Ties that bind
Child Labor in the Afghan Carpet Sector
A Value Chain Study in Herat and Faryab
JUNE 2014
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ACRONYMS

AFN/Afs  Afghanis (Afghan currency)
AISA     Afghanistan Investment Support Agency
AREU     Afghanistan Research and Evaluation Unit
CSO      Central Statistics Organization
DACAAR   The Danish Committee for Aid to Afghan Refugees
FMFB     First Micro Finance Bank - Afghanistan
IDP      Internally Displaced Person
ILO      International Labour Organization
ILO-IPEC ILO International Program on the Elimination of Child Labor
ITUC     International Trade Union Confederation
KG       Kilogram
KII      Key Informant Interview
MoLSAMD  Ministry of Labor, Social Affairs, Martyrs and the Disabled
NRVA     National Risk and Vulnerability Assessment
OECD     The Office for Economic Co-Operation and Development
OSH      Occupational Safety and Health
SCI      Save the Children International
UK       United Kingdom
UN       United Nations
UNICEF   United Nations Children’s Fund
USA      United States of America
USD      United States Dollar
USDA     United States Department of Agriculture
VC       Value Chain
WFCL     Worst Forms of Child Labor
WRC      Women’s Resource Center
EXECUTIVE SUMMARY

The Afghan carpet sector is fertile territory for child labor. Strong economic incentives and underlying social practices induce households to use child labor for carpet weaving, and while the practice is widespread, it has thus far failed to command the full attention of policymakers in Afghanistan. Working up to 36 hours a week, children as young as 6-years old are involved in carpet weaving. The situation is critical – over half of all surveyed weaving households use children under the age of 17 to weave carpets, and 35% use children under the age of 14.

This study is among the first to document and inform policy and action to address child labor in the Afghan carpet sector, through an analysis of child labor in the carpet weaving value chain.

Carpet weaving has a tendency to conjure the romanticized image of a traditional Afghan craft quietly continuing uninterrupted for generations amidst invasion and civil war, yet little could be further from the truth. The carpet industry in Afghanistan is under increasing strain from domestic and international market pressures. Machine spun carpets from Pakistan, Iran and Turkey force prices down, often requiring Afghan producers to make more carpets for less money. This effect filters down through every level of the value chain to the households where parents use their children to weave carpets in order to meet basic household needs and the demand from exporters.

At the same time, poor security, a bleak employment market, and strongly held cultural traditions reinforce the economic factors that often draw children into carpet weaving at a young age. Child labor is therefore a product of overriding economic incentives and underlying social constructs.

This is a difficult world to explore because so much of it takes place behind closed doors, far from the gaze of policymakers and law enforcement. Now, more than ever, child labor in the carpet sector is in critical need of attention.

What is the situation of child labor in the carpet sector?

- WORKING WITHOUT SAFEGUARDS – The home-based nature of carpet weaving and input production obstructs efforts to implement child protection policies. The prevalence of child labor in the carpet sector is likely underreported by households who are often reluctant to report such instances that they consider children’s duty rather than labor. So long as it remains predominantly home-based, it will be impossible to fully grasp the extent of the problem, or the extent of underreporting.

- WORKING WITHOUT ALTERNATIVES – Poor employment opportunities and low wages leave households with little option but to weave carpets or spin wool in order to subsidize their regular income. The labor market in rural areas is often stagnant, relying almost entirely on agriculture or daily wage labor in activities such as construction. Until there are alternative (and lucrative) economic opportunities, households will continue to rely on carpet weaving.

- WORKING WITHOUT A FUTURE – Many households think that children should learn how to weave carpets or help out with input production activities, such as wool spinning, because there is nothing else for them to do, either as children or when they are adults (38% input producing households, 17% weaving households). This is particularly the
case for girls who are often expected to weave for the rest of their lives once they get married.

- **WORKING WITHOUT END** – Girls who start carpet weaving will continue to weave carpet until failing eyesight or ill health intervene. Strong cultural norms restrict women to household labor activities and perpetuate the intergenerational cycle of female-dominated labor in the weaving sector. Mothers teach their daughters to weave from one generation to another.

- **A HOPE FOR THE FUTURE – EDUCATION FOR CHILD WEAVERS:** Child labor and education are not incompatible in the carpet weaving value chain. Over half of weaving households that employ children (54%) send both boys and girls to school – confirmed by previous studies that show the overall high literacy rate of carpet weaving children.

*What are the causes of child labor?*

- **NEEDS MUST – A CALCULATED ECONOMIC DECISION TO EMPLOY CHILDREN:** 78% of weaving households who employ children do so ‘in order to earn more income for the household’. Three quarters of weaving households are also involved in secondary economic activities, relying in particular on unsteady income from daily wage labor in the construction sector.

- **MANY HANDS MAKE LIGHT WORK – HOUSEHOLDS USE CHILDREN TO SPEED UP PRODUCTION:** Households that employ children are able to produce more carpets a year on average than households that do not employ children. A single carpet of 1m² can take up to 90 days to weave for a single carpet weaver, whether adult or child. Households that use children are marginally more productive (in terms of number of carpets produced) than those that do not use children.

- **WEAVING FOR SURVIVAL – A TRADITIONAL COPING STRATEGY:** Carpet weaving can be deployed as a coping mechanism during times of economic hardship – indeed the number of households that start weaving coincides with a rise in wheat prices, when a household member is sick, injured or cannot work in other labor activities, or when a woman is widowed.

- **WATCHING OVER CHILDREN – LABOR AS DAYCARE:** Parents often decide to employ children as a means of watching over them during the day, and ensuring that they are not getting into trouble on the streets. 35% and 17% of weaving and input-producing households respectively use children because there is nothing else for them to do. Aside from school, there are very few organized activities (such as sports clubs, youth clubs or daycare centers) for children to pursue in rural areas.

- **HISTORY REPEATS ITSELF – AN INTERGENERATIONAL CYCLE OF LABOR:** Attitudes towards child labor are tempered by tradition. Many adults started weaving as children, so the use of their own children to weave carpets is not seen as unusual. 23% of respondents in weaving households think that children can start weaving as young as 7 years old. In 2008*, over half of the children surveyed recommended carpet weaving to their peers.
Case Study 1: A Trade Passed from Mother to Daughter

“My name is Nurullah and I have five daughters. The youngest is 7 years and oldest is 19 years. Except for my youngest all are weavers. Two of my daughters are proficient and the other two are learning. My wife supervises them. Unfortunately her illness with her kidney does not allow her to weave anymore, but sometimes she helps her daughter with difficult knots and designs.

