18,001-21,000	10
21,001-24,000	5
Above 24,000	8

TABLE 5: FAMILY INCOME AND LEGAL MINIMUM WAGES OF SINGLE PERSON	
MONTHLY AVERAGE FAMILY COMBINED INCOME (INR)	FREQUENCY OF FAMILIES (OUT OF 40)
6,001-7,000	13
7,001-8,000	16
8,001-9,000	11



TABLE 6: APPLICABLE LEGAL MINIMUM WAGES PER PERSON IN UTTAR PRADESH

SCHEDULED EMPLOYMENT	WORKER CATEGORY								
	UNSKILLED			SEMI-SKILLED			SKILLED		
	BASIC MINIMUM WAGE	V.D.A.*	TOTAL WAGES	BASIC MINIMUM WAGE	V.D.A.	TOTAL WAGES	BASIC MINIMUM WAGE	V.D.A.	TOTAL WAGES
	(IN INR PER MONTH)			(IN INR PER MONTH)			(IN INR PER MONTH)		
Leather, leather goods products and drying	5,750.00	1,357.64	7,107.64	6,325.00	1,493.40	7,818.40	7,085.00	1,672.85	8,757.85
(Amount in US\$)			104.53			114.98			128.80
Daily wages (26 work-days per month)			273.37			300.71			336.84

Minimum wage in Uttar Pradesh with effect from Apr. 1, 2016–Sept. 30, 2016.

* VDA = Variable Dearness Allowance (cost of living adjustment allowance paid to government employees, public sector employees, and pensioners in India)

Based on FGDs with adults, women workers are paid INR 4-5 per pair (US\$ 0.06 – 0.07) for hand stitching of uppers. An experienced worker can hand stitch about 16 pairs of shoe uppers during an eight-hour work-day; this brings per-day earnings for a skilled worker to INR 64-80 (US\$ 1.10). But workers seldom are fully employed, especially during the rainy season; they generally average three to four days a week.

Hand stitching of uppers is a different process from the machine stitching that is undertaken mostly by men. Machine stitching of uppers

is compensated at the rate of INR 14 per pair for synthetic uppers and INR 28 for leather uppers. Interviewees reported that work is done mainly on synthetic shoes, and a team of three persons (a lead stitcher and two helpers, the second most likely a child) can finish 30 pairs over a 10-hour day. Together they can make INR 420 per day. About INR 300 goes to the highly skilled lead stitcher and the remaining INR 120 is divided amongst the helpers. Adult helpers earn INR 80-110 per day; the “second” helper, most likely a child, can earn INR 50 per week.

Expenses

Expenditure reports provided by respondents were rough estimates. Interviewees estimated expenditures on clothing and health on an annualized basis and then divided by 12 to arrive at a monthly figure, as the survey required calculating monthly expenses. Researchers used mean value for each reported expense categories (Table 7). Food was the highest reported expenditure,

TABLE 7: PERCENTAGE OF EXPENSES

CATEGORIES	PERCENTAGE OF MEAN FAMILY INCOME (%)
Food	39.00
Debt	17.30
Electricity and fuel	12.15
Health care and medicine	8.23
Clothing	6.63
Alcohol	5.15
Education	4.30
Others (house maintenance, social security, leisure, household items, toiletry, kitchen utensils, cell phones, etc.)	7.24

accounting for 39 per cent of mean family income. Debt was the second highest expense (17.3 per cent of mean family income). Then came electricity and fuel (12.15 per cent), the latter category including expenditure on footwear production processes. Health care and medicines took 8.23 per cent of earnings and clothing 6.63 per cent.

More was spent on alcohol (5.15 per cent) than education (4.3 per cent). The mean expense on education was INR 408 per month (US\$ 6); government-run schools are free but families often opt for better-run private schools. Other reported expenses include house maintenance, social-security contributions, household goods and leisure activities.

Savings and Assets

A vast majority of respondents (170 families, or 85 per cent) reported that they are unable to save; 29 families (14.5 per cent) reported some savings (one family did not respond). Families saved mostly to pay for a daughter's wedding. Repayment of debt came in second.

Respondents were asked if they had any additional assets such as land, cattle, bank savings, etc. Only six households reported having some assets in the form of land (additional housing plots).

TABLE 8: PURPOSE OF SAVINGS

PURPOSE OF SAVING	FREQUENCY (OF 29 FAMILIES MAKING SOME SAVINGS)
Education	3
Daughter's wedding/ dowry	15
Emergencies	2
Home construction	
Household items	1
Repayment of loans and debts	8

Debt Pattern

TABLE 9: LOANS AND AMOUNT

EXISTING LOANS	FREQUENCY	LOANS RANGE	FREQUENCY (OF 171 PROVIDING FIGURES)
No	26	Below 20,000	33
		20,001 to 40,000	36
Yes	173	40,001 to 60,000	33
		60,001 to 80,000	16
Did not provide figures	2	80,001 to 100,000	19
		100,001 to 150,000	11
Did not comment	1	150,001 to 200,000	12
		Above 250,000	11

Eighty-six per cent of the surveyed families reported having debts over INR 250,000 (US\$ 3,890). The bulk of the debts were for lower amounts; 40 per cent (of 173 with loans)

TABLE 10: PURPOSE OF SECURING LOANS

REASON FOR TAKING LOAN	NUMBER OF HOUSEHOLDS
Consumable goods/monthly expenses	67
Emergencies	137
Raw materials for production	5
Investment in assets (house, land)	18
Vehicle	1
Education	3
Investment in business venture	2
Birthday	1
Unspecified	3

reported loans under INR 40,000 or US\$ 622 (4.3 times mean monthly family income) and 59 per cent had loans of under INR 60,000 (US\$ 934). See Table 9.

The most significant reason for taking out loans was emergencies, reported by 137 households (of 173 with existing loans). Spending on consumer items and meeting monthly expenses were also significant,

with 67 out of 173 households (38.72 per cent) reporting one of these reasons. See Table 10 (note that some families reported more than one reason for securing loans).

Child Labour in the Community

FGDs with adults and children specified two types of child labour:

- ▶ **children working at home with families;**
- ▶ **children working in nearby workshops or *karkhanas* with family members** (father,

uncle or other relative). These workers move from one workshop to the other depending on the availability of work.

Nature of Work

In each small workshop of the visited area, three to five children work as *chelas* (apprentices) to learn trade skills. They start as early as age eight. Boys work as helpers alongside their fathers, older brothers or other relative. They perform tasks like *chhatna* (selection of pieces), *doodh lagana* (application of chemicals on the pieces), *thokar fit karna* (pasting) and *solution lagana* (application of solution). The application of chemicals, including glue, is hazardous work and can involve serious health risks for adults as well as children.

Children told researchers that boys perform labour in workshops from 8:00 a.m. to 6:00 p.m. with a break for lunch. They get paid INR 50-100 weekly with INR 10 per day to cover basic expenses. Boys hand the money to their mothers for household needs. Skilled male child helpers can earn up to INR 100 per day during peak season. Children who work with family are not compensated but receive a pocket allowance. According to the children, they are not forced to work but feel that they must support their family.

Age Group of Child Labourers

Survey respondents confirmed that most children start working at a young age. More than half (58.5 per cent) reported that children start to work between ages 8 -14. About 16 per cent said children start work between ages 15-17, followed by 12.5 per cent citing ages 18-20 (these individuals fall in the adult worker category). About 13 per cent did not respond to this question.

TABLE 11: AGE WHEN CHILDREN START WORKING OR APPRENTICESHIP

AGE GROUPS	FREQUENCY OF RESPONDENTS	PERCENTAGE
8-14 (child labour)	117	58.5
15-17 (young workers)	32	16.0
18-20 (adult workers)	25	12.5
No comment	26	13.0
TOTAL	200	100.0

Reasons for Child Labour

When asked why a child under 14 should work, 61 per cent said weak finances (about 22 per cent of the respondents did not or could not respond to this question). The need for additional income was confirmed during FGDs, with both adults and children explaining child labour helps families meet household needs. Other factors cited including lack of interest in education amongst children and the importance of learning workplace skills. The research team believes several other factors influence the decision to put children to work, including such lack of schools and quality

TABLE 12: REASONS FOR WORKING FOR PERSONS BELOW 14 YEARS OF AGE

REASON	FREQUENCY	PERCENTAGE
Not engaged in child labour and attending school	21	10.5
Not interested in education	6	3.0
To supplement family income	122	61.0
To attain skills	7	3.5
No comment	44	22.0
TOTAL	200	100.0

education, lack of labor inspection at home-based units, and lack of commitment by local stakeholders to prevent child labour in Agra.

Compensation

A high percentage of respondents (68.5 per cent) did not answer the question about compensation children receive for working. Most of those who replied (59 out of 63 respondents) indicated that children under 14 do not earn as much as adults for the same work. Only 2 per cent of the respondents said compensation was the same. Children participating in FGDs put average weekly payment of children at INR 150 or US\$ 2.33 (about half the daily minimum wage). In some cases, boys with skills can earn up to INR 100 per day (US\$ 1.55), still less than an adult.

TABLE 13: IS COMPENSATION OF CHILDREN UNDER 14 THE SAME AS FOR ADULTS?

RESPONSES	FREQUENCY	PERCENTAGE
No	59	29.5
Yes	4	2.0
No comment	137	68.5
TOTAL	200	100.0

Female child workers perform hand stitching (*bunai*), sewing uppers at home. The girls start this work as early as age 7 and work until they reach marriageable age (defined differently by individual families; legal minimum marriageable age in India is 18). These workers average about 10 pairs per day for INR 40 (US\$ 0.62) but could earn up to INR 150-200 per week (US\$ 2.33 – 3.11). It was reported that several girls attend school but work in their spare time. They earn about INR 4 (US\$ 0.062) per pair, the same for adult women. The difference in the compensation between boys and girls highlights

TABLE 14: DO CHILDREN UNDER 14 YEARS CHANGE WORKPLACES?

RESPONSES	FREQUENCY	PERCENTAGE
No	57	28.5
Yes	18	9.0
No comment	125	62.5
TOTAL	200	100.0

the gender-based wage discrimination prevalent in the footwear supply chain.

Little information was provided on children changing place of work. The majority (62.5 per cent) did not respond to this question, while 28.5 per cent said that children do not change their workplace, compared to 9 per cent who said they did. During the FGDs, children stated that they change *karigars* (skilled workers) if they scold them (verbal abuse or reprimands), or if one *karigar* is paying more, or if they do not like the work.

School Attendance

The survey team observed hesitation amongst adults to share information about their children working in the footwear sector. In one FGD with children at Naripura, they mentioned a raid in which few children were taken from workshops. Researchers consider survey figures as conservative estimates. Table 15 presents the findings on the school attendance of children.

The survey totalled 375 children in the age group of 1-14. Of these, 24.8 per cent were 1-5 years old, falling in the preschool category; 78.1 per cent (282 children) fell in age group 6-14. Of these school-age children, only 154 attended school; 128 children, (45.39 per cent)

TABLE 15: STATUS OF CHILDREN ATTENDING SCHOOLS				
AGE GROUP	TOTAL	PERCENTAGE	ATTENDING	NOT ATTENDING
6-10 years	131	36.28	77	54*
11-14 years	151	41.82	77	75*
15-17 years	79	21.88	10	69
TOTAL	361	100.00		

*Age groups include 33 and 34 children respectively who never attended any school.

did not and were already child labourers or are at risk of child labour (these figures are based on self-reported numbers). Of these 128, 67 (33 between ages 6 -10 years and 34 between ages 11-14) were never enrolled. Of 79 children between ages 15-18, only 10 were attending schools, indicating a high dropout rate.

