

# Hidden and Vulnerable

The Impact of COVID-19 on Child, Forced and Bonded Labor



A rapid research report conducted by GoodWeave International on the status of carpet, home textile and apparel workers in South Asia



UBS Optimus  
Foundation



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GoodWeave International is the leading global nonprofit organization working to stop child, forced and bonded labor in global supply chains. GoodWeave International is grateful to Mr. Siddharth Kara, British Academy Global Professor and Rights Lab Associate Professor of Human Trafficking and Modern Slavery, University of Nottingham, and Senior Fellow, Harvard School of Public Health, for his technical guidance in conducting and presenting this research. With guidance from Mr. Kara, the GoodWeave research and analysis was led by Mr. Dan Karlin, Monitoring, Evaluation and Learning Officer, GoodWeave International. Data collection was led by inspection, monitoring and certification heads Mr. Pratap Chandra Das, GoodWeave India Trust and Ms. Samjhana Pradhan, GoodWeave Nepal.

# 1. Background, Summary Findings and Recommendations

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## 1.1 Background

The impacts of the COVID-19 pandemic have caused massive supply chain disruptions around the world, wreaking havoc on marginalized worker communities globally. Estimates of the damage are devastating. The World Bank expects remittances to low and middle-income countries to decrease by approximately 20% in 2020,<sup>1</sup> while UNICEF's Executive Director estimated a minimum of 24 million children will drop out of school. UNICEF further reports that the longer children stay out of school, and the more desperate their family circumstances, the less likely they are to go back.<sup>2</sup>

Loss of employment due to the shuttering of South Asia's apparel and textile industries has exacerbated and also unveiled the vulnerabilities that informal and migrant worker communities in the region face with respect to child labor, debt bondage, forced labor, and loss of wages and employment. However, there is very limited data on the extent and nature of these increased risks, as well as how to mitigate them.

GoodWeave's close proximity to producer communities in the region enables us to document the immediate and specific impacts faced by workers, and increased risks of child, forced and bonded labor, which by all accounts have intensified as a result of COVID-19.<sup>3</sup> In fact the COVID-19 crisis has both unveiled and intensified the fragility of global supply chains and the vulnerabilities that result for workers, communities and businesses globally. As supply chains ramp back up, many policy-makers and civil society organizations have underscored the need for new standards that benefit and ensure rights for the most marginalized and promote improved sustainability.<sup>4</sup>

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<sup>1</sup> World Bank Group, *COVID-19 Crisis Through a Migration Lens*, April, 2020, <http://documents1.worldbank.org/curated/en/989721587512418006/pdf/COVID-19-Crisis-Through-a-Migration-Lens.pdf>

<sup>2</sup> UNICEF, "UNICEF Executive Director Henrietta Fore's remarks at a press conference on new updated guidance on school-related public health measures in the context of COVID-19," September 15, 2020, <https://www.unicef.org/press-releases/unicef-executive-director-henrietta-fore-remarks-press-conference-new-updated>

<sup>3</sup> International Labour Organization, *COVID-19 impact on child labour and forced labour: The response of the IPEC+ Flagship Programme*, May, 2020, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---ipec/documents/publication/wcms\\_745287.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_745287.pdf)

UNICEF, International Labour Organization, *COVID-19 and Child Labour: A Time of Crisis, A Time To Act*, June 12, 2020, <https://www.unicef.org/media/70261/file/COVID-19-and-Child-labour-2020>

The Freedom Fund, *Global Pandemic, Local Devastation: Frontline Efforts to Support the Most Vulnerable*, September 16, 2020, [https://freedomfund.org/wp-content/uploads/ERF\\_report.pdf](https://freedomfund.org/wp-content/uploads/ERF_report.pdf)

<sup>4</sup> Business and Human Rights Resource Centre, "26 companies, business associations, and initiatives make joint call for EU mandatory human rights & environmental due diligence," September, 2020, <https://www.business-humanrights.org/en/latest-news/eu-mandatory-due-diligence/>

The data in this report can help to inform near and long-term responses for companies sourcing in the region, as well as NGOs, governments and other stakeholders who are in a position to help workers and families facing life-threatening circumstances as a result of the pandemic. To protect the most vulnerable workers, it is critical to have actionable data, which demonstrates what is happening on the ground and what responses will be required for supply chains to be resilient during and after the COVID-19 crisis.

In particular, as companies resume and build back up sourcing from the region, the data can inform how risks have changed in their supply chains and therefore how to strengthen responsible sourcing programs. This focus is increasingly critical as voluntary and mandatory transparency and human rights due diligence laws are strengthened. At the end of April this year, the European Commission announced it will introduce mandatory human rights due diligence legislation in the first quarter of 2021 as part of a COVID-19 recovery package and the European Green Deal.<sup>5</sup> Companies will need to act now with rigor to implement deep supply chain due diligence programming that reaches beyond primary factories to outsourced, informal workers, ensuring those found in child, forced and bonded labor receive remedy and that sourcing policies and programs ensure wages, rights and protections for all workers in a company's value chain.

## 1.2 Summary Findings

This rapid research confirms that impacts of COVID-19 have resulted in extreme hardship for informal workers and their families. Documented income loss, indebtedness, school closure and migration are all indications there will be an uptick in child, forced and bonded labor conditions. For some, their very survival is at stake. Findings are summarized below with more details in section 2 of this report.