Their mother taught them weaving like her mother did before that. She first taught them how to knot and then allowed them to help and practice on the easy carpets. Once they had mastered different kinds of knots, their mother taught them different designs and patterns until they were able to continue unaided. It took my eldest daughter almost 2 years of practice to become excellent at weaving. Now she hardly makes any mistakes. Their business is their own. I generally do not interfere. I only help them get contracts and sometimes help sell the carpets, but I don’t interfere in their weaving.

I would think that my daughters enjoy weaving. Plus they say it contributes to the household income so it is good. I am fruit vendor myself. If my girls stop weaving, I would have to manage a family of 7 with the sales from my one cart of fruit, which would be very difficult. My children only weave because there is no boy in the house to work with me on the cart. The only way my girls can help is by weaving carpets.”

Picture 1: Children weaving in Faryab
1. INTRODUCTION

This study examines the incidence of child labor in the carpet value chain in Herat and Faryab provinces in Afghanistan. It provides a detailed map of activities and actors that are involved in the production of carpets and highlights critical stages in which children are involved. Such a study is long overdue – and its timing critical, should gains from the past decade not be washed away with political transition and the withdrawal of foreign troops, and to ensure sustainable gains that can improve the lives of the next generation of Afghans.

There is a wealth of important literature about the Afghan carpet industry, but little focus on the presence of child labor specifically, and little is known about the impacts of child labor on health, wellbeing or education. The lack of information in this area is conspicuous in a development context like Afghanistan where child protection issues have been well documented in other areas. Part of the reason for this is that carpet weaving inhabits a unique place in society, straddling traditional practice and formalized economic industry. But carpet weaving carries its own dangers. Knot-by-knot, eyesight gradually deteriorates, backs become twisted and bent and dust particles from the woolen threads cause respiratory problems. The risks are particularly acute for those who have spent their lives working on looms since childhood as many of the illnesses and injuries accure slowly over time. Less visible than child workers in the brick kiln sector, they are nonetheless numerous, as carpet weaving remains a traditional, ancestral and home-based activity. Carpet weaving ranks higher than other sectors in the number of child workers aged between 5 to 11 (93% are in this age group, compared to 67% in brick factories, 61% in metal workshops and 82% in street work), and has the highest overall concentration of girls compared to any other sector - 58% of child workers are female compared to 29% in tailoring, and 17% in street work. The disproportional effect on female children is explained by the natural family setting that renders child labor in carpet weaving culturally acceptable. As shown later in the report the specific gender dimension to carpet weaving is one of the main reasons why child labor persists in weaving communities.

This is the first report of its kind to document the nature of child labor and its impacts in the carpet-weaving sector in Afghanistan. GoodWeave and Samuel Hall partner on this important research to stop child labor in the carpet industry and to support GoodWeave’s market-based approach in the carpet-weaving sector in Afghanistan. Samuel Hall’s track record in documenting child labor practices in hazardous work

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1 See Annex at the end of the report for technical definitions of value chains and supply chains.
2 ILO (2008), A Rapid Assessment on Child Labor in Kabul, Kabul, Research commissioned by the ILO International Program on the Elimination of Child Labor (ILO-IPEC).
Samuel Hall (Forthcoming): Breaking the Mould: Occupational Safety Hazards of Children working in Brick Kilns in Afghanistan. Conducted for ILO.
Samuel Hall (2011): Jogi and Chori Frosh Communities: A Story of Marginalisation. UNICEF.
3 ILO (2008), A Rapid Assessment on Child Labor in Kabul, Kabul, Research commissioned by the ILO International Program on the Elimination of Child Labor (ILO-IPEC).
environments (notably in partnership with the International Labour Organization – ILO – in Afghanistan) serves here to provide evidence-based data to inform GoodWeave’s work in the country.

Box 1: Value chain versus supply chain

The concepts of **supply chain** and **value chain** often get confused and there is a tendency thus, to use them interchangeably. The two concepts are very similar but it would be incorrect to classify them as synonymous. The definitions used in this report are as follows:

The Supply Chain is coherently defined by the APICS dictionary as - “the processes from the initial raw materials to the ultimate consumption of the finished product linking across trader-user companies.” Simply, it is the stock of each singular activity that either processes or supports the processing of inputs to convert them into final goods. This includes linkages that connect one conversion process to another. During the supply chain, inputs go through transformation step-by-step until they are made of some use to the final consumer. An output of one step will be an input to another till the time it reaches the customer.

The value chain has one additional component than a supply chain – the ‘value’. The value of a product is the amount the customer is willing to pay for a commodity. How the product acquires this value is through the series of transformation or processes that convert inputs into outputs, i.e. the supply chain. Since the final product is of some value to the customer, it inherently includes the notion that the customer values each process that went into making the product. The arrangement of such transformations that systematically add some value at each step leading up to the final value as payable by the customer is the value chain of that product.

Supply chain and value chain are complimentary concepts in regards to industry and management. The difference is that the value chain is a more subjective concept. For instance, the supply chain of a carpet in Nepal and Afghanistan could very well be the same. That is, the network and the processes through which agents in both countries acquire/produce wool, weave carpets and sell them may be the same. However, the value chain will differ if the Afghan carpets are valued more than Nepalese carpets or the weavers in the Nepalese supply chain receive more share of the value than their counterparts in the Afghan value chain.


1.1 Background

The carpet-weaving sector has been undergoing a slow transition from highly localized home-based production to larger centralized manufacturing in order to become more competitive. Exporters are faced with competition from cheaper products made in Pakistan, Turkey and Iran, while domestic markets have been hit hard by an influx of the same products (see Annex for further discussion). As a result, domestic carpet production in Afghanistan is slowly adopting modern production techniques in order to remain competitive in the modern market. For instance, one business owner in Herat replaced the traditional method of sourcing wool and contracting households to spin it into threads by hiring women to come to a facility, where the purchased wool is delivered, sorted, washed, spun into threads and sold directly.

