

May 14, 2014

Answers from the Minister for Foreign Trade and Development to Parliamentary Questions by the members Gesthuizen (Socialist Party), Van Laar (Labour Party), Thieme (Party for the Animals) and Voordewind (ChristianUnion) about abuses in the production of hand-knotted carpets in India (submitted: February 13, 2014).

Question 1

What is your response to the article "*Bezoedelde tapijten: Slavernij en kinderarbeid in India's handgemaakte tapijtindustrie*"⁽¹⁾ and the report "*Tainted Carpets - Slavery and Child Labor in India's Hand-Made Carpet Sector*"⁽²⁾ which highlight that in the handmade carpet industry in India major abuses such as child labour and forced labour are commonplace?

Answer

The report "*Tainted Carpets - Slavery and Child Labor in India's Hand-Made Carpet Sector*" provides an incisive picture of child and forced labour in the production of hand-knotted carpets in India based on a research of the FXB Center for Health and Human Rights at Harvard University. The report describes harrowing situations including very poor working conditions, physical and verbal abuse, chronic underpayment and the recruitment and forced employment of young children. I would like to see such situations being eradicated as quickly as possible.

Question 2

Are you willing to examine possible direct or indirect involvement of Dutch companies, including importers and retailers, in slavery, exploitation and child labour in the Indian carpet industry?

Answer

Yes. A brief survey was conducted based on CBS statistics and contact with parties who may have information about the import of hand-knotted carpets from India, specifically the India Committee of the Netherlands, sector organisations MODINT, VGT, INretail and VIVO (Association of Importers from the Far East), carpet labels Goodweave and the Care & Fair initiative, MARCJANSSEN and IKEA India. In the following answer to question 2 and in the replies to questions 5 and 6, I will say more on the findings.

Figures from the Central Bureau of Statistics (CBS) show that the value of imports of Indian hand-knotted carpets is relatively small. According to the latest figures from the CBS 39,272 knotted carpets⁽³⁾ were imported from India in 2012, with a total value of 1.878 million euros⁽⁴⁾. The CBS data do not specify handmade or machine-knotted carpets. CBS publishes only aggregated data and does not give an overview of individual companies that import carpets from India. Also other sources, such as customs and sector organisations, do not have such an overview.

The report "*Tainted Carpets - Slavery and Child Labor in India's Hand-Made Carpet Sector*" does not mention Dutch companies.

The sector organisations MODINT, VGT and INretail indicate that no activities are developed regarding interests related to carpet importers. The VIVO has carpet importers among its target group and did ask her members if they import handmade carpets from

India. Due to the lack of response to this call, the VIVO concludes that no members are engaged in activities related to the import of carpets from India.

Based on the above information, I conclude find that the market for hand-knotted carpets in the Netherlands is limited. When asked this was confirmed by the founder and board member of the Care & Fair initiative (further explained under question 5), also involved in MARCJANSSEN, a Dutch company specializing in the sale of hand-knotted carpets. He estimates the number of Dutch importers of Indian hand-knotted carpets as being maximum thirty. Of these eleven companies are affiliated with the Care & Fair initiative or the Goodweave carpet label (see question 5).

Question 3

How do you assess the fact that more than 20 years ago child labour and other abuses in the Indian carpet industry received extensive publicity, that since that time a range of voluntary initiatives have been undertaken but that the situation of carpet workers described in the report still is nothing but dramatic?

Question 4

What do you think is the message of this report about voluntary forms of International Corporate Social responsibility (ICSR) which have been created to solve the problems in the Indian carpet industry?

Answers 3 and 4

Child labour in the Indian carpet industry is proving to be a hard-to-solve problem. Despite figures from the International Labour Organisation (ILO) showing that child labour worldwide has declined by 20-25 percent in 2008-2012⁽⁵⁾, this report from Harvard University shows that there are still serious abuses in the production of hand-knotted carpets in India. The Indian government is primarily responsible for the elimination of child labour in India through legislation and implementing this legislation. In addition, companies have the responsibility to prevent violation of human rights in their supply chain. Labels and voluntary initiatives can help companies to practice these responsibilities. A number of the Dutch companies that are active in this sector is doing that, for example by joining the Goodweave label or the Care & Fair initiative, and by checking their own supply chain.

Question 5

Which Dutch companies are affiliated with the labels Goodweave and Rugmark and/or the Care & Fair initiative of the European carpet industry? Can this labels give assurance to the buyers that their carpets from India have not been made by slaves or children?

Answer

On the site of the carpet label Goodweave two Dutch companies are mentioned: Rudan and Cunera⁽⁶⁾. The carpet label Rugmark label is based in India and does not mention Dutch companies on the website⁽⁷⁾. The site of the Care & Fair initiative mentions nine Dutch companies: Berg & Berg, Brokkings Woonhuis, EBRU, Elle Funny Carpets, ICE International, Kwantum, MARCJANSSEN, Van Gils de Wit and Van Meeuwen⁽⁸⁾.