State of Government Schools in the Communities

Researchers surveyed the communities to map the existence and condition of government-run schools. The team found no

government-run schools beyond fifth grade. Worker communities are not part of the city-planning process; no existing land space has

FIGURE 10: Poor condition of a government school in Sewla Jat, Agra



been allocated for the creation of higher-level schools in these localities. Real-estate in Agra is costly; therefore no one is willing to vacate, donate or rent space for government schools (due to the low rents paid by government and the difficulty in ending government leases). Community members mentioned property-related legal disputes between landlords and government dating back 40 years.

Higher-level schools are either far away from the communities or cannot accommodate all

the children eligible to attend. One surveyed community, Jagdish Pura, had neither government-run or private schools, only tuition centres where some children study to primary level. The infrastructure of primary schools in surveyed communities is poor; buildings are damaged and in some cases the grounds used as garbage dumps and drains (Figure 10). The FGDs revealed that some parents send their children to private schools or tuition centres, but on average education is considered unaffordable.

Conclusions

Survey results are representative of the majority of the communities involved in the footwear supply chain in Agra, as 94 per cent of respondents were associated with the sector. The hesitation and reluctance of the respondents to provide information on child labour were obvious. Most questions about child labour went unanswered (left blank or checked “no comment”). Nevertheless, the results clearly indicate that a significant number of children are not attending school.

In terms of the prevalence of child labour (again, using self-reported data), the survey found 45.39 per cent of school-age children (6-14 years) did not attend school; in other words, almost half of school-age children are already child labourers or at risk of child labour. Of the 128 children who did not attend school, 67 had never enrolled.

More than half of survey respondents (58.5 per cent) reported that children between the ages 8-14 work in the footwear industry or are learning a skill; 61 per cent reported low income as the most important reason for children under 14 to work, with only 3 per cent pointing to the importance of learning a workplace skill. Low wages and seasonal work contribute to the high

incidence of child labour. An important reason for the high level of child labour is the lack of educational opportunity. Existing primary schools are in poor condition or do not have enough space to accommodate all the children. No government schools beyond the fifth grade were available in the surveyed communities and schools offering higher education are far away from the communities.

It was a general trend that girls stay at home and work with their mothers on footwear, mostly stitching of uppers. Boys age 10 and above accompany their father or some other relative to work in a footwear production unit to learn skills and to earn a small amount of money. Boys perform tasks like selection of pieces and application of chemicals. This latter task involves serious health risks and is considered hazardous work.

A deeper dive into the economic status of the households highlights that most of the households (86 per cent) have considerable debts, while the family income of 42 per cent of households was well below the legal minimum wage for a single person. In addition, only 14.5 per cent of the households reach

the legal minimum wage for a single person. While the minimum wages are based to cover a family of four persons, the average family size of the households in the surveyed communities was 6.2. The research, therefore, clearly indicates that the adults interviewed for this research are receiving very low wages, far below what is considered a fair or living wage.

Significant household income is spent on food (39 per cent) and on repaying debts (17.3 per cent). Reasons for taking loans range from emergencies to acquisition of consumer goods/monthly needs; loans are rarely taken for education. Average expenditure on education is low at 4.3 per cent of household income, even less than what is spent on alcohol consumption.

Families are in a perpetual cycle of debt and repayment, given that compensation in the

(informal) footwear industry is below minimum wage. Parents cannot afford to educate their children or to keep them out of the workplace.

Taking all of the above into account, it can be concluded that child labour is widespread in the surveyed areas, with at least 45 per cent of children involved in or at risk of child labour. This cluster is stuck in vicious cycle where adult labour is too expensive, thus encouraging the hiring of cheaper children, in turn perpetuating low wages for adults.

The overall image of the Agra cluster and high level of child labour may deter international buyers from sourcing from the region. Export-focused factories in Agra are aware of child labour in the area and have taken steps to prevent it within their regular workforce. However, informal piece-rate work and unauthorized subcontracting presents risks for all companies.

VIII. TIER 1 SUPPLIER VISITS

The research team collected data at ten Agra-based tier-1 footwear export factories in May 2016. The research team conducted interviews with the factory management and reached out to the workers in factories during factory visits. However, it was not always possible to enter into discussions with them during working hours.

Hence, community visits were conducted at five locations (of the 21 locations identified during interviews with the tier-1 factory representatives) to meet with the workers and to gain their perspective. This allowed the researchers to examine, validate, and cross-reference the observations made in the supplier factories.

Methodology

Seven areas of inquiry were identified based on the scope of the project: 1) general supplier profile; 2) relationship with buying companies; 3) production forecasting and planning; 4) subcontracting; 5) raw material sourcing and upstream supply-chain engagement (leather); 6) workplace standards and management systems; and 7) improving working conditions (in the

cluster/industry). Beyond these seven areas of inquiry, the research team aimed to capture all socioeconomic influencers on child labour. The team strove to acquire broad quantitative data supported by qualitative information from stakeholders. The research followed a linear process where tools and methodology were kept uniform for all suppliers.



FIGURE 11: Research methodology

A list of 21 communities where factory workers reside was generated during tier-1 supplier visits. Five communities were randomly selected for community visits to allow researchers to meet workers outside their workplaces. Since the purpose of the research was to generate a broader understanding of the communities where workers of export factories reside, these workers have not been identified. It is purely coincidental that some interviewed workers were either currently or previously employed at the export factories visited as part of this research.

To maintain data objectivity, two separate teams of researchers were engaged in data collection at the factories and communities, and information was sought independently from each of the two data sources. During August 2016, researchers visited Jatav basti, a rural area of Malpura village, about 20 kilometres from Agra. Within Agra, researchers visited four main areas: Nalaband Chauraha Takia; Nagla thipuri Balkeshwar; Lal Masjid Water Works; and Kala bheron Belanganj. The community visits were planned on a holiday so that workers were available and felt comfortable sharing information. A total of 23 workers of export factories and one fabricator were interviewed with the help of a local resource person.

Supplier Profiles

Broadly speaking, the 10 suppliers had similar profiles (Table 19) with a few distinctive features as described below.

Association with International Buyers and Retailers: Nine of the 10 suppliers have a direct contractual relationship with international footwear companies and can be considered tier-1 suppliers. All work with

more than one buyer. These suppliers have worked with some buyers for more than 20 years.

Location: Many suppliers were originally located in communities inside Agra. Over the years, all suppliers relocated to the Sikandra industrial area to upgrade infrastructure and pull from a pool of skilled workers.

TABLE 16: SUPPLIER PROFILES

SUPPLIER	NUMBER OF WORKERS	LOCATION	EXPORT/DOMESTIC	TYPES OF PRODUCTS	SINGLE/MULTIPLE BRANDS
1	200	Sikandra	Export	Footwear	Multiple
2	270	Sikandra	Export	Footwear	Multiple
3	150	Sikandra	Domestic	Footwear	Multiple
4	1000 (currently employs 600)	Sikandra	Domestic and Export	Footwear	Multiple
5	450 (currently employs 300)	Sikandra	Export	Footwear	Multiple
6	446	Sikandra	Export	Footwear	Multiple
7	450	Sikandra	Export	Footwear	Multiple
8	100	Sikandra	Domestic and Export	Footwear	Multiple
9	930	Sikandra	Export	Footwear	Multiple
10	635	Sikandra	Export	Footwear	Multiple

Product scope: The factories mainly work on leather footwear products for export and some domestic markets, depending on the brand. Seven of 10 produced for export only, two produced for export and the domestic market, and one only for the domestic market. The products ranged from formal to casual footwear for men, women and children for summer and winter collections.

Worker profile: Suppliers participating in this research had small- to large-scale operations employing 100 to 1,000 workers. All factories employed a specific number of permanent workers and additional seasonal or temporary workers (mostly on a piece-rate basis) for peak production periods. All suppliers reported six-day work weeks. Agra workers reside in both urban and rural areas. Most local workers live in urban slums within Agra city or in other rural parts of the Agra district. Demographically speaking, most workers live in Muslim and Jatav (Dalit) communities, and almost all are males, except for one factory currently training 35 women on footwear assembly.

Production capacity: All suppliers measure and monitor daily and monthly production and track the productivity of all workers.

Production capacity varies between suppliers and production per day fluctuates but averages three to 14.5 pairs per worker (Table 17); given the similarity of production processes, it was unclear what causes such a wide range. The research did not investigate technical details of production (methods of production, machine capacity, order sizes, lean/modular systems, skill and experience levels of workers, technical training, etc.).

Production model: Typically, factories apply a modular production system or an assembly-

BOX 8: Feedback from communities

When the research team discussed well-known footwear brands with workers during community visits, the workers were not aware of the brands or the buyers who placed orders, and they did not show any interest in this information.

Workers interviewed at fabricator units stated that they use serial numbers to match sizes and to track repairs. Labels or names of brands are not included in the footwear materials.

Workers interviewed in home-based units in Agra stated that they assemble export products but have no information for which brands.

TABLE 17: PRODUCTION CAPACITY OF SUPPLIERS

SUPPLIER	NUMBER OF WORKERS	DAILY CAPACITY (PIECES)	TYPES OF PRODUCTS
1	200	1,000	5 pairs
2	270	1,000	3.70 pairs
3	150	1,000	6.67 pairs
4	1000 (currently employs 600)	3,000 (up to 2,200)	3 pairs (3.67 pairs)
5	450 (currently employs 300)	3,000 (2,000)	6.67 pairs (6.67 pairs)
6	446	6,500	14.5 pairs
7	450	6,000	13 pairs
8	100	1,000 (under capacity due to new unit)	10 pairs
9	930	5,000	5.4 pairs
10	635	6,000	9.5 pairs

line system for closing (upper stitching). In the case of a modular system, a small group of three to five workers (generally three) stitch shoe uppers and perform multiple tasks, as opposed to the assembly line system where workers perform only one task. In the modular system, the lead stitcher, also known as the contractor, hires his own assistant workers. The assistants are paid on a daily rate. During the interviews, factory management did not mention overtime and declared that subcontracting is nonexistent except for hand-stitching operations.

One factory operated an assembly-line system for closing (stitching), even though stitchers are employed and paid on a piece-rate basis by intermediary contractors. In this case, contractors bring in the stitchers and their helpers who are usually paid a daily rate. According to the factory management, its assembly-line system, combined with a piece-rate system, results in higher efficiency. Researchers observed the system in operation but could not corroborate extensive and repeated use of the model for the entire stitching department without additional monitoring visits.

Recruitment Practices and Prevention of Child Labour at Tier-1 Factories

This section presents the recruitment practices of suppliers researched for this project, with emphasis on age verification. Figure 13 represents key information gleaned from workers during interviews.

MINIMUM AGE AND AGE-VERIFICATION PROCESS

All suppliers confirmed that a minimum age of 18 for employment at their factories. Further

discussion revealed that, even though the law permits employment of persons over age 14⁸⁰,

80 In July 2016, the Union Cabinet cleared amendments to the Child Labour (Prohibition and Regulation) Act of 1986 banning employment of children up to age 14 in all occupations and processes. The 14 to 18 age group is limited to nonhazardous work. It is not yet clear what constitutes hazardous work in shoe manufacturing. Penalty for violation of the law is two years in prison. The amendments however, still allow children to work in family enterprises and on farms but only after school hours and on holidays. For more information: <https://business-humanrights.org/en/india-amendments-in-child-labour-act-receives-applaud-and-criticism>.