### 1) Workers have seen significant disruption to their income

Since the COVID-19 pandemic began, 60% (n = 422) of respondents have either lost their jobs entirely or seen their incomes decrease. The 40% of workers who maintained their incomes and jobs were mostly based in large manufacturing units that were still processing existing orders as of mid-June, and it is possible that many of them have since seen a decrease in their work. Apparel workers have been affected severely, **with 100% (n = 42) of them either losing their jobs or having decreased incomes**. The severe impact on apparel sector workers is reflective of findings from other research. A study conducted by Penn State University's Center for Global Workers' Rights found reduced demand for apparel in the first weeks of the pandemic drove mass cancellation of orders, with 51.7% of garment suppliers surveyed reporting that most or all of their orders were cancelled.<sup>6</sup> In Nepal, 95% of workers have lost their jobs or seen their incomes decrease, a more severe impact

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<sup>5</sup> Ropes & Gray, "EU Mandatory Human Rights Due Diligence Legislation to Be Proposed in Early 2021," May 26, 2020, <https://www.ropesgray.com/en/newsroom/alerts/2020/05/EU-Mandatory-Human-Rights-Due-Diligence-Legislation-to-be-Proposed-in-Early-2021#:~:text=At%20the%20end%20of%20April,and%20the%20European%20Green%20Deal>

<sup>6</sup> Anner, Mark, "Abandoned? The Impact of COVID-19 on Workers and Businesses at the Bottom of Global Garment Supply Chains," Penn State Center for Global Workers' Rights, March 27, 2020, <http://www.workersrights.org/wp-content/uploads/2020/03/Abandoned-Penn-State-WRC-Report-March-27-2020.pdf>

than the 54% of workers in India. As noted in section 2.3, some of this disparity may be attributed to certain manufacturers in India that provided accommodation and food to migrant workers during the lockdown, and resumed production in the weeks before the research commenced, as well as continued demand for low-cost carpets produced in certain areas of India. *(Pages 11-13 provide further data and analysis.)*

## **2) The pandemic has exacerbated forced labor risks to workers**

Nearly 1 in 4 respondents (24%) report owing debt to an employer or contractor, including 64% of respondents in Nepal, where, less than three months after the national lockdown began, indebted workers report owing an average of nearly USD 500, equivalent to over three months' income for a highly-skilled carpet worker, and over four months' income for an unskilled carpet worker. With lockdowns and restrictions continuing in both countries several months after this data was collected, it is likely that workers have struggled to resolve these debts, and possible that they have fallen deeper into debt. Taking on debt is not uncommon for workers in these sectors, but the pandemic has exacerbated the issue, given that workers who remain in their jobs, but at reduced incomes, are three times more likely to report owing debt than workers who have maintained their pre-COVID-19 incomes. Many workers, including those who are the sole providers for their families, expressed concern about their ability to repay the debts, indicating levels of desperation that put them at enhanced risk of forced labor. *(Pages 13-15 provide further data and analysis.)*

## **3) The combination of school closures and decreased incomes places children at increased risk of child labor**

**One-hundred-percent (100%) of respondents' children are out of school due to pandemic-related closures, and some children are working to alleviate family financial distress.** These factors may lead to a catastrophic child labor crisis. Nearly 8 in 10 of these children were attending school every day before the COVID-19 emergency. While schools in some regions are reopening, survey data indicates children may be less likely to return to their studies. One parent acknowledged their children's income has become essential toward meeting the household's needs since the pandemic began. *(Pages 17-18 provide further data and analysis.)*

## **4) Females have experienced more severe impacts from the pandemic than males**

Eighty-five percent (85%) of female workers surveyed have lost their jobs or experienced a decrease in income since the COVID-19 emergency began, as compared to 52% of male workers. Approximately 1 in 3 (34%) female workers reports owing debt to an employer or contractor, versus 1 in 5 (21%) male workers. Additionally, child labor rates among the children of surveyed workers reveal that prior to the pandemic, 12% of girls were engaged in child labor, compared to 6% of boys. After COVID-19 hit, 13% of girls were engaged in child labor, compared to 8% of boys. *(Pages 11, 13, 15 and 18 provide further data and analysis.)*

These findings show an urgent, short-term need for governments, brands and suppliers sourcing in the region, and civil society organizations to help workers with their basic needs while we address longer-term structural causes of their extreme vulnerabilities. With uncertain timelines for vaccine availability, and The World Bank estimating the 2020 global economic recession will be twice as deep

as the recession caused by the 2007-2009 global financial crisis,<sup>7</sup> it may be many more months before work returns to previous levels. As production begins to ramp up, it will be important to address labor rights for all workers, living wages, ethical recruitment practices, as well as issues such as worker financial literacy and access to banking.

## 1.3 Recommendations

The recommendations below are informed by research findings provided in this report, leading worker rights coalitions and child protection agencies,<sup>8</sup> as well as GoodWeave's own experience engaging directly with workers and families while distributing relief in India, Nepal and Afghanistan.

For NGOs:

- 1) **Deliver aid and essential services** - Amidst the economic devastation of the COVID-19 crisis, families urgently require assistance to meet nutritional, hygienic and other basic needs. Cash transfers, food and medical care are lifelines for workers, especially women, and their families in desperate circumstances.
- 2) **Support workers, especially migrant workers, to acquire necessary documentation to receive relief** - Lack of ID cards and/or active bank accounts prevents workers from accessing government relief programs. Targeted assistance toward establishing or activating bank accounts or registering for ID cards can help to close this gap.
- 3) **Support children, especially girls, to continue learning from home** - As of October 2020, most schools remain closed across India and Nepal. NGOs can help children continue to learn by facilitating their access to remote learning.
- 4) **Advocate for mandatory human rights for workers, living wages, and strengthened labor laws in consumer and producer countries** - Conditions brought on by the pandemic create added urgency to ensure worker rights, including payment of a living wage, payment of wages during sick leave, gender equality, avoidance of forced/excessive overtime for workers still in their jobs, and health and safety policies that protect workers from exposure to the virus, while preserving their freedoms of movement and organization.<sup>9</sup>

For Companies and Brands:

- 1) **Inform suppliers of estimated timelines for order resumption** - Workers who lost their jobs expressed uncertainty about the possibility of returning to their jobs, and some noted they were told they will return to work, but not when. Brands should share information about timelines for re-engagement with suppliers, to enable good planning and ethical recruitment and employment.