Even so, most carpet weaving is still done at a household level rather than in industrial-scale factories. Today, the Afghan carpet sector is showing signs of a hybrid market with traditional craftsmanship and factory-made products - some rugs are hand woven to order using prescribed patterns, others are produced ad hoc as the household sees fit and sold directly in the market. The absence of empirical data makes it impossible to determine the extent of this hybridization, but the Janusian nature of the carpet sector is typical of many sectors in Afghanistan today as the country straddles the divide between the old and new.

The sector directly or indirectly employs close to 4 million workers. A rapid assessment of child labor in 2008 found that two out of three carpet weavers in Kabul are children. Amongst these, the majority are girls. Indeed, in Faryab, a girl who is able to weave fetches a higher bride price than one who does not.

Although there are laws to prevent child labor in Afghanistan, they are poorly, if ever, enforced. The Afghan Labor Law sets the minimum age of regular work (including hazardous work) at 18 years. Children can be hired as apprentices from the age of 14 and can engage in light work from the age of 15 provided they do not work in hazardous conditions. Yet the implementation of the Law itself is problematic since it does not define ‘light work’ or ‘hazardous conditions of employment’. More recently, the Ministry of Labor, Social Affairs, Martyrs and the Disabled (MoLSAMD) released updated guidelines for the worst forms of child labor (WFCL) that specifically cites carpet weaving for more than 4 hours per day. However, it does not discern between home-based production and factory-based production. A nuanced synopsis of child labor and the Law has been published by Samuel Hall in the past, but there is a detailed summary of key terms and definitions at the end of this report.

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4 The traditional method is that the input providers would give the household an amount of wool to spin and pay them in per kg amount of threads returned. The households were free to carry the wool back to their homes. In the new instance, however, the business owner had hired women as fixed daily wage laborers whom he could contact depending upon the size of consignment he gets on any given day.
6 ILO (2008), A Rapid Assessment on Child Labor in Kabul, Kabul, Research commissioned by the ILO International Program on the Elimination of Child Labor (ILO-IPEC).
Studies have shown that the working conditions in looms could be detrimental to the health and overall development of a child. Extensive research conducted in other countries has revealed the profound health hazards of prolonged work on looms including backache, respiratory problems and weak eyesight. The majority of the problems are due to poor workstation design and awkward sitting positions while weaving (especially on horizontal looms). Child labor of any kind – whether carpet weaving or baking bricks – has negative impacts on children’s lives; it can impact school attendance, health, social integration, and psychosocial wellbeing. While it seems reasonable to assume these outcomes extend to children working in the Afghan carpet sector, the causes, nature and prevalence of child labor in this industry are nebulous and little research has been done to examine the impacts on children’s wellbeing. Untangling these factors is a difficult but important task. Understanding the causes of child labor will help policy makers develop targeted interventions and assist in prioritizing which approaches will have the most impact.

In September 2014, GoodWeave commissioned Samuel Hall to conduct an assessment of the carpet-weaving value chain as it relates to child workers in two carpet-weaving centers in Afghanistan: Herat and Faryab. GoodWeave licenses companies that do not employ children in the weaving process. Importers who are licensed by GoodWeave must allow random inspections of their looms to ensure that children are not being exploited. In cases where child labor is found, GoodWeave rescues child workers and offers them counseling, medical treatment, education and in some cases, a home. In order to prevent child labor, GoodWeave also

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intervenes in local communities to create alternatives to child labor through preschool and academic programs."

The study supports GoodWeave’s on-going work in Afghanistan, which aims to eliminate child labor in carpet production through its monitoring, certification, and labeling model. In 2011, GoodWeave International began implementing a set of pilot activities in Kabul and Mazar-e Sharif, including loom inspections, carpet certification and labeling, home-schooling and early childhood education programs in replication of their activities in India and Nepal. As of April 2014, GoodWeave has two licensed companies in Herat. As GoodWeave expands its operations in Afghanistan, detailed socio-economic research is needed to inform future program development and policy work.

This is the first report to document the nature of child labor in the carpet weaving value chain in Afghanistan. Samuel Hall builds on its track record in documenting child labor practices in hazardous work environments to inform GoodWeave’s work in Afghanistan.

1.2 Objectives

The primary objective of this study is to examine the incidence and prevalence of child labor in the carpet-weaving value chain, including upstream and downstream activities. It also provides a detailed socio-economic map of the carpet-weaving value chain in Faryab and Herat. Specifically the study identifies:

1. the physical form of the value chain in terms of actors, functions, value addition, production type and forward and backward linkages.

2. points/or stages in the value chain where child labor exists, identifying its repercussions/hazards on children (girls specifically), households and community.

This information will be developed so that it can be used to inform and expand future social compliance systems to ensure that child labor is not present in any part of a carpet’s supply chain.

1.3 Methodology

The study began with identifying a preliminary value chain by interviewing local carpet traders in Kabul and speaking to Key Informants. Key informants were selected either because they work on issues pertaining to child labor or because of their knowledge and experience of the carpet weaving sector. The initial value chain helped to select and define the actors in the industry. The respondents for the studies were chosen based on this initial assessment. Subsequently specific quantitative and qualitative tools were constructed for each actor with adequate margin to adapt the value chain as the fieldwork proceeded and assess the extent of child labor in each activity.

11 For more information on GoodWeave and its programming, please visit – [www.goodweaveinternational.org](http://www.goodweaveinternational.org)
12 Key Informant Interviews were informal discussions with international development actors who had either an interest or had worked previously with carpet weavers in Afghanistan.
1.3.1 Value Chain Study

Value chains are the series of actors and activities, which come together to produce a commodity ready to be sold to the consumers. Each actor and activity contributes to a gain in value of the product. More formally, value chains are the full range of activities, which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services) to the delivery to the final consumer. The activities involved here begin from the production of wool and silk to the point where carpets are exported outside the country. The methodology of the study is summarized in figure 1 below. An initial market map was created from secondary research and key informant interviews in Kabul with carpet exporters and GoodWeave staff. The value chain was refined during the entire span of the research through qualitative semi-structured interviews with value-chain actors. Finally the role of the actors and the incidence of child labor was examined using quantitative survey tools. The study does not discern between rugs produced for domestic or foreign markets.

Figure 1: Flow chart of carpet value chain analysis

1.3.2 Research tools

A mixed methodology approach was employed in this study, using qualitative and quantitative research tools. Definitions of the key terms used in this study are contained in the annexes at the end of the report.