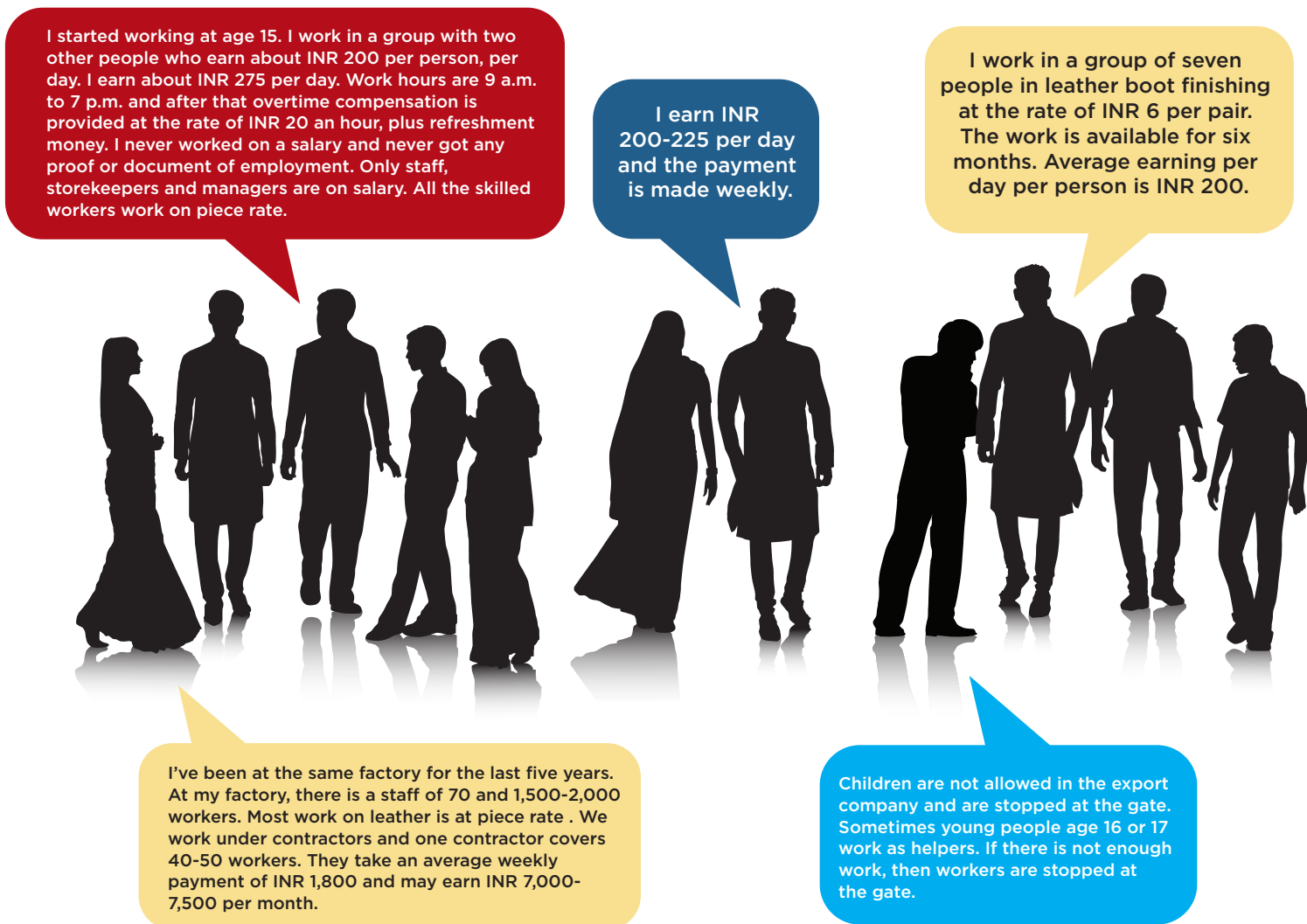


FIGURE 12: Workers' testimonials on recruitment and compensation practices

factories prefer workers above 18 because it makes employment documentation easier (a wide range of legal formalities accompany employment of workers 14 to 18 years of age). Suppliers reported that the focus on child-labour prevention has heightened since 2009. Furthermore, the 2012 SCL report on child labour in the Agra footwear industry⁸¹ increased international attention on child labour. The suppliers claimed reforms such as 100 per cent in-house production, control of production processes, quality assurance and timely delivery have become priorities for their operations.

All suppliers claimed that export-oriented factories are increasingly audited by buyers. Prominent brands have banned both child labour and subcontracting; however, a few suppliers admitted that at least 50 per cent of export suppliers are not audited and that unaudited factories may subcontract stitching to lower costs.

During recruitment, each supplier implements its own hiring and age verification process. Some factories reported that age verification

81 <http://www.indianet.nl/pdf/WhereTheShoePinches.pdf>

starts at the factory gates, where security guards assess young workers to verify age. All factories mandate that workers provide proof-of-age documentation. One factory mentioned that it verifies and retains a copy of age documentation for all workers whether they are permanently or temporarily employed. Another factory mentioned it requires age/identity documentation in doubtful cases (when the age could not be ascertained by physical appearance).

BOX 9: Note on visual inspection of child labour in factories

During factory visits, not a single child under age 14 was observed employed at any of the export-oriented factories.

Should applicants not have proof of age (voter identity cards, Aadhaar Card, education certificate, birth certificate), the factory can ask the worker to visit a dentist for a dental maturity check. Two factories require workers to submit two separate proof of age documents to ensure compliance with minimum age requirements. Another factory claimed that if a worker appears too young, it will deny employment even with proof of age. On the other hand, one supplier suggested young-looking workers are employed provided they submitted valid documentation and the factory has no other grounds for refusal.

Seventy per cent of the factories claim to maintain personnel files and that they provide appointment letters (some showed samples signed by workers as acknowledgment of receipt). However, given time limitations and scope of the project, it was not possible for the

research team to review all workers' personnel files and verify regular use of appointment letters.

Overall, suppliers were aware and sensitive about child labour. They believe current processes for age verification are sufficient. But they also express concern about the shortage of skilled workers in Agra. Factories suggested that more concerted, industry-wide efforts are needed to increase the pool of skilled labourers. Many factory owners emphasised the need for vocational training and the development of a curriculum on footwear manufacturing. They fear that the movement to eliminate child labour will keep younger generations from learning skills in family enterprises, exacerbating the shortage of skilled workers.

It is critical to understand the employment and production system in the Agra footwear sector to comprehend the potential risks surrounding workplace-related issues. Leather and footwear workers in Agra are considered highly skilled. This pool of skilled labour and contractors work with export-oriented factories (with units producing for the domestic market) or with fabricators producing for export or domestic markets. To be compliant with international standards and local law, export factories must have workers in their monthly payroll systems. It is challenging for factories to keep workers on the payroll during the lean season, as required by the India Factories Act 1948⁸² that governs working conditions in factories. Furthermore, workers typically move from one factory to another if they can earn more money; this is partly a result of working with contractors. Thus, factories employ some workers off-the-books as a contingency measure.

⁸² http://www.archive.india.gov.in/business/legal_aspects/factories_act.php

Summary of Recruitment Practices

- ▶ Ninety per cent of suppliers confirmed that 50 per cent or more of their workforce is “irregular,” that is, works on a piece-rate basis.
- ▶ All factories reported high turnover during the peak production season. Workers learn of better opportunities through worker groups, contractors and word of mouth.
- ▶ One factory reported that even though piece rates vary, workers demand assurance of daily earnings of INR 500 (US\$ 7.75).
- ▶ In terms of the modular system of production, the lead stitcher/contractor employs his own assistants informally and

work groups fluctuate weekly. Factories do not maintain records of these payments, although factory payrolls may include some assistants. (Interviewers could not ascertain the percentage of workers on payroll as this research was not conducted as an audit.) Under certain conditions, a lead stitcher may be employed off the books, but factories try to keep lead stitchers on the payroll, even if they are paid on a weekly basis. Lead stitchers may be paid weekly, but assistants are paid on a daily rate basis.

- ▶ Interviews held with workers revealed that piece-rate workers sometimes engage learners/helpers to finish orders. These wage workers earn INR 150-225 (US\$ 2.3-3.4) per day. Underage learners/helpers are paid INR 50-100 (US\$.77-1.55) per day. Workers clarified that the children would be engaged by fabricators working for exporters, not by exporters themselves, as children are not allowed inside export factories.
- ▶ One supplier reported that only administrative staff is employed on a permanent basis; all workers are recruited and paid by the labour contractors and are hired on a piece-rate basis as well as well as monthly salary. The relevant ratios were not available.

BOX 10: Employment of young workers and tampering of documentation

Factories are responsible for operating pre-employment screening systems to verify documents submitted by applicants. Recruitment proceeds only after successful verification. Applicants cite various reasons — illiteracy, urgency need for family income, ignorance about the system, and even “trying to jump the system” — may encourage the creation of fake or tampered documents. Hence, the presence of young workers (15-18 years) in factories cannot be ruled out.

Analysis of Production Capacity and Worker Requirement

A review of the average production per worker per day reported by factories indicates that busy factories may employ more workers than indicated by the records. This in turn points to the potential risk of child labour. During

one site visit, the research team observed two workers who appeared young; they reported their ages as 17. The factory stated that these workers must have submitted false age documentation. During community visits,

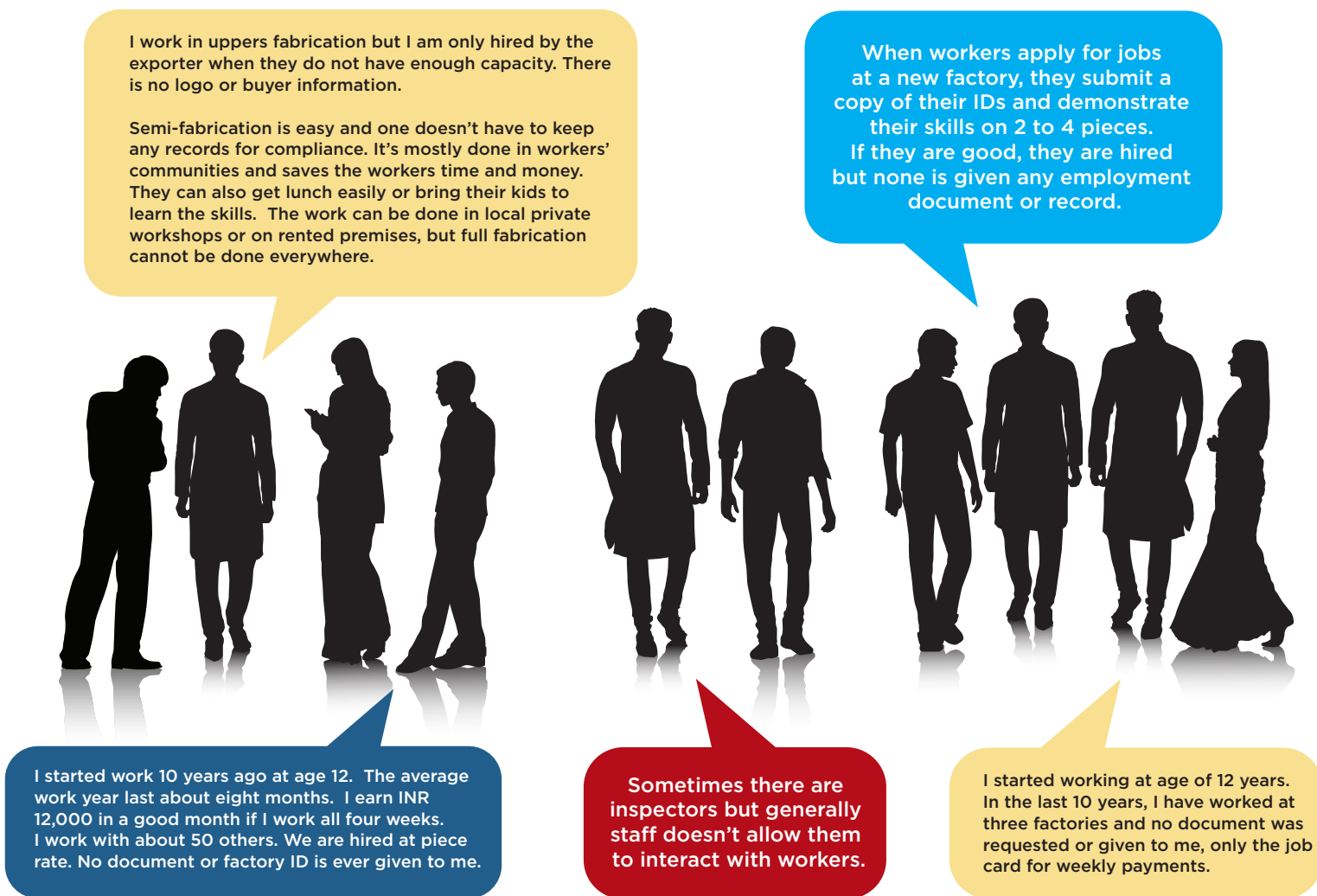


FIGURE 13: Workers' testimonials on informal employment

workers confirmed that no children are allowed in the export factories. However, some workers 16 or 17 years old may be brought in by a labor contractor or lead stitcher. Some factories ask

for identification at the gate, but not always. According to community members, children mostly work as helpers of family members for fabricators who may be working for exporters.