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<sup>7</sup> Kose, Ayhan & Sugawara, Naotaka, "Understanding the Depth of the 2020 Global Recession in 5 charts," *World Bank Blogs*, June 15, 2020, <https://blogs.worldbank.org/opendata/understanding-depth-2020-global-recession-5-charts>

<sup>8</sup> International Labor Rights Forum, Penn State Center for Global Workers' Rights, Business and Human Rights Resource Center, Freedom Fund, International Labour Organization and UNICEF

<sup>9</sup> Clean Clothes Campaign, International Labor Rights Forum, Maquila Solidarity Network, and Worker Rights Consortium, "Brands Must Urgently Take Steps to Minimize Impact of the Coronavirus on Garment Workers' Health and Livelihoods," March 17, 2020, <https://laborrights.org/releases/brands-must-urgently-take-steps-minimize-impact-coronavirus-garment-workers%E2%80%99-health-and>



- 2) **Support on-ground work to provide essential relief for vulnerable workers** - While product orders may be limited due to the pandemic, brands can immediately help worker communities in their supply chains by supporting provision of food, health and safety resources, and other urgently needed services.
- 3) **Build consumer awareness of direct impacts on workers and create opportunities for consumers to support vulnerable communities** - Informing consumers about how the pandemic may be impacting the workers who bring them their goods, may motivate them to contribute to ongoing relief efforts and support the companies who can authentically demonstrate how they are supporting workers through the crisis.
- 4) **Encourage suppliers to give first priority to furloughed or laid-off workers when production resumes**<sup>10</sup> - Workers who have lost their jobs are anxious about how long their unemployment will last, and many others have not been told whether they will be rehired. Commitments from supply chain managers to re-engage these workers may help reduce anxiety.

For Governments:

- 1) **Continue distribution of critical relief, inclusive of informal and migrant workers** - Migrant workers, who often live on the premises of their employers, as well as informal workers who may not have access to banking, should be included in government aid distribution to avoid increased indebtedness to employers.
- 2) **Strengthen labor laws** - In light of the effects of the pandemic: review and adapt lists of Hazardous Occupations and child and forced labor policies; ensure that Occupational Safety and Health systems identify dangerous work and have robust protections for adolescents;<sup>11</sup> protect workers' freedom of association and collective bargaining rights and implement all ILO conventions,<sup>12</sup> including Equal Remuneration; and require adherence to minimum wage laws, alongside systematic reviews of these laws.<sup>13</sup>
- 3) **Enable subsidized transportation for migrant workers between workplaces and home villages** - Research findings confirm that since the start of the pandemic, migrant workers have travelled long distances on foot, in cramped quarters, or through other dangerous means to reach home, while others have been stranded at their worksites, lacking the means or opportunity to safely return home. Subsidizing transportation for workers and families will facilitate safe passage home and then back to work when production resumes.
- 4) **Build awareness of available relief channels** - Workers in India and Nepal have benefitted from government relief, including food aid, employment guarantees and financial support. Information should continually be provided about available services and requirements to access them.

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<sup>10</sup> Business and Human Rights Resource Centre, *Union Busting and Unfair Dismissals: Garment Workers During COVID-19*, August, 2020, [https://media.business-humanrights.org/media/documents/files/200805\\_Union\\_busting\\_unfair\\_dismissals\\_garment\\_workers\\_during\\_COVID19.pdf](https://media.business-humanrights.org/media/documents/files/200805_Union_busting_unfair_dismissals_garment_workers_during_COVID19.pdf)

<sup>11</sup> International Labour Organization, *COVID-19 impact on child labour and forced labour: The response of the IPEC+ Flagship Programme*, May, 2020, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---ipec/documents/publication/wcms\\_745287.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_745287.pdf)

<sup>12</sup> Business and Human Rights Resource Centre, *Union Busting and Unfair Dismissals: Garment Workers During COVID-19*, August, 2020, [https://media.business-humanrights.org/media/documents/files/200805\\_Union\\_busting\\_unfair\\_dismissals\\_garment\\_workers\\_during\\_COVID19.pdf](https://media.business-humanrights.org/media/documents/files/200805_Union_busting_unfair_dismissals_garment_workers_during_COVID19.pdf)

<sup>13</sup> Nicholson, Andrea and Davy, Deanna, "The lived realities of sustained liberation in Uttar Pradesh and Bihar, India: an evaluation of survivor experiences - Summary report," The Freedom Fund, October, 2020, <https://freedomfund.org/wp-content/uploads/Sustained-liberation-India-CLEAN.pdf>

- 5) **Establish and enforce mandatory protections for workers** - At a minimum, workers should be provided personal protective equipment<sup>14</sup> and training on COVID-19 health and safety protocols. Governments should implement policies responsive to emergent needs, such as sick leave, access to health care and wage support to workers.<sup>15</sup>
- 6) **Strengthen distance learning options for school-age students** - With school closures around the world, distance learning has become the only option for millions of children to continue their education. Curriculum should be adapted to remote instruction, and providers should utilize various methods of delivery, with priority to girls and inclusive of children who may lack the resources for web-based learning.<sup>16</sup>

## 2. Research Process, Results and Analysis

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### 2.1 Research Questions, Protocols and Data Collection

To understand heightened child, forced and bonded labor risks in carpet, home textile and apparel supply chains in India and Nepal, GoodWeave developed the following research questions:

- 1) What has been the immediate impact of the COVID-19 pandemic on migrant workers in South Asia's textile industry?
  - o What economic vulnerabilities do migrant workers currently face?
  - o Are their children more likely to be engaged in child labor?
  - o Are migrant workers at greater risk for forced labor, debt bondage or human trafficking?
- 2) What has been the immediate impact of the COVID-19 pandemic on local worker communities, including home-based workers and local factory workers?
  - o What economic vulnerabilities do local workers currently face?
  - o Are their children more likely to be engaged in child labor?
  - o Are local workers at increased risk for forced labor, debt bondage or human trafficking?