The carpet label Goodweave label is a multi-stakeholder initiative with representatives from industry, NGOs and international organizations in its Board of Directors. Members are companies in particular from the U.S., Germany and the United Kingdom. Goodweave uses an audit system to prevent risks with regard to violations of human rights in the production of carpets. The label works with a Goodweave license with an individual number to trace the origin of every single carpet. Goodweave states on the website that this process is not

airtight. In collaboration with the International Social and Environmental Accreditation and Labelling Alliance (ISEAL) Goodweave works to expand and strengthen the Goodweave standards and to test its implementation. The India Committee of the Netherlands is part of the *Standard Committee* that is working on this.

The label Rugmark operated until a few years ago with Western carpet brands, but now focuses almost exclusively on Indian companies. The India Committee of the Netherlands and the Care & Fair initiative when asked indicated that the control by the Rugmark label offers no guarantee that the rugs are not made by children. Besides that Rugmark is not transparent in all aspects on the working method.

The Care & Fair initiative focuses on a change of awareness among Indian exporters of hand-knotted carpets. Companies that are affiliated with the Care & Fair initiative contribute to special projects, such as schools, in areas where many carpet looms are. This companies remain themselves responsible for monitoring their supply chain on child labour. The company MARCJANSSEN, co-founder of the Care & Fair initiative, has, for example, employed their own inspectors. They buy the carpets from a limited number of producers in India, with whom the company has built long-term business relationships. This enables MARCJANSSEN to discuss and monitor tricky issues such as child labour openly.

Question 6

Are you willing to contact Dutch trade associations representing the carpet importers and/or retailers of Indian carpets? Do you intend to discuss with them the need for action against slavery, exploitation and child labour in the production process?

Answer

The Ministry of Foreign Affairs has contacted the sector organisations MODINT, VGT, INretail and VIVO; see also the answer to question 3. The number of Dutch companies that sell handmade carpets from India appears to be limited. Some of these companies are affiliated with the Care & Fair initiative or the carpet label Goodweave.

The Care & Fair initiative indicates that it intends to continue to bring the problem of child labour in the knotting of carpets in India to the attention of their members. There is ample attention for good examples. In addition, the initiative will draw attention to the issue of child labour in the overarching international steering committee of the Care & Fair initiative.

The report by Harvard University mentions the company IKEA. IKEA India has been contacted and asked for their reaction. IKEA India indicates in response to the report to have carried out additional research and inspections at their Indian carpet suppliers. The company claims to have found no signals that the abuses mentioned in the report occur with their suppliers. IKEA India also indicates that the suppliers of IKEA do not use the production techniques mentioned in the report, hand-knotted or hand-tufted.

Question 7

Are you willing to discuss this subject with the Indian government, if possible in the context of the Dutch-Indian *Memorandum of Understanding (MoU)* on corporate social responsibility? What other activities do you take together with India against child labour and other violations of labour rights in the framework of this MoU?

Answer

The collaboration with the Indian Ministry of Corporate Affairs focuses on cooperation and exchange of knowledge in the field of CSR and corporate governance. The Indian Ministry of Corporate Affairs is especially looking for cooperation on subjects such as accountancy, information for companies, functioning of the OECD Guidelines for Multinational Enterprises and the exchange of best practices, for example through collaboration with the Indian Institute of Corporate Affairs (IICA). The issue of child labour is a standard item on the agenda in talks between the Dutch Embassy and the International Labour Organisation (ILO) in India.

In the context of the Dutch human rights policy and following-up on the amendment Voordewind (33750 XVII , No. 17) to the financial budget for 2014 the Human Rights Fund will finance two projects that focus on India that combat child labour and child prostitution. One of them is a project of the Campaign Stop Child Labour on further expanding and scaling up of 'Child Labour Free Zones' in India, Zimbabwe, Uganda, Mali, Nicaragua and Turkey. A 'Child Labour Free Zone' is a (geographical) area where all children are taken systematically from work and to school (again). Regarding India, the project focuses on the natural stone, textile/clothing and leather/footwear industries. In addition, a project of ECPAT and Defence for Children is funded on combating violence against children, particularly sexual exploitation and child sex tourism, through collaboration with the tourism industry in the identification and prevention of child prostitution. This project focuses on 30 countries, including India.

The Human Rights Fund will also finance a multi-annual project (2012-2015) of the Fair Wear Foundation (FWF) with the goal of reducing human rights violations in textile mills by strengthening and scaling up internal complaint mechanisms. The activities will focus on four countries, including India.

Notes:

- (1) <http://www.dalits.nl/140128.html>
- (2) <http://fxb.harvard.edu/wp-content/uploads/sites/5/2014/01/Tainted-Carpets-Released-01-28-14.pdf>
- (3) This relates to the CBS types of goods "Carpets, knotted or with coiled poles ...", falling under the codes: 57011010, 57011090, 57019010 and 57019090.
- (4) <http://statline.cbs.nl/StatWeb/publication/?DM=SLNL&PA=81269NED&D1=0-1&D2=1251-1254&D3=106&D4=a&HDR=T&STB=G2,G1,G3&VW=T>
- (5) Report of the International Labour Organisation (ILO) "Making Progress against Child Labour", 2012: http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_221513.pdf
- (6) http://www.goodweave.net/s_members.php?cid=34
- (7) <http://www.rugmarkindia.org/Rugmark/a2z.html>
- (8) <http://www.care-fair.org/members.html>

(translation: ICN; original document: <http://www.indianet.nl/pdf/kv140514.pdf>)