Production Forecasting and Planning

Factory management informed the research team that production is carried out mostly during winter and summer. Winter production occurs from May to July and could extend into August, summer production occurs from November to

January. A manager stated that factories design and develop samples one season in advance.

Management of suppliers producing for the domestic market stated that they have four

months of peak production per year, May-June and November-December. According to them, business is unpredictable and seasonal, and most of the year they are busy with development of samples and products. Workers in communities reported that work is available for about eight months but not necessarily at the same factory.

All suppliers confirmed that buyers provide them with rough forecasts before each season and place orders in a timely manner, with a lead time of 30 to 90 days. Factories work with multiple buyers and develop consolidated production plans up to four months advance. Plans are developed per buyer and per purchase order and are based on delivery dates. Usually, all purchase orders are maintained in one Excel file so that management can allocate materials per required timelines and track orders.

One factory said they develop detailed plans covering four months production, two factories mentioned three months, one factory said its consolidated plan covers two months; yet another factory stated that it makes plans per purchase order, but noted that the plant was working at 20 per cent capacity and therefore did not need detailed advance planning.

During the period of forecasting, factories maintain a dialogue with buyers to increase, reduce or prioritise orders; in turn, buyers inquire about available capacity and provide projections of purchases. Factories reported having fixed capacity and, generally do not book orders beyond capacity. All factories reported good communication with the various companies they supply.

Factories are not concerned when taking orders from new companies whose buying patterns are unclear, as new buyers usually place small orders that factories accommodate

between existing contracts. In addition, the export market has experienced a slowdown of about 25 per cent over the past three years and factories have available capacity.

Three suppliers stated that the short duration of a typical production season sometimes requires them to work overtime. To manage the production load, work shifts extend to 9:00 p.m. and, in some cases, 11:00 p.m.. The factories reported hiring more workers during peak season on a short-term basis. One factory stated that they scale up manpower as needed since the slowdown reduced capacity to 60 per cent.

Some factories reported rush orders and unplanned new business, while others experience few or no rush orders. Depending on the buyer rush orders may have lead times of 45-60 days, though some brands respect the usual 90 days lead time. Factories can fill repeat orders more quickly because certain steps such as sampling and buyer approvals, can be skipped. Unplanned new business might involve repeat orders placed by other buyers; these orders are negotiated through contractors.

One factory stated that production can be completed within 15 days once raw materials become available, which indicates that most lead time is taken up with purchasing and approvals. For example, if a factory's inventory of leather stock runs low, lead times increase and extension is needed which buyers are generally understanding.

When managers identified challenges, they mostly cite external factors such as availability of raw materials (especially from domestic vendors), chemical testing of various raw materials before buyer approval, shortage of workers and in some cases, securing last-minute approvals from buyers.

Workplace Standards Monitoring and Management Systems

Suppliers reported that buyers accept various certifications/third party audits. Most factories stated that buyers' compliance staffs conduct visits to their factories but did not consider these audits; some buyers do conduct regular audits followed by email communications suggesting improvements or remediation plans, followed up by subsequent visits. Additionally, most buyers have their own codes of conduct (CoC) that include a clause banning child labour, along with manufacturing agreements that cover CoC requirements. Factories must acknowledge receipt of the CoC and child-labour policy. One manager described a meeting with a buyer in which the company presented a CoC that did not outright ban subcontracting but required the factory to disclose all subcontracting facilities and monitor child labour.

This said, the purpose of this research was not to assess audit systems but to gain insight into footwear production units in Agra and their adherence to workplace standards. Researchers observed a few areas wherein both buyers and suppliers were exposed to social compliance risks. To explain these risks, we first provide a description of worker engagement and the factory payment systems; we then describe how factories approve vendors/suppliers and how they meet standards requirements.

A. Wage system: weekly payments, payments to helpers in stitching/closing, and salaried workers with guaranteed wages.

Based on the site visits and discussions with workers, researchers learned that the stitching/closing sections producing for export factories are similar to the units manufacturing for the domestic market (units based in the

industrial areas as well as small fabrication units in communities). There are slight differences but commonalities include:

- i. Skilled workers are employed under a piece-rate system in the stitching/closing and cutting sections.** In line with the industry-wide practice, workers are paid weekly, regardless whether they are contracted on a piece-rate or monthly basis. Of 23 workers in export factories, only two reported receiving a monthly salary, and they were employed in the sampling and store departments. Workers reported that even when an export factory issues ID cards (i.e., when a factory puts these workers on payroll) the actual employment terms and conditions remain the same as elaborated above.
- ii. The modular system of production often used in the stitching allows a lead stitcher to hire a small group of assistants to work as a team to make uppers.** These groups are generally made up of three workers but may be larger, five to nine workers (some respondents reported groups as large as 12 workers).
- iii. The lead stitcher, popularly known as the contractor** (he takes jobs on a contract basis), **hires his own workers.** The factory pays him a lump sum every week based on a piece rate; he in turn pays his assistant workers, who are not given formal receipts (there are is no formal record of the arrangement). There is no promise of long-term employment. Assistant workers are paid on a daily-rate basis.
- iv. The fragmented nature of the work is further reflected in the fact that, after receiving weekly wages Saturday, most**

workers take off Sunday and are absent in large numbers Monday (50-70 per cent). Alcohol is understood to be the underlying cause of this absenteeism, a claim is supported by the community-based interviews conducted in Phase I of this research.

- v. A similarity between domestic and export factories is the seasonal nature of employment.** The export-oriented business is seasonal, and during downtime, factories undertake development, sampling and some repeat orders. The need for workers gradually reduces as the seasons close after July and January. Only one factory (that started exporting in December 2015) reported September and October as peak production periods. This information is indicative of the production pattern for the domestic market as well.
- vi. Workers interviewed during community visits factory working hours from 9 a.m. to 7 p.m. (10 hours) with Sundays a day of rest.** Overtime means an extra INR 25 for dinner/refreshment. A worker can be denied entry to the factory when work is unavailable; workers themselves are free to switch factories.
- vii. Workers stated that piece rates are not disclosed when first hired but typically finalised after one to two weeks on the job.** The hisaab (payment settlement) happens Saturday after submission of the product. Workers can obtain money in advance. They keep piece work records on a card; one rate mentioned was INR 6 per pair (US\$ 0.088).
- viii. Because of the seasonal and informal nature of their employment, workers do not want to contribute to Employee State Insurance (ESI) and Provident Fund**

(PF) — social-security funds. Factories hire workers without requiring these mandatory benefits contributions. Since most workers are not registered with the factory, they have no social-security benefits. Only one worker among those interviewed had an ESI card, which was issued only one month before the interview. During community visits, workers reported benefit programmes are available only for staff and management.

Despite the industry's fragmented and informal work arrangements, factories are compelled to create monthly wage records and options for workers regarding social security. To allow workers to remain outside the social security net, factories have two wage levels, one minimum and one above INR 15,000, at which ESI and PF contributions are not mandatory. Accordingly, a piece-rate worker aspiring to be part of the social-security system would be recorded at minimum-wage level, while a helper declining to contribute to ESI/PF recorded as earning above INR 15,000. These special payroll arrangements raise questions about the accuracy and credibility of available data.

In addition, because the contractor/lead stitcher receives payment for his entire group, piece-rate earnings in monthly records reflect only total compensation; there is no way to ascertain if helpers are making the minimum wage or even a living wage⁸³. Based on the interviews with workers at the community level, helpers on average earn INR 150-225 per day. Assuming each month contains 26 working days, helpers monthly income would range INR 3,900-5,850 below the legal minimum wage set for an unskilled person (INR 7,107.64).

⁸³ The legal minimum wage of a single person ranges from INR 7,107.64 (US\$ 104.52) for an unskilled worker and INR 8757.85 (US\$ 128.80) for a skilled worker. This was the effective minimum wage in Uttar Pradesh from April 1– Sept. 30, 2016. In 2015, the Asia Floor Wage Alliance put a living wage for India at INR 18,727 (US\$ 275.40).

The research suggests that existing monitoring does not reflect the complexities of the system. All local monitoring entities rely heavily on the monthly payroll and wage records; consequently, factories are compelled to maintain monthly records that do not reflect actual payments. An action plan to make records consistent with actual compensation does not exist.

Furthermore, time records that should correspond to wage records do not reflect reality. For instance, a worker may earn low wages but his documented earnings may be INR 15,000 per month. To reflect actual

earnings, the factory would need to record the worker absent to lower his wage level to match actual earning. Additionally, piece-rate workers must work more hours to earn higher wages, but their actual hours are not recorded. In short, time records are manufactured to show legal compliance instead of actual working hours.

Because existing parallel systems of wages and time records mask industry practices, the magnitude of the problems afflicting the industry cannot be accurately assessed. More thorough assessment is needed to be able to work towards realistic solutions to problems presented.

Approved Vendor Data Requirement and Raw Material Suppliers

Factories are required to review and maintain a list of approved vendors/suppliers of raw materials and subcontractors, and to communicate and monitor requirements from buyers at sub-supplier facilities. Discussions with factory managers pointed out that auditors have verified the existence of approved lists but do not track the lists for updates or accuracy.

Two suppliers reported that the factory directors or owners decide on raw-material suppliers, usually basing decisions on longstanding relationships. Sub-suppliers are both manufacturers and traders: traders offer a variety of stock and can supply smaller quantities; manufacturers can accommodate bulk orders for specialised, customised products. Factory management stated that most vendors are based in Agra, except for leather tanneries. Soles are made mainly in Agra and require multiple manufacturers. Factories also contract with accessory suppliers for shoelaces, tags, eyelets, insoles, foam, embroidery, printing, etc.

While speaking to the purchasing or R&D teams at factories, researchers learned that the number of raw material vendors ranges between 30 and 50, with about 20 sub-suppliers for accessories and components. Human-resource specialists who execute audits did not have a complete list of vendors and sub-suppliers; likewise, though some data indicated monitoring visits to vendors, four factory managers said HR staff had not paid visits or had visited only a few units.

One supplier that subcontracts uppers said the vendor was not on the approved list. Similarly, a factory that outsources hand stitching, does not use contractors on the approved list. Factory staff further conveyed that when brands nominate raw-material suppliers, the factories do not have to monitor these nominated units.

Some suppliers shared a copy of an approved vendors list, but could not say if the list was updated or current. Vendors are approved without documentation and data added

to the Enterprise Resource Planning (ERP) system, which generates purchase orders and tracks invoices. In other words, the purchase team inputs the vendors' information into the ERP system, while HR departments maintain parallel records for external audits.

Suppliers send approved vendors a letter about the workplace standards and requirements, and file acknowledgments of

receipt. When vendors are manufacturers, companies schedule observation visits to assess vendors on broad criteria. At one factory, however, documents revealed that a monitoring visit was conducted at a trader facility that was not a manufacturing facility. As the list of approved vendors is not verified, it can be questioned if the communication about requirements and the monitoring visits are covering all actual manufacturing units.