Based on the research questions, GoodWeave staff in Europe, the United States, India and Nepal, with expert input from Mr. Siddharth Kara, a leading modern slavery researcher, created a questionnaire that contained 36 questions. The questionnaire was translated into the local languages of Hindi and Nepali. This report features the most significant responses to 23 of these questions.

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<sup>14</sup> International Labour Organization, *COVID-19 impact on child labour and forced labour: The response of the IPEC+ Flagship Programme*, May, 2020, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---ipec/documents/publication/wcms\\_745287.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_745287.pdf)

<sup>15</sup> Anner, Mark, "Abandoned? The Impact of COVID-19 on Workers and Businesses at the Bottom of Global Garment Supply Chains," Penn State Center for Global Workers' Rights, March 27, 2020, <http://www.workersrights.org/wp-content/uploads/2020/03/Abandoned-Penn-State-WRC-Report-March-27-2020.pdf>

<sup>16</sup> Dreesen, Thomas, Akseer, Spogmai, Brossard, Matt, Dewan, Pragya, Giraldo, Juan-Pablo, Kamei, Akito, Mizunoya, Suguru, Ortiz, Javier Santiago, "Promising practices for equitable remote learning: Emerging lessons from COVID-19 education responses in 127 countries," UNICEF, May 6, 2020, <https://www.unicef-irc.org/publications/pdf/IRB%202020-10%20CL.pdf>



The research team consisted of 22 GoodWeave staff, based in the United States (GoodWeave International), India (GoodWeave India Trust) and Nepal (GoodWeave Nepal), of which 19 were enumerators – 14 males / 5 females, 13 in India / 6 in Nepal. Enumerators in India are fluent in Hindi and enumerators in Nepal are fluent in Nepali. All interviews were conducted in local languages. The research team was trained by Mr. Kara in Institutional Review Board (IRB) aligned practices in order to protect the rights, confidentiality and welfare of the individuals who participated in the research.

The sample comprised 472 workers, 374 in India and 98 in Nepal who work within and beyond the supply chains that GoodWeave covers during its regular supply chain inspection work. In India, worker databases provided the sampling frame, from which enumerators randomly selected individuals to call. In Nepal, 13 suppliers provided 60 worker names and phone numbers to be combined with names and numbers within GoodWeave’s database.

The enumerators reached 425 workers, of whom 422 consented to be interviewed, a refusal rate of 1%. (*Data on respondent demographics is outlined in section 2.2.*)

Data collection occurred through telephone interviews from June 9- July 8, 2020. At the start of each phone call, in line with IRB practices, enumerators read an informed consent script that described the research project, voluntary nature of participation, and data confidentiality protocols. Respondents were not interviewed if they did not provide consent. During the interview, enumerators read from the questionnaire form and recorded responses in the form. Enumerators were trained to speak conversationally and record personal stories or quotes that conveyed the respondents’ experiences in connection to the COVID-19 emergency. Interviews were anonymized, and enumerators did not record or request any personally identifying information. Completed questionnaires and the database are kept in a secure server accessible to only two staff. All paper files and notes were destroyed.

## 2.2 Respondent Demographics

### Overview of age, gender, sector of employment, migrant/local worker, location

The 422 respondents comprise 361 workers from India (86%) and 61 from Nepal (14%) representing the percentage of workers within the supply chains regularly assessed by GoodWeave. The division of migrant and local laborers is 50% each, with men comprising 74% and women 26%, due to the male dominated migrant workforce in India’s carpet sector. The breakdown by sector is 90% carpet and home textiles workers, and 10% apparel workers. (*Further detail is provided in Tables 1-2 and Charts 1-3.*)

Table 1 Sample, by country and city, n = 422

Country	Bhadohi	Bhaktapur	Jaipur	Jaunpur	Kathmandu	Lalitpur	Mirzapur	Noida	Panipat	Varanasi	Total
India	18%		8%	1%			9%	13%	23%	14%	<b>86%</b>
Nepal		<1%			11%	3%					<b>14%</b>