Quantitative Survey

The research team surveyed approximately 25% of its sample from different actors of one GoodWeave licensed supply chain whilst the remaining 75% were from un-licensed value chains. Four separate quantitative questionnaires were used according to the agents being targeted:

1. **Household Weavers**: Household based production where head of household and spouse were respondents to the questionnaire
2. **Household Input Producers**: Household based production of inputs where head of household and spouse were respondents to the questionnaire
3. **Input Traders**: The traders in the value chain who bought/sold and supplied inputs for carpet production; and,
4. **Final Product Traders**: Business based questionnaire where the owner of the business was asked questions on terms at which they interact with agents above and below them in the value chain in addition to questions about value addition made by them.

Given the prevalence of home-based weaving and the scarcity of factory-based production in the surveyed areas, the sample was drawn only from the former group.

**Qualitative Survey**

Focus groups and in-depth case study interviews were conducted in order to examine the links between value chain actors and to provide a more ‘human’ insight into the data generated by the quantitative survey. In addition to these tools, detailed field observations were made by the field teams in each location to ensure that incidental information and impressions were systematically incorporated into the report. The qualitative elements of the research combined data collected from:

- Exporters/Primary traders
- Household heads and spouses of producer households
- Business traders
- Malik (community leader of a group of weaving families)
- IDP/Returnee Families
- Adult Female weavers Focus Group Discussion

**1.3.3 Sampling Plan**

GoodWeave identified 1 licensed supply chain in Herat province and none in Faryab. Interviews were conducted with agents from the licensed value chain in Herat while the remaining sample in Herat was identified through snowball sampling. GoodWeave provided the contact details of the agents from licensed supply chains. In Faryab since there were no licensed producers available, the entire sampling was done through snowball sampling14. This split the entire sample roughly into 25-75 share between licensed actors and non-licensed actors.

14 A snowball sample is a non-probability sampling technique that is appropriate to use in research when the members of a population are difficult to locate. A snowball sample is one in which the researcher collects data on the few members of the target population he or she can locate, then asks those individuals to provide information needed to locate other members of that population whom they know – “Babbie, E. (2001). The Practice of Social Research: 9th Edition. Belmont, CA: Wadsworth Thomson”
Table 1: Sample Summary

<table>
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<th>Respondent</th>
<th>Type</th>
<th>Number of interviews</th>
<th>Herat</th>
<th>Faryab</th>
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</table>

The following definitions were used for identifying respondents in the sample based on preliminary information.

**Household Weavers:** Households where at least one member of the family is engaged in full time/part time carpet weaving.

**Household input producers:** Households that are engaged in the production of either wool or silk, which is eventually used for carpet making but not weaving carpet weaving themselves.

**Input traders:** Traders who buy and sell wool or silk but are not trading in woven carpets; either finished or unfinished.

**Final Carpet Traders:** Traders who buy, sell or otherwise transfer woven carpets, both finished and unfinished and derive primary income from this business. The snowball sampling began by identifying a carpet market where Final Carpet Traders could be found. The stopping rule for identifying and surveying agents in the value chain was as follows:

1. At the top of the value chain, the sampling was stopped with agents who sold the finished carpets to domestic customers or sold finished carpets outside the country to other traders.

2. At the bottom of the value chain, all agents involved in the direct production of inputs for making carpets were used. Note that these were variable inputs (wool, silk and dyes) and not capital (looms and tools) inputs.

Informal discussions with the elder members of the market were used to identify communities where either weaving or input production of household takes place. The final carpet traders were also asked where the input market for the carpet was located. Typically one representative of the community identified an initial set of households in the community who were weaving. Beyond that the respondents themselves were asked if they knew any families in their neighborhood also were involved in the same activity as them. The first 5 days of the fieldwork were used to capture minimum set targets for all teams. At the end of 5 days, based on responses
from field enumerators on how difficult it was to locate a given type of respondent, further interviews were held with agents who were easily reachable in the market to generate a higher sample size across all categories.

1.3.4 Limitations

There are a number of inherent limitations to this study:

- The sampling plan is asymmetric to reflect the approximate proportions of agents found in each location. In the absence of broader market data, it is not possible to know exactly how many actors exist at each level of the value chain in a given area, but the prevalence and availability of actors was used as a rough guideline to steer sample sizes. The data is not designed to be representative. Although the value chains in Herat and Faryab contain many of the same actors, the number of actors varies significantly. As a result, it was not possible to capture the same amount of respondents in each province at every level of the value chain. This makes it difficult to draw statistically robust comparisons between different actors across the value chain.

- In the two locations surveyed it was difficult to locate livestock owners who were producing wool for carpet weaving. The traditional Afghan wool used by weavers in the past comes not from the carpet producing areas but the highlands of Afghanistan. Livestock herders were therefore not included in sampling.

- There were geographical restrictions on the survey area due to deteriorating security. This caused restricted access in both provinces to households in some rural areas. This often made identification of the respondents difficult – especially the households (weaving and input producing).

- Cross-border research into Pakistan, where carpets are often bought and sold, was not conducted. Similarly, it was not possible to examine the conditions under which non-Afghan input supplies were made.

- Although the quantitative survey attempted to ask questions to both head of household and spouse at the same time, it was often difficult to find the male head of household in the house during the day - 77% of cases in weaving households and 82% of cases in input producing households. In these cases, the member of the family who had the best idea about the weaving business substituted the head of the household.

- Small sample sizes preclude against detailed comparisons between Faryab and Herat province. Instead, the data draws on the complete data set in order to draw robust observations and analysis of value chain actors across both provinces.
1.4 Report Structure

The report begins with a brief overview of the carpet weaving value chain and introduces its principal actors.

Chapter 2 describes the actors in the value chain, their role, their relationships to each other, and how much sway each actor has.

Chapter 3 focuses on the incidence of child labor.

Chapter 4 examines the causes of child labor in the carpet weaving sector.

Chapters 5 and 6 conclude with policy and programming recommendations and highlights areas for future research.

Picture 2: A boy sitting in front of a vertical loom in Kabul
2. FROM SHEEP TO SHOP: THE VALUE CHAIN AND ITS ACTORS

This section provides a brief overview of the markets and demographics in Herat and Faryab, examines the carpet weaving value chain and introduces some of the key actors and terminology used throughout the report. The carpet value chain comprises multiple actors, many of whom perform a number of parallel activities, such as input supply production and weaving carpets. However, there is a wide gap between the top and bottom of the value chain – exporters rarely interact with producers. Each stage of the production process is often carried out by hand, requiring considerable investment of time and effort. Households and traders acknowledge the use of children in the value chain and recognize the potential negative impacts on health, education and child development, yet, for reasons examined in detail later, the practice of employing children is very much alive.