Subcontracting

It is important to note that the FLA does not consider subcontracting as a prohibited or unethical practice so long as it is disclosed to the buyers and an appropriate form of monitoring and reporting about workplace conditions is conducted. Regarding subcontracting, the research provided several important insights:

- a) Only one factory reported subcontracting, to produce uppers; it outsources fabrication work to an independent unit when necessary.** However, due to the slowdown over the past three years, the factory did not require much outsourcing in 2015 and none in 2016. The fabricator is responsible for ensuring quality of its products. The factory has instituted a system of double penalty: if the pieces are damaged or of poor quality, the fabricator absorbs the costs. The factory does not make compliance visits but does conduct quality-assurance inspections of the subcontractor's facility. The factory has not disclosed its fabricator to buyers.
- b) No other suppliers reported outsourcing fabrication work, believing it would affect the quality of their products.** A few factories mentioned they outsourced upper stitching (closing) until 2010, when buyers

started audits and mandated the suppliers to keep all production in-house. The factories recognise the benefits of in-house production, which promotes better quality and closer production control (in terms of timely delivery).

The interviewed suppliers estimated that about 50 per cent of the exporters in Agra are not audited. Export factories outsource work to communities (for fabrication) to reduce production costs and overhead and to meet shipment deadlines. In such cases, exporters designate supervisory staff to monitor quality. Respondents reported that some larger fabricators have gated buildings, but smaller fabrication units operate workshops in rented houses. Workers themselves prefer employment closer to their communities to save travel time and take lunch at home. It is common for children to work as helpers at local fabrication units. Workers interviewed in the communities said that young assistants are working both at export factories and fabrication units, depending on demand.

- c) Five factories said they outsource hand stitching, to strengthen bonds of soles and uppers and as part of the design of uppers.**

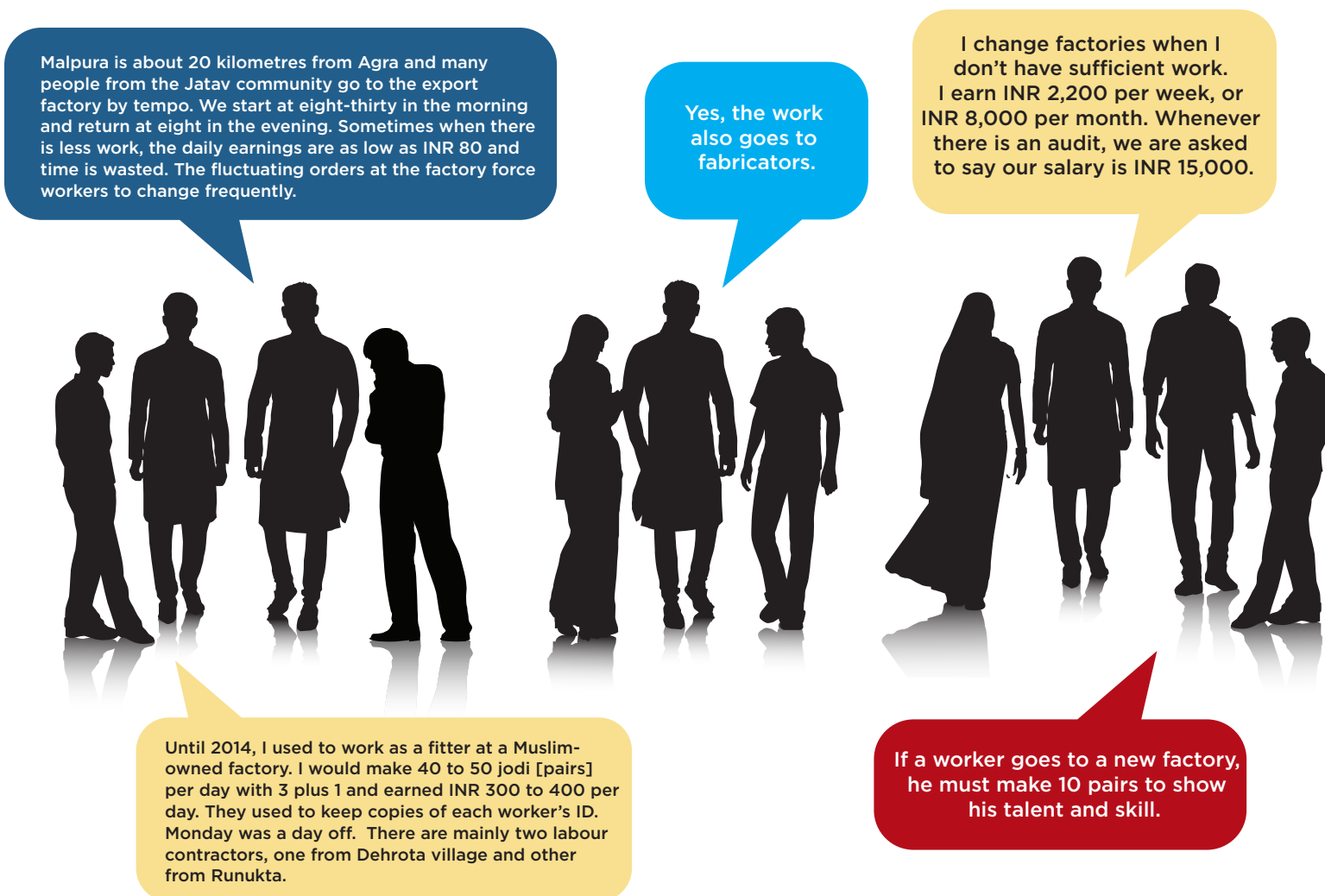


FIGURE 14: Workers' testimonials on subcontracting

Upper hand stitching, or bunai, traditionally is done by females working at home. Workers in the community confirmed that factories hire women to perform bunai to save time. Women earn INR 4-5 per pair, which includes work on the entire upper. Girls also perform hand stitching — this is how they learn the skills.

d) Two factories openly disclosed that they outsource hand stitching, and one said outsourcing hand stitching is the traditional business model — the volume of orders is not great enough to hire in-house help. Workers at another factory mentioned

outsourcing and management confirmed the practice but immediately withdrew the statement, presumably due to the presence of a compliance consultant. Management then emphasised that all hand stitching is performed in-house.

One factory created a community-based stitching centre with the intention to provide women the option to earn a living while also being able to monitor the outsourcing. In practice the centre mostly employs men, since there is a social stigma attached to women working outside their homes. This raises the following questions:

- (1) Of the total capacity at the centre, what percentage of regular workers are women? Are male workers hired to fill seats at the centre or to meet production goals?
- (2) Have male workers replaced female workers in stitching (thereby denying women an important livelihood option)?
- (3) Is all work performed at the centre or is work distributed to women at home? If so, why have a centre at all?
- (4) Are the objectives for establishing the “centre for women” being measured, monitored and met?
- (5) How is the “centre for women” different from the factory? Do male workers prefer to work at the centre over the factory?

One factory pointed out a disadvantage to outsourcing, namely a 5 to 10 per cent revenue loss due to errors and damages (noting that this expense is not built into estimates). Suppliers mentioned other challenges such as the logistics of distributing and managing work, training, ensuring compliance, responding to changing design needs, controlling waste, and monitoring manufacturing processes. There were two factories that claimed to have had in-house hand-stitching operations for three and six years, respectively. The research team observed a significant number of male workers involved in the process at one of the factories.

One factory estimated that five workers can hand stitch 100 pairs in a day, although other factories said seven or eight workers were required to finish 100 pairs a day. Discussions with workers in the community corroborated that hand stitching takes 45 minutes per pair including idle time. Thus 10 workers would be required to complete 100 pairs in 8-10 hours. One factory suggested that home workers typically put in four-

to five-hour days. This would require a substantial number of home workers to complete stitching orders.

Another factory claimed that their maximum achievable output per month is 4,000 pairs or 12,000 pairs in three months (during peak season when all production takes place) with eight workers. They also reported that the factory’s workforce could hand stitch 70,000 pairs per year. The research team found this claim “ambitious,” unless work is outsourced or produced by workers who are not on the payroll.

Three factories reported outsourcing in the past but stopped accepting orders that require the practice. Two factories noted that hand stitching is now mechanised on newer machines.

In summary, it was impossible for researchers to ascertain hand-stitching capacity and productivity vs. actual orders. The team found that, although the volume of hand-stitching work is not high compared to overall production, overall orders seem significant to require outsourcing. Factories generally work on low margins and cannot afford high-earning male workers for hand stitching.

- e) **One factory mentioned the term “Form-H factory”.** Factories require a Form-H from exporters to receive the tax exemption awarded for goods manufactured for export. This practice appears to be very common in Agra, especially among smaller-scale exporters who lack adequate capacity. The researchers were discreetly informed that exporters do not disclose information about the Form H factories to buyers since they risks losing business. If an exporter outsources part of the production to a fabricator, it is not required to issue a Form-H to the fabricator unit. The clear inference is

that it is the supplier's prerogative to provide subcontracting information and relevant paperwork to the buyer.

f) As discussed earlier, the approved list of raw-material vendors is an unreliable source of information about subcontracting.

During a factory visit, researchers noticed that the cutting and assembly sections were packed with workers, and the stitching section had several empty tables and comparatively fewer workers; however, they were not able to analyse further by cross-

referencing the ratio of worker attendance per department. Information provided by human resources about low attendance in the stitching section and use of an assembly line contradicted research observations and workers' statements about small modules of three to four workers (with one lead stitcher hiring other workers). The research team was not able to further investigate if management had requested the off-the-record workforce to stay away during the research visit or to find out if stitching is subcontracted.

Perceptions on Child Labour and Suppliers' Recommendations

Most suppliers acknowledge that child labour exists in the domestic footwear industry, especially in the household units and usually in the supply chains of small or little-known brands. The bigger and better-known domestic brands are aware of the issue and avoid hiring children.

When asked about the role that the suppliers can play in eradicating child labour, most factory managers have a similar response: that the responsibility to end child labour falls on the government and NGOs. One factory representative stated that while NGOs work on ensuring access to education, they are not addressing root causes such as weak family finances, low per-capita income, lack of awareness and sensitivity to child labour as well as political will to eliminate it. Another manager acknowledged that it is difficult to monitor and enforce the relevant laws at the household level across all communities. Some stated that exporters have limited resources, leverage and access to government. Others emphasised that factories must earn a profit or at least break even to survive.

Management of five factories opined that AFMEC (Agra Footwear Manufacturers and

Exporters Chamber) and other industry associations potentially play a greater role in child labour issues compared to individual exporters, who have limited funds. AFMEC drives policy changes, influencing exporters and improving the education system. Some of these managers are AFMEC members and so could have an influence themselves. Another factory manager agreed that, although individual suppliers are involved in charity work, an industry-wide policy and declaration of support would have most impact.

By contrast, two factories said the AFMEC does not have enough influence to play an effective role or have sustained impact in eradicating child labour. One factory representative strongly emphasised that the council has limited influence with the government. He added that the AFMEC on several occasions failed to lobby successfully for special tax treatment for the industry or desired infrastructure improvements. AFMEC might have good intentions and ideas, but nothing would change on the ground unless government takes charge.

Two factories strongly favoured CSR initiatives at a local level. One of these factories provides

scholarships to cover school fees (for attending private schools) for children of their workers (and in some cases college fees). This work is undertaken through a foundation associated with the factory.

Only one factory reported that it had no idea about the prevalence of child labour in community/home-based units and declined to comment on it. The factory admitted a problem with child labour in the past, but claimed not to have a current perspective on the issue. This factory estimated that the footwear industry in Agra will collapse in 15 to 25 years primarily due to the shortage of skilled labour if children stopped learning relevant skills.