Chart 1 Age

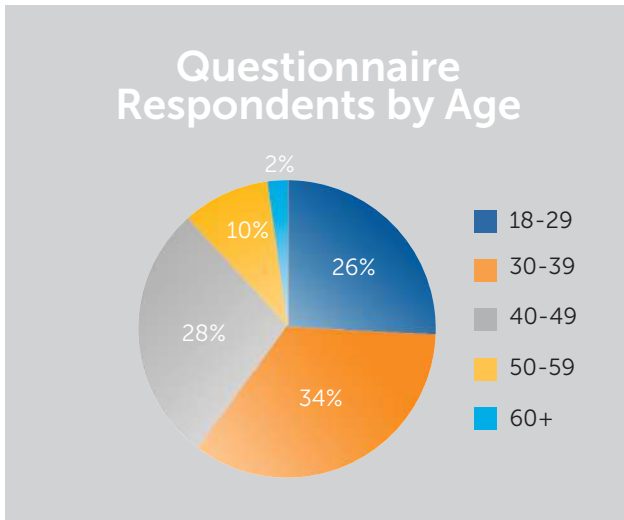


Chart 2 Country and gender

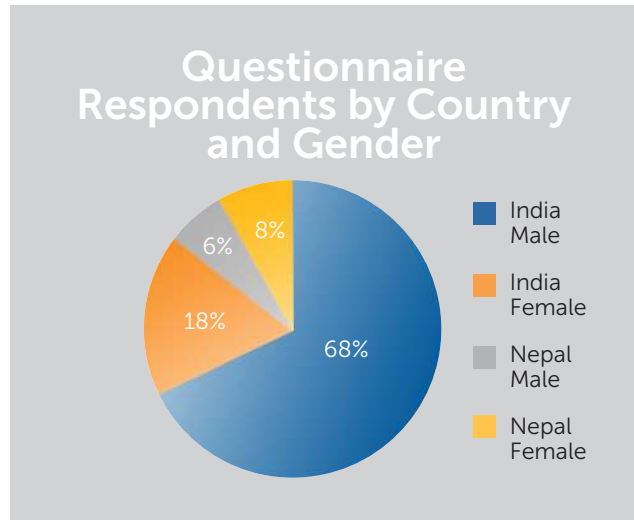
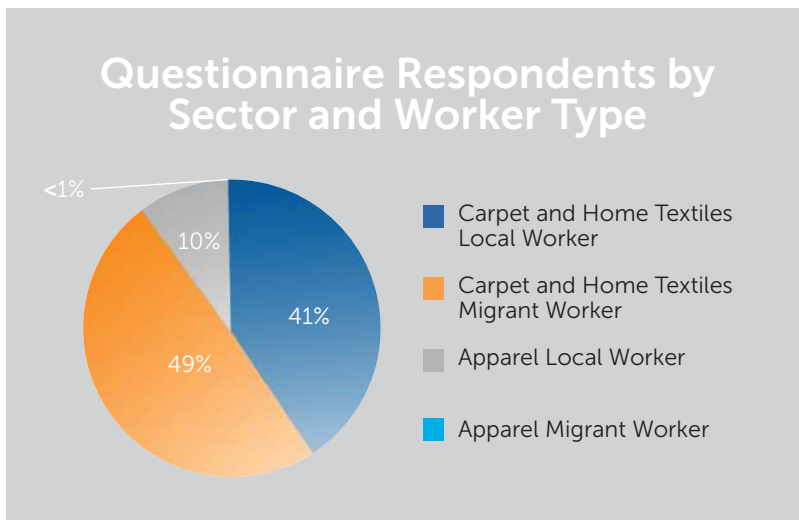


Table 2 Sample, by gender and age group, n = 422

Gender	18-29	30-39	40-49	50-59	60+	Total
<b>Total</b>	<b>26%</b>	<b>34%</b>	<b>28%</b>	<b>10%</b>	<b>2%</b>	<b>100%</b>
<b>Male</b>	18%	23%	23%	8%	2%	74%
<b>Female</b>	8%	11%	5%	2%	0%	26%

Chart 3 Sector and worker type



## 2.3 Results of Questionnaire Section 2: Work before and after COVID-19

### Job/order loss, income and work volume

- Worker income has been heavily impacted by the COVID-19 crisis. Overall, 60% of respondents are in the same jobs with reduced incomes compared to before the emergency began, or have lost their jobs entirely. This includes 23% who have lost their jobs and 37% who are in the same jobs with reduced incomes (Table 3).
- The most severely impacted groups are
  - o migrant workers – 7 in 10 (70%) are earning less income in the same jobs or have lost their jobs (Table 3);
  - o apparel workers – 5 in 6 workers (83%) have lost their jobs, and the remaining 1 in 6 is still in the same job, but with reduced income (17%). Comparatively 16% of carpet and home textile workers have lost their jobs, and another 39% are still in the same jobs, but with reduced incomes (Table 4); and
  - o women – within the carpet sector, 3 in 4 women (76%) lost their jobs or are in the same jobs but with reduced incomes, compared to 2 in 4 men (50%) (Table 5).

*"I did not receive any work orders during the lockdown and as a result, my income is now zero."*  
– Female apparel worker, India

*"I worked as a master in the pit loom section of the factory. COVID-19 has a huge impact on my earnings, I used to earn 20,000-25,000 rupees every month before lockdown, but after lockdown, work orders have reduced and income has also decreased."*  
– Male carpet worker, India

- In Nepal, nearly all respondents (95%) are in the same jobs with reduced incomes, or have lost their jobs entirely (Chart 4). Migrant workers, who comprise 87% of respondents in Nepal, have encountered increasingly difficult financial situations since the COVID-19 emergency began.

*"I am the only earner in my family. My husband went to Malaysia and married... another lady... I am staying with my two children and looking after them... I have just started to work since the lockdown and orders are [much fewer]. I am worried about how I and my children can survive."*  
– Female migrant carpet worker, Nepal

*"I am waiting for order... therefore I did not leave. If within one month if I [do] not get an order, I and my family will starve."*  
– Male migrant carpet worker, Nepal

- 42% of workers in India report they have maintained the same jobs and income levels since the COVID-19 emergency began (Chart 4). Most of these workers are in Panipat and Varanasi, where factories and sub-contracting units resumed operations in the weeks before GoodWeave's research began. During the lockdown, their employers provided food and housing. In these cities, only 3% of workers report losing their jobs, compared to 31% of

carpet workers in other Indian cities. In addition, employers in Panipat produce lower-priced products, which happened to continue to sell well during the pandemic as European and North American consumers sheltered in place and sought to improve their surroundings.

*“Our employer asked us to stay in the dorm and... extended his support by providing food and other necessities with his own resources.”*

– Male carpet worker, India

Table 3 Job loss and income difference since COVID-19 emergency, by worker type

Worker Type	n	Lost Job	Kept Job, Reduced Income	Kept Job, Same Income	Kept Job. More Income
<b>All</b>	<b>422</b>	<b>23%</b>	<b>37%</b>	<b>37%</b>	<b>3%</b>
Local	212	25%	25%	49%	1%
Migrant*	210	21%	49%	25%	6%

\* Due to rounding, percentage values for migrant workers do not add up to 100%.