2.1 Market Overview in Herat and Faryab

The labor markets in both Herat and Faryab are typical of most of Afghanistan – reliance on traditional agricultural practices and a high level of underemployment.\(^\text{15}\) Children growing up in either of these provinces do not have many options when they reach adulthood – more often than not, they will simply follow in their parents’ footsteps: boys will work the land, girls will weave carpets. With so few options available for their children, let alone themselves, parents often feel that they have no choice but to prepare children for life in the best way that they know how – carpet weaving.

\(^{15}\) Definition of ‘underemployment’ taken from the National Risk and Vulnerability Assessment published by the Afghanistan Central Statistics Organization in 2013. People can be considered underemployed: ‘in the sense that they can be considered in need of more or other work to sustain a living.’ P.30.
2.1.1 Faryab Provincial Snapshot

Faryab’s total estimated population in 2013 was 958,000 with a poverty rate of 19% and average per capita monthly expenditure of 1,656 Afs. Its geographically high altitude often causes hindrance in transportation of goods and services. The closest biggest trading center is Mazar-e-Sharif.

Market Highlight:
Typical of many provinces in Afghanistan, underemployment is a key feature of the labor market in Faryab. Women are confined to low value activities at a household level rather than participating in the commercial income generating activities. As shown later in the report, this perpetuation of the status quo is one of the main reasons why children are stuck weaving carpets.

Children in Faryab:
The World Bank’s Provincial Briefs from 2011\(^{16}\), show that child labor in Faryab is around 14%, three percentage points below the national average. The enrollment rate of children aged 6-12 (55%) is marginally higher than the national average (46%).

2.1.2 Herat Provincial Snapshot

Herat’s total estimated population in 2013 was 1,780,000 with a poverty rate of 39% and average per capita monthly expenditure of 1,547 Afis. Its geographically proximity to Iran and volatile provinces has made it a major attraction for displaced and migrants. The closest biggest trading center is Herat city.

Market Highlight:
Similar to Faryab, the labor market in Herat is characterized by high rates of underemployment. In spite of the large urban center, Herat City, rural Herat relies more heavily on agriculture than Faryab.

Children in Herat:
According to the World Bank, around one fifth, (21%) of children between 6-15 are engaged in work in Herat. Nevertheless, Herat ranks second nationally in terms of the girl to boy school enrollment ratio (0.92).

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2.2 The Value Chain

Traditionally, Afghan carpet weaving has been a cottage industry. However, not all activities relating to carpet weaving are taking place in Afghanistan anymore. A lot of activities previously done in Afghanistan by hand are slowly being replaced by cheaper options from abroad18. This is evident from two observations:

1. There are Afghan exporters of unprocessed raw wool and woven (but unfinished) carpets sending their goods to Pakistan. This means that both wool and final carpet processing are being done in Pakistan. From what the traders indicate, there are factories in Pakistan that are able to do this with machines, which make the process more cost effective.
2. There are importers and traders of pre-spun wool, which were machine spun and coming from Iran and Pakistan. They also stocked chemical colors, which indicates that natural dye production is also being replaced.

The value chain is spread across the border. At different times, products and processes are being exported or imported for the purpose of cost effectiveness19. This is not to say that traditional manual processes have stopped altogether. At this point it is difficult to estimate how much of the carpet processing happens outside Afghanistan versus within Afghanistan or even the input share of machines in making a carpet. However, the availability of these options means that the value chain no longer merely relies on domestic networks.

This evolution of the value chain, where products are becoming diversified for the purposes of cost efficiency means that relations between actors are also evolving20. For instance, instead of working from home, some weavers are now being organized into workshop spaces for monitoring the quality and avoiding design plagiarism.

Figure 2 below shows the relationship between all actors in the carpet value chain. As we show later in the report, child labor is present at three key stages, input production (sheering sheep, spinning wool, dyeing wool etc.), input supply (trading in woolen threads and other finished supplies necessary for weaving a carpet) and carpet weaving.

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18 Key informant interviews with carpet dealers/exporters in Kabul
19 For a detailed description of each production stage, see the annexes at the end of the report.
20 The location of weaving and input production is being shifted from homes to workshops where quality and time is supervised.
Figure 2: Carpet value chain
2.3 The Actors

Here we describe all of the main actors in the carpet value chain as far as it relates to Afghan children. Input production and carpet weaving take place in rural areas while the final carpets are sold out of urban centers. Retailers and exporters do not directly interact with the households. The value chain is therefore highly hierarchised and fragmented. The simplified figure below illustrates the hierarchy of value chain actors, from the trader to the child. In this context 'hierarchy' describes the links between actors and illustrates the degrees of separation. The arrows represent the exchange of a commodity, or, in the case of children, labor.

Figure 3: Simplified hierarchy in carpet value chain

At the top of the hierarchy are exporters and large retailers (referred to as ‘large traders’) who are the final sellers of the carpets. Children do work at this level of the value chain in the sampled areas. These agents collect carpets from all over Afghanistan and sell domestically or internationally. The quality, quantity and style of carpet he sells are dependent on the skill and ability of his middleman, or subcontractor. The large traders may have an idea where the carpets come from but usually do not have information about the circumstances under which a carpet may have been produced. For instance, a retailer in Kabul would be unaware about how much wage was paid to the weavers. This is a task left to the discretion of sub-contractors who act as managers on the ground to source good quality carpets.
The research team met with three carpet traders during the fieldwork to understand the top of the value chain. Although each of them employed different production and procurement methods, we found a number of common features: a reluctance to share information about prices and a shared view of the difficulty faced by traders in the carpet sector due to increased competition from neighboring countries. All three of them felt very strongly that children should not be used in the weaving process. However, they agreed that poverty means that children have to help out and it is very difficult to monitor the households the way the production is currently arranged: the households themselves manage their production.