With respect to education, factories wanted to focus on institutionalising skills training and vocational training, as opposed to the current system that relies on children acquiring skills while working. Several suppliers mentioned that education must be related to the predominate business/commerce in a geographic area – for example, the integration of skills related to footwear manufacturing into the curriculum of Agra’s government schools. They felt that only the government can effectively eradicate child labour and at the same time meet industry needs for skilled labour.

This view was also shared by the AFMEC representatives. AFMEC has sought help from the central government to create a cluster-specific education curriculum in secondary schools in Agra while assuring children receive general education during their formative years.

Notwithstanding the current situation or individual perspectives, suppliers expressed support and willingness to participate in any programme run by AFMEC. They considered child-labour awareness programmes for factory workers important to get the message out into communities. And the expressed their perception that, while child labour in the footwear manufacturing industry remains prevalent, it is on the decline and there is growing compliance with standards and law.

Regarding the option of seeking support from raw-material suppliers, four factories said they are open to collaborating with their long-term partners who are also members of AFMEC. All factories stated they need no external support for next steps on child labour prevention at their own facilities but only at the cluster level.

Respondents shared many ideas in regard to the role exporters can play:

- ▶ Create awareness programmes for factory workers and awareness camps in communities on the hazards of child labour.
- ▶ Help women develop livelihood skills so they are empowered to influence family decisions, especially about sending children to schools.
- ▶ Collectively allocate funds to start a pilot education project for skills and vocational training.
- ▶ Influence elected leaders in local communities on issues of education.
- ▶ Open new schools and support existing ones.

Conclusions

Overall, factories are aware of the issue of child labour and have made efforts to create mechanisms to prevent it, such as establishing age verification systems and relocating work from community units to industrial areas

with larger in-house capacities. However, the informal and unorganised nature of the employment system in the footwear industry means that records may not always represent reality.

Factories continue their reluctance to talk about subcontracting due to their fear of retribution by buyers. This is not a conducive environment for supply-chain traceability and transparency. It is important for companies sourcing from Agra to create safe spaces for suppliers to discuss openly and frankly supply-chain mapping and social-compliance issues so that business relationships can evolve into good-faith partnerships.

Buyers will need to develop more direct collaboration with the factories instead of relying on existing certification/audit systems or short visits by compliance staff. Often quality-control and technical personnel have better access to information about the factory than human resources. Their input — checking available capacity against orders, for example — should be sought to strengthen strategic production planning. Companies sourcing from Agra but not conducting monitoring visits will need to establish a functioning monitoring system.

There are several limitations to managing vendor data in a credible and verifiable manner. While factory efforts towards compliance documentation and vendor data-recording represent a step forward, the

process and format need to fit the current manufacturing environment. Compliance documentation exists to be able to monitor progressively evolving business practices against a baseline but the fact that parallel systems are maintained by the factories defeats the very purpose of compliance documentation. The documentation and process for record-keeping must provide for customisation and continuous improvement rather than adhering to stringent norms.

As part of their CSR initiatives, companies can collaborate with and support local schools by offering internship programmes that focus on skill development while rewarding students for continuing their education. Skills development should start at age 14 and above and not overwhelm broader education goals. Many students may not work in the footwear industry in future years; it is not helpful to train young people for jobs that won't exist. As the industry evolves and responds to changing market trends, greater mechanisation of the manufacturing process may eventually provide a significant push towards the employment of a skilled adult workforce. Long-term forecasting or business and manpower trends will enable companies and factories to prepare for these and other eventualities.

IX. MULTI-STAKEHOLDER CONVENING

In February 2017 in Agra, India, the FLA and iMentor organized a multi-stakeholder convening titled “Strengthening Children’s Rights and Decent Work in the Agra Leather and Footwear Cluster”. The gathering was held over two days. The first day consisted of a morning session attended by 34 delegates representing various governments and national and international civil-society organisations; the afternoon session was attended by 35 industry stakeholders, including

eight representatives of international companies and 11 suppliers based in Agra. The purpose of these two sessions was to provide an opportunity for research-based discussion with the goal of arriving at possible solutions to ongoing issues. On the second day, 64 participants gathered to reflect on ideas proposed during the earlier sessions. A panel of experts discussed various community-based child-labour mitigation strategies underway in India.

Civil-society organisations (CSOs) attended the convening in expectation of gaining insight into the problem of child labour in Agra, its impact on the footwear industry, and the role various stakeholders play. In addition, they sought information on strategies to address child-labour issues, including the

Child Labour Free Zone (CLFZ)⁸⁴ methodology and a holistic approach to reducing poverty. Industry stakeholders expressed similar expectations, looking for ways to work better with local CSOs and improve supply-chain visibility beyond tier 1 export manufacturing units.

⁸⁴ CLFZ relies on the power of community to make government responsible for basic educational facilities: if everyone takes responsibility for his or her own role in the community, all children can go to school. Existing community groups initiate activities aiming to secure children's right in cooperation with local authorities. Adults learn to make ends meet without income generated by their children — for instance, by participating in savings and loan groups and developing complementary income-generating activities. Poverty is not seen as an excuse for child labour, but it must be addressed through other strategies. Special attention is given to children engaged in mainstream education to ensure that they complete school, and school-bridging programmes are organised to prepare former child workers for mainstream education. Finally, as governments are responsible for providing quality education, Stop Child Labour partners call on governments to fulfil their “duty to protect”. At the same time, parents are encouraged to see that their children receive formal education until the age 15, at least, as is their right. The community also helps older children (15-18) to complete secondary education or vocational training and/or engage in decent youth employment. This enables families to break the vicious cycle of poverty, and by extension serves to support communities, and even countries, to improve their socioeconomic situation in a sustainable way.

Deliberations and Outcomes from the CSO and Industry Sessions on Day I

CSO and industry groups were asked to rank the top five causes of child labour. Table 18 presents the number of votes each topic received. In contrast to the widespread view presented by survey respondents during the field research, that poverty is the main cause of child labour, both CSOs and industry partners cited lack of educational infrastructure, followed

by lack of enforcement of labour laws at community-based units. Both groups agreed that poor income levels are the result of low procurement prices and irregular work. While CSOs by and large agreed that worker organisations and government departments do not sufficiently inspect for or address labour rights in informal units, industry participants were split on this topic.

TABLE 18: STAKEHOLDER RANKING OF KEY CAUSES OF CHILD LABOUR IN AGRA

KEY CAUSES	CSO AND GOVERNMENT			INDUSTRY		
	GREEN	YELLOW	RED	GREEN	YELLOW	RED
1. Poor quality of education due to insufficient infrastructure, lack of teachers, and poor training of teachers; RTE not applied.	18			14	3	5
2. Poor family income due to low wages, low procurement prices, and irregular work.	12	2	3	11	7	2
3. Workers' rights low priority for trade unions, political parties, government departments, domestic brands and even relevant workers' groups.	14	2	1	4	8	8
4. Lack of livelihood opportunities and upward mobility for workers and their children, both within and outside the sector.	10	2	2	9	5	8
5. Lack of enforcement of existing labour laws in home-based workshops.	14		4	12	2	7

Green: Findings anticipated by stakeholders.

Yellow: Findings unanticipated by stakeholders that do not need further discussion now.

Red: Findings unanticipated by stakeholders that need further discussion.

Participants reflected on research findings^{85,86} such as shortage of schools⁸⁷, lack of livelihood opportunities, percentage of child labourers among surveyed households, and absence of workers' rights from CSO agendas. With respect to educational infrastructure, primary schools exist on paper but several have no teachers and provide substandard education. The distance between communities and secondary and higher education institutions was cited as an impediment. Both situations retard skills development so that, despite a thriving tourism industry, Agra offers little opportunity for workers to enlarge their livelihood options.

With respect to local groups pursuing workers' issues, although they are making progress, they do not yet monitor home-based units in a systematic way. It was noted, for example, that research in hot-spot communities in Agra might have underreported numbers, as most families surveyed were reluctant or fearful to admit that their children did not attend school. Some participants challenged the notion that poverty drives child labour, noting that money earned by children, especially adolescent boys, is sometimes not even considered part of the family income. One participant pointed out that, while India has labour laws, their

enforcement is poor: government departments are not fully functional, a situation that must be corrected.

A subsequent session produced a series of possible solutions to the key drivers of child labour. These solutions, provided by both CSOs and industry partners, overlapped, but participants saw different roles for international companies and local exporters. Plausible solutions for key causes are presented in the next section.

85 The representative from the Labour Department highlighted that most children in Agra work in shoemaking (using chemicals that have negative health impacts and can lead to tuberculosis). Children also work in the marble sector in Agra (making souvenirs depicting the Taj Mahal). Girls are engaged in anklet making and zardosi work. They work in low light that affects their eyesight.

86 A representative from SLD shared results of research conducted in Ambur and Agra. In Agra, 119 people were interviewed. Key findings include lack of awareness about social security; absence of training on workplace hazards even though occupational health and safety (OHS) facilities were present (e.g., toilets and water); and lack of support from employers. The most common ailment among workers is asthma. The majority of workers have no information about the significance of the right to freedom of association. Workers take complaints to supervisors and labour contractors and are not aware of other communication channels. Workers do not get pay slips. Gender-based wage discrimination exists. The living wage calculation (as per Asia Floor Wage applied in the garment sector) is not applied to the footwear sector. Wages paid to piece-rate workers are low, between INR 6,000-8,000 per month (Asia Floor Wage recommends INR 18,000 per month). There is a need for suppliers to fulfill the statutory requirement even to piece-rate workers.

87 The local representative from the Education Department reported that more than 2,000 schools in Agra. Another participant reminded colleagues research indicates only 135 schools. iMentor responded that the 135 figure refers to schools within the municipal limits of Agra (where slums exist) provided by the Education Department, while the larger school figure is for the entire Agra district including rural areas.

Deliberations and Outcomes from the CSO and Industry Sessions on Day II

On the second day, 64 delegates attended the multi-stakeholder convening that brought together the two groups from Day I. The delegates participated in a mixing exercise intended to encourage exchange of perspectives. A short audio-visual presentation⁸⁸ recapped Day I and was presented alongside the key priorities

matrix (Table 21). Representatives from both CSO and industry groups recapped Day I discussions. Industry members elaborated on a framework encompassing various solutions and outlining the roles of the various constituencies (Figure 15).

88 <https://youtu.be/x5t9FACT6Yg>

Analysis of Solutions

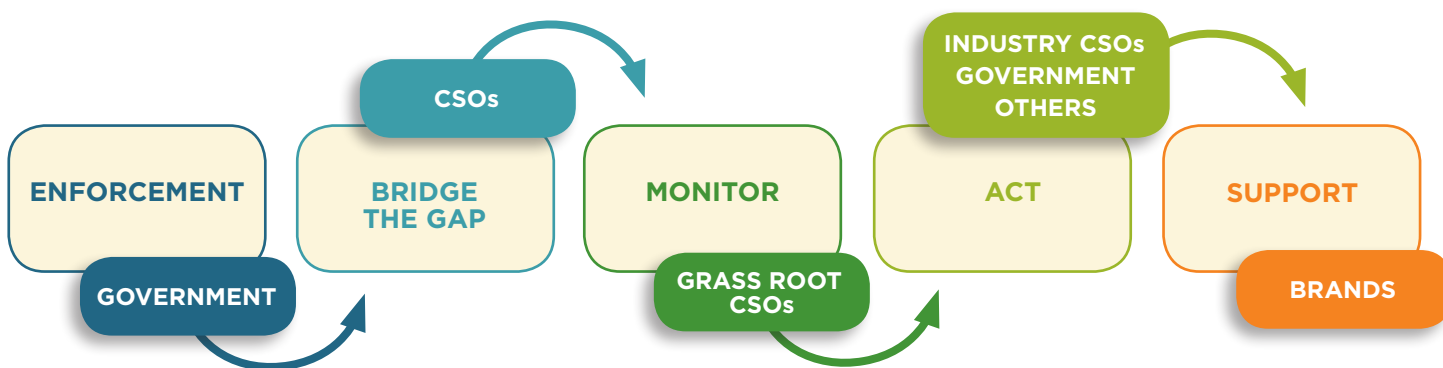
CSOs and industry groups put forth solutions to child labour in Agra that shared commonalities. Both agreed that educational infrastructure needed major overhaul, that teachers should be monitored, and that the quality of education and school attendance must improve. RTE must be implemented and the government’s allocation of budget and expenditures for education, as well as a proper distribution of resources, needs to be revamped. Both groups also noted that monitoring committees can apply pressure on the government, and that public awareness of the negative effects of child labour and importance of education should be a priority. Both suggested the establishment of vocational centres.