Chart 4 Job and income, by country

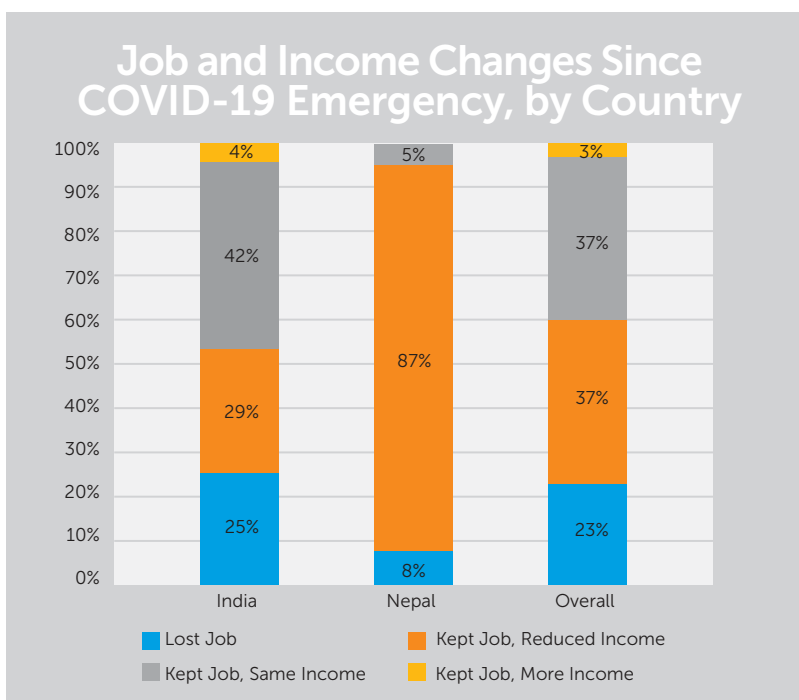


Table 4 Job loss and income difference since COVID-19 emergency, by sector

Sector	n	Lost Job	Kept Job, Reduced Income	Kept Job, Same Income	Kept Job. More Income
<b>All</b>	<b>422</b>	<b>23%</b>	<b>37%</b>	<b>37%</b>	<b>3%</b>
Carpet and Home Textiles	380	16%	39%	41%	4%
Apparel	42	83%	17%	0%	0%

Table 5 Job loss and income difference since COVID-19 emergency, by gender and sector

Gender/Sector	n	Lost Job	Kept Job, Reduced Income	Kept Job, Same Income	Kept Job. More Income
<b>All</b>	<b>422</b>	<b>23%</b>	<b>37%</b>	<b>37%</b>	<b>3%</b>
<b>Male*</b>	<b>313</b>	<b>19%</b>	<b>33%</b>	<b>47%</b>	<b>2%</b>
Carpet and Home Textiles*	307	17%	33%	47%	2%
Apparel	6	100%	0%	0%	0%
<b>Female</b>	<b>109</b>	<b>35%</b>	<b>50%</b>	<b>9%</b>	<b>6%</b>
Carpet and Home Textiles	73	12%	64%	14%	10%
Apparel	36	81%	19%	0%	0%

\* Due to rounding, percentage values for male workers and carpet and home textiles workers do not add up to 100%.

### Migrant workers who returned home

- Among the 21% of migrant workers who lost their jobs, 91% traveled home (Table 6).
- Some of the migrant workers described very difficult journeys home.

*Both started their journey by moving the first 15 kilometers by foot... Then they found a truck driver who agreed to drop them... but asked them to pay 720 rupees each as travel fare. They travelled hidden in the middle of luggage for two consecutive days with only one meal.*  
 – Enumerator notes, India

Table 6 Migrant worker movement

Worker Status	n	Returned Home	Remained in City of Work
All Migrant Workers	210	19%	81%
Migrant Workers Who Lost Jobs	44	91%	9%

### Back wages owed and/or debt to employers

- 1 in 4 workers owes debt overall, but workers in Nepal are over three times more likely to owe debt than those in India (Table 7). Proportionally higher representation of migrant workers in Nepal's sample (87% Nepal / 43% India) accounts for part of this discrepancy, but even among only migrant workers, nearly 7 in 10 in Nepal owe debt, compared to nearly 3 in 10 in India. In addition, workers surveyed in Nepal do not have access to government-supported financial relief programs while 36% do in India. Businesses selling carpets and home textiles also report that ongoing orders have continued into India at a much more steady rate than to Nepal.

- Workers in Nepal are also in greater debt than those in India. Less than three months after the nationwide lockdown was implemented, Nepali workers who report having debt owe an average of nearly USD 500, equivalent to over three months' income for skilled carpet workers, and over four months' for unskilled workers. By comparison, Indian workers, who report having debt owe an average of nearly USD 200 (Table 7), equivalent to about one month's income for skilled carpet workers, and about two months' income for unskilled workers. Several factors likely contribute to this discrepancy:
  - o The aforementioned job and income loss disparities between India and Nepal, in that workers who lose all, or a significant amount of their income are more likely to take on increased debt to cover their expenses;
  - o A far greater likelihood of underpayment of wages in Nepal, where 4 in 5 workers (79%) reported their employer owes them wages, compared to only 1 in 12 (8%) in India. Most workers who are owed wages in Nepal reported an amount between NPR 10,000-25,000 (USD 84-211), or roughly .75-2 months pay for unskilled workers;
  - o As shown in section 2.6, while more than 1 in 5 workers in India has an additional non-family source of income, only 6% of workers in Nepal do, making them more likely to borrow when income from their primary job dwindles.
  
- Workers who kept their jobs, but are earning less income have become more reliant on debt than those whose incomes have not decreased. They are three times more likely to owe debt than workers whose incomes have not decreased (42% versus 14%) (Table 8), significantly increasing their risk of entering into forced labor.
  
- Many respondents explained their lost income has resulted in increased debt and doubted their ability to repay these mounting debts.

*"I have taken an advance of 60,000 rupees, but at present orders are very low. My employer said he will not pay us but will give us carpets... After completing two carpets, one will be for our employer and the other will be for me. The most critical situation is that I used to buy food supplies on credit, but now the shopkeeper stopped giving us credit."*  
 – Male carpet weaver, Nepal

*"I came from village to earn money and enroll my son in school in February. I have taken an advance of 40,000 rupees before starting weaving. But immediately after a month the lockdown started and work was on hold. I again took 25,000 rupees during lockdown for my food. Now I am worried, my work is less, income is less, how can I repay my advance?"*  
 – Male migrant carpet weaver, Nepal

*"I didn't have work for two and a half months. My husband used to work as a daily wage worker in construction. He too could not work due to the lockdown. I have to pay 6,700 rupees house rent monthly and could not pay it since three months. I have taken an advance of 10,000 rupees but I am suffering now. How can I repay my advance and house rent if there will be no work?"*  
 – Female migrant carpet weaver, Nepal



- As detailed above, 60% of respondents have lost their jobs or are earning less income. Of this group, 31% owe debt to an employer or contractor. Overall, 1 in 5 respondents (19%) has lost their job or is earning less income, and owes debt.