Atif, is a 3rd generation carpet weaver. Although he inherited the business from his father, he actively trained in carpet manufacture and design before he took over the business. We visited Atif at his workshop in Kabul where he has now been able to centralize all processes related to carpet manufacture starting from making wool threads to packing and selling final carpets. There are only women, both young and old, working on vertical looms in two rooms weaving carpets that are his own designs and creations. He says he is able to monitor the quality and the weaving is much quicker, but this is more expensive than contracting a household because he employs 4-5 women work on one carpet at one time. Atif says that a lot of his carpets still come from sub-contractors and household looms in Herat. But he has been burnt before where his designs were stolen and thus wants to do everything to protect them. He also wants to centralize production so that costs can be optimized. He says that Afghan carpet making is a slowly dying art and that the government needs to revive domestic input production to be able to revive Afghan carpet making.

Qudoul, is a 2nd generation businessman. His operations are on smaller scale than Atif, but like Atif, he exports to markets in Europe and America, bypassing Pakistan. He has a small workshop in Herat where he uses natural dyes to color the wool and supplies looms to households to make carpets. Unlike Atif, all his carpets come through sub-contracting households. Most of his time is spent in looking for good quality inputs. In the past, he says, inputs could come from within Afghanistan, but now he has to look all over the world to find soft wool and silk. Qudoul says that he knows some household looms work their children, and he understands that it is bad, but he says that even if he were to ask the households not to employ children it would be impossible to monitor.

Wahma, is a retail carpet dealer in Kabul’s most famous carpet market. His collection of carpets is considered among the best in Kabul and he is popular with most high-income carpet shoppers that pass through Kabul. He has never been involved in providing inputs or interacting with household looms even indirectly. Sub-contractors from different regions travel to his shops to show him carpets and he picks them based on his own reading of quality and beauty. Despite the fact that he does not interact with the households, he is well aware of the health risks of carpet weaving. He says that the best years of a person’s carpet weaving career are between 16 to 45 years old. After that, they tend to have weaker eyesight, which leads them to make more mistakes. He says that the “children are better at weaving” is a myth. In fact, quite the opposite is true. It is an intricate task that requires skill and dexterity that only comes with age and experience.

Box 3: Afghan carpet sellers
The middlemen or sub-contractors provide a link between the exporters and the producers. They are in charge of recruiting the households and finding the correct pieces as desired by the large trader. As a result, he controls the payments made to the households for procuring carpets and inputs. This is similar to cases of bonded labor in Afghanistan – such as in the brick kiln industry – where middlemen play a crucial role in recruitment and retention of laborers at the lowest possible cost. The situation in the carpet sector is more nuanced than this. Sub-contractors facilitate commerce, actively connecting households to traders and exporters in the wider markets. Without a sub-contractor, households may be forced to sell to a wholesaler directly (if they know where to find one), equipped with limited knowledge of the wider carpet market and therefore limited bargaining power with the wholesaler. The sub-contractor can ensure that the households obtain a better price for each carpet they produce. At the same time, however, the subcontractor creates a barrier between producers and the market, which still leaves little room for households to negotiate prices and keeps wages low.

“For sometimes when the carpet quality is very high we disagree on the price, but the trader won’t give us extra money” – Carpet weaver, Faryab

The sub-contractors’ interaction with the household is limited to the head of the household for financial dealings and exchange of goods. He is not responsible for supervising the household. A sub-contractor’s tasks may include everything from sourcing inputs and designs to finishing the carpets and then selling, all the while facilitating the various processes. The sub-contractors are also the facilitators of loan for the household. The debts may be extended in the form of cash or they may simply just provide for inputs or a loom for the household. From the respondents who were weavers, 47% said they owned their own loom and another 5% said they own their loom by purchasing on debt. The rest worked on rented or sub-contractor owned looms. The households can weave to purchase the looms from the sub-contractor. In case the household is weaving for the same sub-contractor who is providing the loom, the rent of the loom can be cut from wage/price of the carpet. Thus, eventually the household can pay off the price of the loom to own it. However, this further reduces the households’ opportunity to engage some other sub-contractor at least till the time they are paying for the loom.

In all buying/selling arrangements, the sub-contractor decides how much money the household will get based on his valuation of the piece (input or carpet). There is an element of negotiation involved but the odds are almost each time in favor of the sub-contractor, simply because the households are isolated from the final market have limited information about wider markets and limited access to other middlemen, and therefore have restricted bargaining power. This information bottleneck works strongly in favor of the large traders and subcontractors who can push hard for low prices.

Since carpet weaving is practiced so widely, the supply of producers often outstrips demand. This means that the sub-contractor can often draw on a broad network of producers to supply his exporter. Again, the absence of definitive figures makes it impossible to discern the precise relationship between supply and demand – a broader market study would be required to find this information. Nevertheless, qualitative research found that if one household falls behind on production, the sub-contractor can simply purchase carpets from another

21 For more information on buying arrangements, please refer to the appendix
22 The attributes of valuation are more art and skill based and difficult to scientifically classify. Needless to say however, it is an art with which a sub-contractor needs to be well versed.
household. This puts great - and constant - pressure on households to maintain a steady rate of production for their subcontractors. Competition between sub-contractors was not explored in this study.

Case Study 2: Caught Between a Subcontractor and Poverty

Mohammad Ali has a wife and two daughters, Fatima (12) and Laila (8). The family is very poor and the only means of income in the family is the weaving done by his daughters. His eyes are weak and he is unable to work himself. His wife sometimes helps their daughters by separating wool at the Karkhana (Factory). Mohammad does not come from a weaving family himself, but the prevalence of weavers in his community led him to follow suit.

Once his daughters had learned to weave from other members of the community, his cousin Ibrahim introduced them to Nader (a carpet sub-contractor) who gave them everything from a loom to inputs to make carpets. Nader pays the girls 2000 Afs for a meter square of carpet. It is what they have been paid since the beginning - the price is fixed. Mohammad Ali says that once they tried asking him to increase the wage to 2500 Afs but he refused and said he could not afford that much.

Dependent on the subcontractor for input supplies and for the sale of the carpet, Mohammad Ali’s family have limited bargaining power with the subcontractor who can simply go to another household in the weaving community if he needs to buy carpets.

The input traders are traders whose role is to facilitate movement of inputs between wool producers, dyers and thread makers. Dyeing and thread making are often located in Pakistan. Thus the role of the input trader includes activities such as selling/transferring domestic wool to factories in Pakistan, importing wool threads from Pakistan and Iran and selling to sub-contractors and households. Some times the input traders would also use local households to spin the wool into yarns and dye them. Payments for these are made in weight of wool returned (again output based payment). The role of the input trader in relation to input producing households is in many ways similar to the relation between the sub-contractor and the weaving household in terms of facilitation of debt and supervision. Children are only involved at this stage of the value chain if the input-supplying household is also an input producer.