In addition, both groups thought that establishing a regular dialogue through an existing or newly established platform would keep key issues on every stakeholder’s active agenda. Both felt that social media would encourage more transparent dialogue in this regard (a local group would need to monitor such a platform), and that a mapping of

local groups, along with efforts to enhance their awareness and capacity building to mitigate child labour issues, would encourage community-based monitoring. Both groups highlighted the need for supply-chain mapping and called on domestic brands and suppliers to take ownership of the issue. Both considered the training of teachers, government officials and trade unions on children’s and workers’ rights important.

Suggestions for increasing wages and enhancing livelihood opportunities included financial training (on spending and budgets) for workers and their families. Participants called for an analysis of alternative economic opportunities in the cluster. It was widely acknowledged that piece rates need to increase, but opinions differed on who in the value chain would bear the additional costs. Both CSOs and industry members called for better enforcement of labour laws in local communities, suggesting several amendments to regulations covering home-based workers. All were in agreement that the government has a key role in ensuring outcomes.

FIGURE 15: A flow chart presented by representatives from the Industry



Agra (where slums exist) provided by the Education Department, while the larger school figure is for the entire Agra district including rural areas.

Deliberation on Roles of Various Stakeholders

Analysis of Roles

Similar to their work on solutions, the two groups found themselves in agreement about specific roles for various stakeholders. The role of government in ensuring better educational infrastructure and law enforcement was obvious to both groups. Interestingly, participants felt CSOs should lead interventions at the community level (raise awareness, offer trainings, develop skills, monitor), establish a dialogue platform at the cluster level, and address child-labour issues, reflecting the trust they put in CSOs as opposed to government.

Meanwhile, delegates held labor unions, suppliers and brands responsible for wages and supply-chain mapping — from the calculation of reasonable piece rates, minimum wages, and competence-based compensation to the training of workers on labour rights and responsible sourcing. Delegates also saw suppliers and brands becoming more active in building partnerships with local CSOs.

It was noted that the domestic brands and vendors of home-based units were missing from the meeting and the dialogue at large. Similarly, even though a few representatives from the government attended the convening, delegates generally agreed that government needed to become more involved in the discussion. One CSO reflected that, given that discussions centered on child labour and wages, a link should be established between child labour and adult wages. Finally, it was mentioned that issues of caste-based discrimination and exploitation were not covered in the convening, and that the Dalit and Muslim perspectives were not represented. It was widely accepted that people are aware of child labour but not about the benefits of schooling, and that going forward, education should be the entry point for raising awareness at the community level.

These deliberations were followed by a panel of experts who discussed area-based approaches to eliminating child labour.

Expert Panel on Approaches to Eliminate Child Labour: Successes and Challenges

Representatives from the Stop Child Labour Coalition⁸⁹, MV Foundation⁹⁰, Good Weave-India⁹¹, Manjari Foundation,⁹² and Social Awareness and Voluntary Education (SAVE)⁹³ presented information about their child-labour

intervention programmes in various regions and manufacturing (or informal work) clusters in India that follow a Child Labour Free Zone (CLFZ)⁹⁴ or a Child Friendly Community (CFC)⁹⁵ approach.

89 www.stopchildlabour.eu SCL is engaged in various researches, dialogues, and initiatives to raise awareness about child labour and to prevent and eradicate (risks of) child labour in a number of sectors including garment, natural stone, seeds, gold mining, coffee, and hazelnuts in India, Nicaragua, and several African countries.

90 mvfindia.in CLFZ approach in rural and urban settings in and around Hyderabad, India, and in some African countries.

91 www.goodweave.in CFC in garment embroidery cluster in Meerut and Sikandrabad.

92 www.manjarifoundation.in CLFZ in the stone quarries in Rajasthan.

93 www.savengo.org/ CLFZ in the apparel cluster in Tirupur.

94 www.stopchildlabour.eu/child-labour-free-zones/

95 www.goodweave.in/programs/child-friendly-communities-cfc

Additional input came from the floor during the discussion period. For example, local CSOs shared their experiences of mainstreaming 300 children who had been working in the Agra footwear sector into established schools over the past three years. They also spoke about creating a school catering to the needs of working children. Suppliers testified about supporting the education of children working in their factories. By and large, local CSOs and government expressed appreciation of the actions taken by the FLA, SCL, and iMentor in regard to child labor in the cluster and committed their support for future activities.

Key takeaways from this session are listed below:

- ▶ **CSOs stressed that child-labour interventions should not be limited to one sector in a given location.** For example, if actions are taken to reduce child labour in Agra's leather and footwear sector, children might then look for employment in the construction or services industries, or shift to domestic work. Hence, any intervention should take an area-based approach. CSOs also noted that children should be tracked as they are mainstreamed into the classroom and even afterward to ensure that they do not return to the workforce.
- ▶ **A Labour Department representative highlighted several activities occurring under the central NCLP scheme⁹⁶,** including child-labour surveys, the creation child-labour counselling centres, and cooperation with bridge schools to promote education and to mainstream children into schools. Any intervention in the Agra footwear cluster should explore further opportunities to cooperate with the National Child Labor Project.
- ▶ One CSO participant addressed rural labour migration. Owing to limited work opportunities, people in rural India are prone to exploitation and their children are more likely to enter the workforce. The participant started several schools near Agra in 1995 and since then has tried to mainstream children working in leather processing, shoemaking, brush making, construction, etc. He emphasised that all stakeholders must work together to resolve these issues.
- ▶ **A representative of the SCL India Platform (ICCO) shared his experiences from a national multi-stakeholder convening held in Delhi in 2016.** That gathering addressed the importance of RTE and produced an agreement titled the Delhi Declaration.⁹⁷ Subsequent state-level consultations were conducted with representatives from the Members of the Lower Assembly (MLA). The states of Bihar and Andhra Pradesh expressed support and the state governments took away ideas for implementation.
- ▶ **An Agra-based exporter reflected on the role of exporters in child-labour monitoring and remediation.** According to this speaker, child rehabilitation must start with factories. He pointed to legal requirements requiring factories to display signs declaring "*No child will be employed.*" Should a child arrive at a factory seeking employment, the human resources department should handle the case and work with local CSOs to rehabilitate the child; therefore, signs at factories should read, "*This factory works towards child development.*" He added that talking and meetings won't resolve the issue, which demands individual and collective

⁹⁶ <http://labour.nic.in/childlabour/nclp>

⁹⁷ www.indianet.nl/pdf/DelhiDeclaration-Aug2016.pdf Emphasises addressing child labour as a priority.

efforts — he gave examples of his own personal interventions counselling parents and giving a portion of his salary to children who cannot afford food, clothing or school fees. He added that suppliers should inform buyers of their efforts and expenditures on child education and other interventions.

► **A CLFZ expert from Hivos/Stop Child Labour shared experiences from Africa** and elaborated on the instrumental role that the MV Foundation played in helping some African institutions understand the importance of the CLFZ approach. Field visits were made by these institutions to observe the MVF programme in India, while MVF provided some African organisations with on-the-job support. The joint efforts of several organisations in different countries

to address child labour through an area-based approach have been consolidated into an online handbook titled “5x5 Stepping Stones”.⁹⁸

► **CSOs noted that any CLFZ introduced in Agra should be on a pilot basis in one ward.** That pilot could help determine the feasibility of rolling out CLFZs in other wards in the city. CLFZs can work in different contexts, but careful study of conditions, and the commitment of all stakeholders, are vital to its success. Everyone has responsibility, including consumers. A representative from Hivos mentioned that there is a need to **“start small, slow but sure, and then scale up”**.

98 www.indianet.nl/SteppingStones.html

Prioritising Ideas and Solutions

The next session grouped identified solutions into six colour-coded categories. Details are presented in Table 19.

The six categories:

1. Quality education and improved school infrastructure

- 2. Brands and suppliers
- 3. General environment
- 4. Government
- 5. Civil-society organisations
- 6. Opportunities

 *Green: Urgent*  *Blue: Desirable*  *Red: Optional*

TABLE 19: COLOUR CODING OF PROPOSED SOLUTIONS			
QUALITY EDUCATION AND IMPROVED SCHOOL INFRASTRUCTURE	GREEN	BLUE	RED
1. Develop school infrastructure	8	2	–
2. Increase parental and community awareness of education	14	2	–
3. Improve and use biometric attendance systems	3	2	–
4. Seek funding from the government	–	–	–
5. Reach out to teachers unions and political parties	1	5	–
6. Engage social workers and volunteers centres	3	1	–
7. Create bridge schools for working children in preparation for mainstream education	5	3	1
8. Generate social media support for education	1	–	–
9. Coordinate government and private efforts	1	2	15
10. Provide transportation for children	–	6	–
11. Train teachers employed in the government schools	1	–	–

ENDING CHILD LABOUR IN AGRA FOOTWEAR PRODUCTION

BRANDS AND SUPPLIERS	GREEN	BLUE	RED
1. Assign responsibility using supply chain mapping beyond tier 1	14	10	–
2. Train workers on costing and asking price for their goods and services	1	1	12
3. Register small units and initiate formal agreements with workers for fair compensation	1	2	–
4. Revive bodies such as Lamco BLC to achieve better pay for workers	–	4	–
5. Register community workers under the Labour Act	–	–	3
6. Ensure that employers pay minimum wage	11	–	–
7. Ensure brands and suppliers own real costing	3	–	–
8. Create a system of classification for piece rates based on skill levels; adjust minimum wage based on established accounting methods; and standard allowable limit for working hours	1	9	–

GENERAL ENVIRONMENT	GREEN	BLUE	RED
1. Explore family livelihood opportunities	11	1	1
2. Analyse livelihood categories in the leather sector	4	3	1
3. Link labour cards to Aadhar ID cards	1	13	15
4. Address discrimination against the Dalit community	2	6	25

GOVERNMENT	GREEN	BLUE	RED
1. Increase minimum wage	3	6	–
2. Increase training of government workers on children's rights	2	–	–
3. For RTE, implement and involve community and CSOs to monitor for lack of birth certificates, impediments to admission, etc.	5	1	3
4. Engage school committees and <i>gram panchayat</i>	4	1	2
5. Involve Land Revenue Department	–	9	11
6. Improve law enforcement and implementation	18	5	–

CIVIL-SOCIETY ORGANISATIONS	GREEN	BLUE	RED
1. Provide professional development courses, including a certified course in footwear manufacturing	11	4	–
2. Map local institutions (such as youth groups and <i>bhajan</i> groups) regarding knowledge of and current activities related to child labour	1	2	–
3. Share positive case studies on labour-law enforcement	–	1	–
4. Encourage NGOs to adopt schools and train teachers (e.g., <i>saarhi yojna</i>)	2	2	14
5. Facilitate communication between communities and local associations and government	1	1	–
6. Publicize cluster-level issues through social media	–	5	–
7. Create a platform for exports, local markets, volunteers, communities	2	–	3
8. Provide workers with financial training	–	8	1
9. Facilitate monitoring by (1) local authorities, (2) NGOs, (3) media, (4) communities with strong and knowledgeable SMCs	4	2	1
10. Engage the National Commission for the Protection of Children's Rights	3	–	2

OPPORTUNITIES	GREEN	BLUE	RED
1. Empower women	8	–	–
2. Establish a helpline connected to NGOs	1	–	–

In general, it was agreed that solutions to improve education must be holistic. The final category, “Opportunities”, emphasised topics that had not been addressed at the convening: the role that women can play in improving the situations of families and children, as well as the need for a special focus on the enrolment and retention of girls in schools.