*It is almost impossible for him to arrange food, milk for four [family] members... without any work or earnings, so he asked his employer for an advance, which he will pay back by making deductions from his wages on a monthly basis when work resumes.*

- Emumerator notes, Male carpet worker, India

- Migrant workers are more likely than local workers to owe debt. 38% of migrant workers owe debt, compared to 1 in 10 (11%) local workers.
- Female workers are more likely to owe debt than male workers. 1 in 3 female workers (34%) owes debt, compared to 1 in 5 male workers (21%).

Table 7 Debt owed, by country and worker type

Country/ Worker Type	n	Owes Debt	Does Not Owe Debt	Average Amount Owed
<b>All</b>	<b>418</b>	<b>24%</b>	<b>76%</b>	
<b>India</b>	<b>357</b>	<b>18%</b>	<b>82%</b>	<b>INR 14,183 (USD 192)**</b>
Local	200	10%	90%	
Migrant	157	27%	73%	
<b>Nepal</b>	<b>61</b>	<b>64%</b>	<b>36%</b>	<b>INR 56,730 (USD 481)***</b>
Local	8	38%*	63%*	
Migrant	53	68%	32%	

\* Due to rounding, percentage values for local workers in Nepal do not add up to 100%.

\*\* In India, wage data collected by GoodWeave in 2020 shows that wages for carpet workers average between INR 6,955 (USD 95) per month (unskilled carpet production workers) and INR 12,523 (USD 171) per month (skilled carpet workers). For apparel / fashion jewelry workers, the average monthly income is between INR 4,368 (USD 58) (semi-skilled bead workers in Uttar Pradesh) and INR 15,600 (USD 209) (semi-skilled repairing and packing workers in the Delhi region).

\*\*\* In Nepal, unskilled carpet production workers earn approximately the minimum wage of NPR 13,450 (USD 113) per month. Wage data collected by GoodWeave shows that skilled carpet workers earn an average of NPR 18,098 (USD 153) per month.

Table 8 Debt owed, workers who did not lose job, by income level change

Income Level Change	n	Owes Debt	Does Not Owe Debt
<b>All</b>	<b>326</b>	<b>27%</b>	<b>73%</b>
Kept Job, No Decrease in Income	170	14%	86%
Kept Job, Less Income	156	42%	58%

## 2.4 Results of Questionnaire Section 3: New work since COVID-19

### Job loss followed by new orders or employment and associated trends or orders

- Respondents who have lost their jobs have struggled to find replacement work. Among those who lost their jobs, 77% remain without work, and only 7% are currently employed with the same or greater volume of work as they had before the COVID-19 emergency (Table 9). Agriculture and day labor are the most common forms of employment for those who have regained employment.
- Apparel workers appear to have the greatest difficulty finding work. All but one of 35 apparel workers (or 97%) who lost their jobs remain without work (Table 10).
- Respondents who have been told they will return to work are nonetheless feeling compelled to find income while they wait to return to their previous jobs. Of the few respondents who have found other work since losing their jobs, 76% say their previous employer has told them they will return to work, whereas only 43% of those who remain jobless have been told they will return to work (Table 11).
- 1 in 7 workers who regained employment took a loan associated with their new job, and is now working in the job to pay off the loan. While only 22 respondents fall into this category, it is still important to note.

Table 9 Among workers who lost jobs, work volume per week

Hours Worked	No Work	More Hours	Fewer Hours	Same Amount of Hours	No Response
% Of Workers	77%	4%	15%	3%	1%

Table 10 Current work status among workers who lost their job, by sector

Sector	Currently Working	Seeking Work	Not Working/Not Seeking Work
<b>All</b>	<b>23%</b>	<b>43%</b>	<b>34%</b>
Carpet and Home Textiles	34%	38%	28%
Apparel	3%	51%	46%

Table 11 Current work status among workers who lost their job, by expectation of return to previous job

Work Status	Employer Has Told Worker They Will Return	Employer Has Not Told Worker They Will Return/Worker Doesn't Know
Currently Working	76%	24%
Not Working	43%	57%

## 2.5 Results of Questionnaire Section 4: Children's activity

### How COVID-19 impacted school attendance for all children of survey respondents

- Due to school closures, no children are attending school. This has caused a significant disruption for the nearly 8 in 10 children (age 5-17) who were going to school every day before the COVID-19 emergency (Table 12).
- Though most schools remain closed across India and Nepal as of October 2020, some have begun to reopen with reduced capacity and instruction time. As schools reopen, families facing economic hardship caused by the COVID-19 crisis may deprioritize education in order to meet basic needs, and external support may be critical to ensure children again have access to education.

Table 12 School attendance in the month prior to COVID-19 emergency, by gender

Time Period	Gender	Every Day	3-4 Days/Week	1-2 Days/Week	Never
Month Before COVID-19 Emergency	All	79%	8%	2%	11%
	Female	74%	9%	3%	14%
	Male	84%	7%	1%	8%
Most Recent Month (May-June)	All	0%	0%	0%	100%
	Female	0%	0%	0%	100%
	Male	0%	0%	0%	100%

### Children of respondents who were working before the COVID-19 emergency versus after

- Although children are not attending school, there has not yet been a clear shift into the workforce (Tables 13 and 14). This is likely because the pandemic has resulted in reduced orders for carpets, home textiles and apparel in South Asia.