The weaving households and input households have very similar profiles. The household stages of the value chain are where child labor is most likely to be found - rendering children ‘hidden’ from the public eye. In households where child labor is present it is important to distinguish between two actors: parents (in effect the employers) and children (in effect the employees):

1) **Parents:** Ultimately it is the parents who decide whether a child should work or not - whether making input supplies or weaving carpets. In a very real sense, parents are the employers. Mothers train and watch over young children as they weave the carpets, while the male heads of household usually interact with the sub-contractor to negotiate a price for the final product.

2) **Children:** The children who weave carpets are expected to work hard, but never receive any financial remuneration for themselves. Instead, the money earned from the carpet is used to sustain the
household. As far as the child is concerned, there is no direct reward or benefit from spending so much time working on the looms. They work, but they do not get paid.

“We have a weak economy, so we weave carpets, which is important in this area” – Focus group with female weavers in Herat

Households exhibit traits associated with socio-economic vulnerability such as high levels of household debt, illiteracy, low levels of education and poor wages. Just under two thirds (63%) of weaving households and three quarters (75%) of input producing households have taken loans in the past – a plurality of whom (55% and 56% respectively) took loans simply to cover daily household consumption. 72% of weaving household heads have not had any formal education, nor had 80% of household heads from input producing households. Half of the male respondents from weaving households could neither read nor write compared to 91% of female respondents from the same households. Among input producing households the figures for illiteracy are even higher – 78% men and 96% women. Gender roles are segregated with men involved in the negotiations with traders and women in the actual production tasks like spinning, cleaning, weaving, etc.

2.4 Value Addition

The pie chart below describes the share of each domestic actor in the value of 1-meter square of a carpet. The following pie chart breaks down the share of the price at which the carpet leaves the local weaving areas, according to the agents present in that market (it does not include export market values). The data shows that the distribution of value may be judged ‘fair’ in the sense that no one agent receives an abnormally large share of the profit after the household producer. In other words we are not seeing a scenario in which subcontractors make inordinate profits from the sale of a single carpet.
In a carpet worth approximately 100 US dollars, 40% is the share of the weaving household’s wage. The sub-contractor and the input trader make 13% and 10% while the input-producing households get the least share (6%). The remaining value is distributed between transport, packaging, storing, processing and other ancillary activities.

Weaving households take around 35 days to complete a meter square of carpet. The added pressure on the producing households in the chain (the weavers and the input producers) comes from the time it takes to receive the next installment of income, i.e. the time it takes to weave a carpet or produce a bag of wool. This puts pressure on households to make carpets faster, which often leads to child labor. For the traders as well, the cost returns depend upon how fast they can sell the current stock to be able to order new carpets and keep the market churning. In the current market scenario, a trader informed us that it could take anywhere between 2 weeks to 3 months to sell a carpet. An old time trader in the old Kabul Carpet Bazaar had been able to sell only one carpet during the month in which he was interviewed.

The real value mark up occurs in foreign markets. At the point at which a carpet leaves the local district or area where it was woven, it does not fetch a high price. The local sub-contractors in Herat and Faryab receive between 4,000 to 7,000 Afs (USD 72 to 127), while these carpets may sell for anywhere between 300 to 1,500 USD in foreign markets (more than 100% premium).
3. PATTERNS OF LABOR: CHILDREN IN THE VALUE CHAIN

Children are involved at all stages of carpet production from wool spinning to carpet weaving. Children start working in the carpet sector as young as 6 years old, and by the time they reach 15 could be working up to 50 hours every week. Many children (especially girls) find themselves tied to a life of low income - spinning wool and weaving carpets - with few opportunities for changing their situation. In this section, we look at the prevalence and nature of child labor at each stage of the value chain (as outlined in the previous section). Child labor is present at three main stages in the value chain: 1. household input production, 2. input supply, and 3. household carpet weaving. Children are involved in slow, repetitive and time consuming activities such as separating wool strands, spinning wool or weaving. Child labor is most pronounced among carpet weaving households, where more than one third employ children under the age of 14 on the looms. The key findings in this section are:

1. WORK WITHOUT PAY - CHILDREN WORK FOR THE COLLECTIVE GOOD: The home-based nature of carpet weaving and input production makes it difficult to draw clear lines between ‘employment’ and ‘helping out’. The term ‘employed’ is used loosely to describe children who work on their parents’ loom. It does not infer the payment of wages unless specified. In most cases, children do not receive payment for their work. The money from the sale of a carpet contributes to overall household income.

2. A FEMALE - AND CULTURAL - SPECIFICITY: Girls are significantly more likely to be involved in carpet weaving than boys. One quarter of weaving households employ girls between the ages of 11 and 14, compared to only 6% who employ boys from the same age group.

3. FAMILY-BASED - CHILDREN WORKING AWAY FROM THE PUBLIC EYE: Children under the age of 14 are notably more involved in carpet weaving than at all other stages in the value chain. Away from the scrutiny of implementers and policy makers, children aged between 11 and 14 work around 36 hours each week. A previous study found the average work-week to reach 45 hours for children.

4. AN EARLY START - A SECTOR WITH THE YOUNGEST WORKING CHILDREN IN AFGHANISTAN: 10% of weaving households employ girls aged 7-10. The youngest worker recorded in the survey was 6 years old. Previous research found that carpet weaving has the highest proportion of child workers aged 5-11 (93%) compared to all other tested sectors - street work (82%), brick kilns 67%.

5. HEALTH HAZARDS NOW AND LATER: Children under the age of 14 are involved in activities that could lead to serious health problems in later life. In the short term, children suffer from coughing and breathing difficulties. Older carpet weavers also suffer from musculo-skeletal injuries due to protracted and repetitive weaving.

6. A HOPE FOR THE FUTURE - EDUCATION FOR CHILD WEAVERS: Child labor and education are not incompatible in the carpet weaving value chain. Over half of households weaving households that employ children (54%) send both boys and girls to school - confirmed by previous studies that show the overall high literacy rate of carpet weaving children.