Intervention—18 points

1. Government should enforce laws more diligently and robustly, in communities and at schools.

Interventions—14 points

2. CSOs should increase awareness among parents and communities about the value of

education and the negative impact of child labour.

3. Companies and suppliers should conduct (or commission) supply-chain mapping beyond tier 1 to identify stakeholders in the value chain and assign responsibilities together with the local stakeholders.

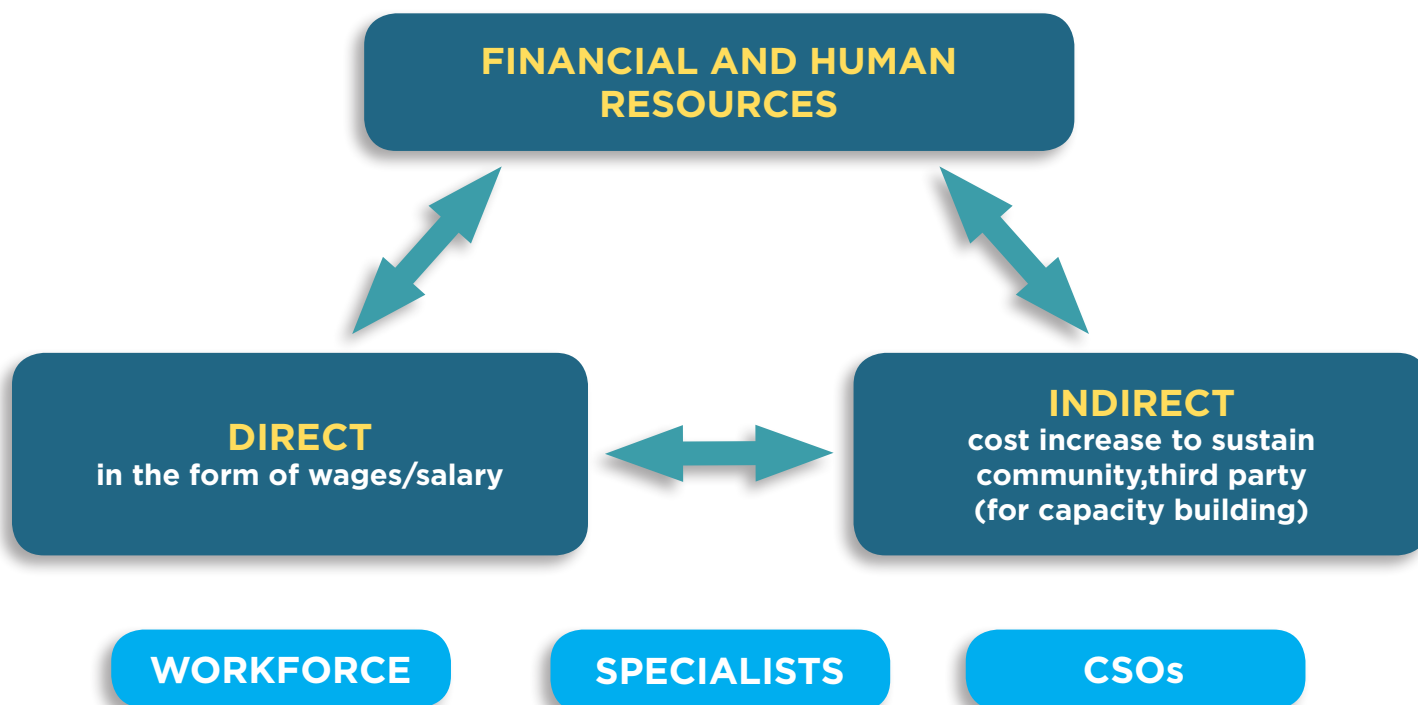
Interventions—11 points

4. Suppliers and other employers in the supply chain should pay minimum wage.
5. CSOs should explore livelihood opportunities in the cluster to enhance family incomes.
6. CSOs should work with government to expand professional development and vocational education in the cluster (including footwear manufacturing).

Action Planning and Plenary Reflection

For this session, participants were divided into seven groups charged with prioritising solutions and developing actions plans that were subsequently shared during the plenary session (Annex 1).

FIGURE 16: Resources needed for supply-chain mapping



Summary and Closing Remarks

The Agra shoe industry, the largest cluster of leather shoe manufacturers in India, has relied on home-based child labour for many years. At the convening, there was broad agreement among companies, civil-society organisations, and the local government that better education and fair wages are essential to eliminate child labour in the footwear sector. Regarding education, discussion focused on crumbling government schools and the need for intervention. Regarding wages, discussion focused on the government's responsibility to raise the minimum wage and enforce laws.

A representative of one of the companies participating in the study, speaking on behalf of international companies, expressed their commitment to end child labour in the cluster and to work with local CSOs to start a Child Labour Free Zone in Agra. This action would require investment in an intervention to bring children out from work in homes and into learning environments. A representative from another company expressed gratitude to

the suppliers who participated actively and have expressed commitment to improving conditions in the cluster.

SCL expressed its thanks for the cooperation and support of the companies and suppliers during this project, and committed to working with the FLA and MVF on a follow-up proposal. SCL further committed to mapping local CSOs, and to adopting agreed-upon action plans. SCL hopes to provide seed funding for the above-mentioned follow-up, in coordination with the Dutch government.

The FLA president and CEO thanked participants for their robust participation and sincere input. The convening was deemed successful in its goal to identify solutions, define roles and responsibilities, and draft concrete action plans and secure commitment from all stakeholders in order to improve conditions in the Agra cluster. It is important for all stakeholders to work towards such outcomes. Time is of the essence. ■

Convening participants



ANNEX 1: Stakeholder Meeting – Plenary Reflections

I. ACCESS TO EDUCATION AND IMPROVED SCHOOL INFRASTRUCTURE					
Who and How	Support	Resources	Timeline	Possible challenges	Risk mitigation
WHO: school management committee HOW: petition government	WHO: • parents • Gram Panchayat • government • NCPDR HOW: • ward committee • signing petitions	• capacity building of SMC and parents • funds for training	1-3 years	• government may not cooperate • SMC members inactive (insensitive) • delays in sanctions	• empower local communities and parents on children's rights • PRI can build pressure on SMCs
ACTIVITIES: • establish regular meetings with parents • identify problems of attending/not attending schools • petition education authorities and verify infrastructure problems	• attend meetings and share experience • follow up on petition • involve local and politically influential representatives		STEPS: • capacity building of SMCs 03/2017 +3 months 06/2017 • identification of problems +3 months 09/2017 • petitions and follow up +1–2 Years 2019 • resolving problems 6 months–1 year 2020		

II. RAISING AWARENESS OF EDUCATION					
Who and How	Support	Resources	Timeline	Possible challenges, Risk mitigation	
WHO: • CSOs • social activists • factories HOW: • meetings • trainings • advertising • child-friendly education system • vocational and skill-development training • supply chain partner participation	STAKEHOLDERS: • educational institutions • workers • parents	• association support • financial support • technical support		• lack of transparency • lack of cooperation by contractors	
ACTIVITIES: • areas needing work • meetings and orientation on monitoring systems in supply chain • community-based awareness • community involvement • monitoring		• human resources • CSOs • experts	6 months 1 year (+) 1 year 1 year (+) 1 year (+)		

III. IDENTIFICATION OF HOT-SPOT AREAS AND LOCAL ORGANISATIONS				
Who and How	Support	Resources	Possible challenges	Risk mitigation
WHO: • brands • suppliers • local NGOs HOW: • mapping	STAKEHOLDERS: • brands/suppliers • local government • volunteers HOW: • monitoring data	• local <i>panchayats</i> • published data • financial and human resources	• resistance from areas and area heads • resource arrangements a. land b. volunteers • communal/caste issue	• counseling • strong local organisation with good representation
ACTIVITIES: Identify areas based on school availability and poverty level				3 months

IV. PROVISION OF VOCATIONAL TRAINING					
Who and How	Support	Resources	Timeline	Possible challenges	Risk mitigation
WHO: <ul style="list-style-type: none"> Education Department HOW: <ul style="list-style-type: none"> make vocation training centers training 	STAKEHOLDERS: <ul style="list-style-type: none"> CWC CSO D.P.O Labour Department community HOW: <ul style="list-style-type: none"> monitoring advocacy community mobilization 	<ul style="list-style-type: none"> right trainer educational material training materials funding sources 	3-6 months	<ul style="list-style-type: none"> convince parents transportation of children to centre post-training placement 	<ul style="list-style-type: none"> create questioners child-friendly training motivational efforts
ACTIVITIES: <ul style="list-style-type: none"> enrolling children training at centre home work field visit by children to industries 	<ul style="list-style-type: none"> organize employment opportunities for trained youth monitoring (from the start training to confident community involvement) 		6-month programme 1-year programme		

V. IMPROVE LAW ENFORCEMENT AND IMPLEMENTATION (raising awareness among communities, education about benefits, laws)					
Who and How	Support	Resources	Timeline	Possible challenges	
WHO: <ul style="list-style-type: none"> local footwear association district administration CSO CBO HOW: <ul style="list-style-type: none"> Education Department Labour Department consultation meetings ACTIVITIES: <ul style="list-style-type: none"> raising awareness within department generating publicity about workers' right raising awareness of the law developing local communication tools monitoring the process peer review to develop GO, FA, NGO Forum 	STAKEHOLDERS: <ul style="list-style-type: none"> NGO labour union footwear association CSOs Dalit group HOW: <ul style="list-style-type: none"> participation multi-stakeholder forum voice survey collection of data representation 	<ul style="list-style-type: none"> human resource financial resources experts' input trained team communication team at the community level 	0-6 months 3-6 months 6-12 months 12-3 years Every 6 Months	<ul style="list-style-type: none"> lack of interest lack of time lack of influence 	

VI. SUPPLY CHAIN MAPPING BEYOND TIER 1		
Who and How	Support	Resources
<p>WHO:</p> <ul style="list-style-type: none"> • brands • suppliers <p>HOW:</p> <ul style="list-style-type: none"> • agreement between brands and suppliers • third-party inspection • audit of mutual agreement • motivation • building confidence by brands for suppliers • brands should include CSR responsibilities and be monitored 	<p>STAKEHOLDERS:</p> <ul style="list-style-type: none"> • brands • suppliers • third party • community • agents • contractors • subcontractors <p>HOW:</p> <ul style="list-style-type: none"> • follow legal process — controlling person • third parties: conducting mapping/working on ground • contract between subcontractor-suppliers • community: providing incentives and premiums, access to clusters after they awareness bulding/education 	<p>See Figure 2</p>

VII. ALTERNATE LIVELIHOODS				
Who and How	Support	Resources	Timeline	Possible challenges, Risk mitigation
<p>WHO:</p>	<ul style="list-style-type: none"> • self-help groups (SHG) • banks • NGOs 	<ul style="list-style-type: none"> • bank specialising in microfinancing • financial support • technical support 	<p>6 months</p>	<ul style="list-style-type: none"> • lack of transparency • lack of cooperation by contractors
<p>HOW:</p>	<ul style="list-style-type: none"> • group of women (minimum 20) start a savings scheme and livelihood project 	<ul style="list-style-type: none"> • skill training • materials • link to the buyers • leather waste 	<p>year round</p>	<p>group liability</p>
<p>ACTIVITIES:</p>	<ul style="list-style-type: none"> • microenterprises (e.g., selling vegetables, making candles, other craft work) • recycling of old footwear/ apparel 	<ul style="list-style-type: none"> • compulsory bank account • financial management and book-keeping training 		