*"Sometimes my girls use to help in our work. We are a very poor family and have no other source of income... When the lockdown was announced, all our orders were suspended and the supplier blocked our payment."*

- Female apparel worker, India

- During the time that the children have been out of school, many of their families have spent savings or borrowed money, as explained in previous sections. Due to the financial strain the virus has caused their families, many of these children are at increased risk of engaging in child labor when work becomes available.

*"When the family's financial situation deteriorated, my elder son started selling fruits and vegetables and then the younger son also started... The daily house expenses are running from their earnings."*

– Male apparel worker, India

Table 13 Children's work before and since the COVID-19 emergency, by gender

Time Period	Gender	Child is Working	Child is Not Working
Before COVID-19 Emergency	All	9%	91%
	Female	12%	88%
	Male	6%	94%
Since COVID-19 Emergency	All	10%	90%
	Female	13%	87%
	Male	8%	92%

Table 14 Children's work transitions, before and since the COVID-19 emergency

	n	Did Not Work Before COVID or Currently	Worked Before COVID and Currently	Stopped Work Since COVID	Began Work Since COVID
All Children	614	89%	7%	1%	3%

## 2.6 Results of Questionnaire Section 5: Income and banking

### Workers with alternative sources of income

- 43% of respondents do not have a source of income other than their carpet, home textile or apparel jobs (Table 15). This has created concern among many respondents about meeting basic needs.

*"I alone [am] the bread earner of my family as my husband died five years ago. I have responsibilities of all three children and due to lockdown I have very little work."*

– Female carpet worker, Nepal

- An additional 36% of respondents have income provided by another family member (Table 15), but many respondents indicated these circumstances are unsustainable.

*"When there was no expectation of getting any work... we were forced to ask our relatives for monetary help... If it continues for a long time then I don't know how we will manage our food and requirements."*

– Female apparel worker, India

*"Somehow, we are managing with our life with the earning of another family member, but he is also not getting work regularly."*

– Male apparel worker, India

- Nearly 8 in 10 respondents (Table 15) in Nepal receive income from other family members, a much higher prevalence than respondents in India, where 3 in 10 respondents do so. Several respondents in Nepal referred to family members who work in other countries. Nearly all (93%) respondents in Nepal either rely on family or lack alternate income sources, placing them in a dire situation, which will only worsen as the pandemic continues. The Nepali economy is dependent upon the foreign remittances returned to families from male migrants predominantly working in Gulf countries. Official figures reflect an estimated USD 6.6 billion in remittances, equivalent to 31.3% of its GDP.<sup>17</sup> Many experts believe that figure is significantly higher. Many of these workers are now returning back to Nepal and that vital income flow is slowing in tandem with in-country job loss.
- As noted above, nearly 2 in 3 respondents in Nepal already owe debt, and without reliable income, the risks of child labor, child trafficking and other abuses are exacerbated.

Table 15 Alternative sources of income, by country

Country	No Other Income Source	Family	Informal Work	Government Assistance	Other	Not Answered
All	43%	36%	4%	0%	16%	1%
India	48%	29%	4%	1%	17%	1%
Nepal*	16%	77%	0%	0%	6%	0%

\* Due to rounding, percentage values for Nepal do not add up to 100%.

### Workers that have received financial or food support from the government

- Overall, 60% of respondents have received food or financial support from the government (Table 16).
- Respondents in India are more likely than respondents in Nepal to have accessed government support, with two-thirds in India doing so (66% received food and/or financial relief), compared to a quarter in Nepal (26% received food relief; financial relief is not offered) (Table 16). Part of this difference is attributed to the lack of financial assistance programming in Nepal, but the remaining 33% disparity in food relief alone may be explained by the Nepali Government's prioritization of locally resident workers for food relief versus migrants. Migrant workers, who comprise 87% of respondents in Nepal, are not able to tap government disbursements. Though migrant workers in India are also less likely than local workers to have received food aid, they are still nearly twice as likely as those in Nepal (44% in India, 25% in Nepal).

<sup>17</sup> Desilver, Drew, "Remittances from abroad are major economic assets for some developing countries," Pew Research Center, January 29, 2018, <https://www.pewresearch.org/fact-tank/2018/01/29/remittances-from-abroad-are-major-economic-assets-for-some-developing-countries/>

- 74% of respondents in Nepal have not received any aid from the government (Table 16). When coupled with the 95% of respondents who have lost their jobs or are earning less income, a picture emerges of a vulnerable group that must rely on family and community networks to meet its needs.

*“My husband is abroad in Oman since six months, but he lost his job due to COVID. My elder daughter used to work in coffee shop, but she too lost her job. I am in difficult position to survive.”*

– Female carpet worker, Nepal

- Although government aid programs are reaching two-thirds (66%) of respondents in India, some respondents have encountered difficulty obtaining benefits. One example is a carpet worker who, despite having a bank account, is not able to tap government financial support without a weaver card or labor registry listing.

Table 16 Government support received, by country

Country	Food and Financial	Food Only	Financial Only	No Government Support	Don't Know/ No Response
All	25%	29%	6%	38%	2%
India	29%	30%	7%	32%	2%
Nepal	0%	26%	0%	74%	0%

### Workers with bank accounts

- Respondents in India again appear better equipped to manage during the pandemic, as they are twice as likely to have bank accounts (92%) as respondents in Nepal (46%), including among migrant workers in the respective countries (86% in India versus 42% in Nepal) (Table 17). Financial relief programs in India, through which beneficiaries receive bank deposits, may explain the disparity. The GoodWeave Nepal research team concurs, noting that Nepali carpet workers see few benefits to having bank accounts, and many lack the national identification necessary to open one.

Table 17 Does the respondent have a bank account or cooperative account, by country and worker type

Country and Worker Type	Yes	No	No Response
All*	85%	14%	0%
India	92%	8%	0%
Local	97%	3%	<1%
Migrant	86%	14%	0%
Nepal	46%	54%	0%
Local	75%	25%	0%
Migrant	42%	58%	0%

\* Due to rounding, percentage values do not add up to 100%.





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