* ILO (2008), A Rapid Assessment on Child Labor in Kabul, Kabul, Research commissioned by the ILO International Program on the Elimination of Child Labor (ILO-IPEC).
3.1 Input Households

Child labor among input producing households takes many forms depending on the type of activity the household conducts. Findings show that children are involved in non-technical activities like separating and sorting wool fibers. 1 in 5 households employ children below the age of 14 in input production activities. The figure rises to 34% if children under 17 are included. In Herat and Faryab, carpet inputs (such as woolen threads) are produced at a household level, rather than industrialized factories or centralized production facilities. Within the context of the home, many children begin working under the auspices of supporting their parents. Virtually all children (94%) are trained and work under the supervision of their parents or other adults in their own homes. Children tend not to perform activities that require strength or sharp tools, like shearing sheep themselves. However they may also be involved with peripheral activities such as herding livestock.

Graph 2: Percentage of households employing household members, by age group

Similar proportions of households employ boys and girls under the age of 17 in input production. The sharp rise in female labor from age 18 and above reflects the fact that girls begin performing these activities as they approach the age of marriage, and testifies the strong influence of traditional values associated with the carpet weaving value chain. Since activities like wool spinning are home-based activities women are able to perform these income generating tasks without transgressing cultural dogma. As women are often the primary caregivers for young children, their own involvement in home-based production has significant consequences for child labor, as we shall see in the next chapter.

Child labor among input producing households appears to function alongside school, although it is not possible to discount reporting bias here. Nevertheless, the weight of consensus among input producing households suggests that many children manage to balance their education with household production activities, which many parents consider as ‘chores’ rather than labor per se. Overall, 88% of households who employ

23 Some households may wish to downplay the role of children in carpet weaving because they know international actors have focused significant attention on encouraging education and eradicating child labor.
children say that their children attend school – either boys only, girls only or both boys and girls. Given the comparatively short length of the school day for many children in Afghanistan, it is relatively easy for households to employ their children for long hours when they are not at school. Children between the ages of 11-15 may attend school for a minimum of 2.5 – 4 hours a day according to the Ministry of Education in Afghanistan. This does not detract from the fact that children are required to spend many hours a day supporting their parents’ economic activities. On average, children aged 14-11 work approximately 6hrs (boys) and 4hrs (girls) a day. Children aged 10-7 work 5hrs (boys) and 3hrs (girls) a day.

Zar Afshan, a wool thread producer in Andisha township in Herat province, says: “...two of my daughters, each aged 10 and 7 years, work with me in wool cleaning. I force them to help me with this task. They work for 1 hour per day” However, like many of the case study interviewees, Zar Afshan insists that her children still attend school. Similarly, Miriam, a wool producer from the same area says that her grandchildren: “...assist me only in their free times.”

In Faryab, the situation is the same. Children support their parents’ labor activities when they return from school. Mukharam, a wool spinner from Andkhoy District in Faryab, says: “Our children go to school and work. It is good for us that our children work because when we are busy with the household chores they can spin the wool instead of us.” A neighbouring wool spinner, Ranayat, echoes this sentiment: “Children help with

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these tasks when they are back from school. They study for three hours at school and spend the rest of their days working with their families and contributing to the family income.”

In effect, and confirming findings from past studies, carpet weaving is not incompatible with a formal school education. Unlike in other child labor dependent sectors, like children working in brick kilns or in metalwork, here children have a higher literacy rate and lower school dropout rates, even among girls. This provides a solid platform for developing localized, and school-based response to child protection needs in the carpet-weaving sector.

Case Study 3: A Vanishing Childhood

Sughra is 16 years old. She wakes up as early as 4:30 and by 5 o’clock in the morning begins weaving because the light in the morning is good. She weaves for about 2 hours before leaving for school. She returns at about 12 and eats lunch with her family that her mother prepares. She gets a bit of free time to herself until about 2 o’clock before she has to return to the loom. She weaves for about another 2 hours a stretch. At 4 o’clock the weaving for the day comes to an end and she is now free to play with her cousins and siblings. In the evening, she does not weave because the light is bad.

Sughra is the eldest member of the family now working on the loom that her father owns. Two of her cousins, aged 13 and 11, help Sughra to weave carpets. Sughra is the manager of the loom in spite of her young age, and is missing out on a vanishing childhood with the responsibility of training other children to weave on the loom and of ensuring that the carpets are finished. Her father sometimes allows the children of her relatives or neighbors to come over and weave on the loom just to earn a bit of extra money. Sughra’s father typically pays them a wage of around 2000 AFN per square meter, but this arrangement rarely takes place. Sughra’s father says that he allows children from other households (generally is relatives and acquaintances) to come and weave because the families are in need of money.

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25 ILO (2008), A Rapid Assessment on Child Labor in Kabul, Kabul, Research commissioned by the ILO International Program on the Elimination of Child Labor (ILO-IPEC), p.17
Debt bondage (bonded labor): “The status or condition arising from a pledge by a debtor of his personal services or of those of a person under his control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined”

1956 UN Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions are Practices Similar to Slavery

The UN definition above highlights three elements common to situations of bonded labor. First is the presence of debt and pledge of service to repay it. Here the worker in question is held as collateral for the loan and freedom of movement and decision are surrendered. Secondly, the service offering may be voluntary or involuntary. Finally, either the wage is underpaid according to ‘reasonable assessment’ or the length and duration of servitude is undefined.

The data in this research clearly indicates that households take on debt for sustenance, which is paid back by weaving carpets (or spinning yarns). However, whether this amounts to bonded labor is not immediately clear. According to the definition above, it is not sufficient merely for the presence of debt and the pledge of labor to be called ‘bonded labor’. Instead, there needs to be a restriction upon the family’s decision or movement. For instance, laborers in the brick kiln industry are migrant workers provided with living space by the employer, which restricts their movement. It is difficult to say whether carpet weaving has any such coercive methods of servitude. Qualitative interviews did not reveal any.

There is vagueness as to whether the services of children are offered voluntarily given that adult males negotiate contracts and terms of debt. Moreover, the definition does not cover the ‘induced nature of employment due to lack of alternatives’*. As will be detailed later in the report, the necessity of children working often stems from lack of alternatives and economically induced labor. Bonded labor also implies an element of coercion in terms of underpayment of services or the length and duration of servitude. While it may be argued that the households are underpaid, their wages are more a reflection of the market condition rather than attempt to keep the households in debt. Also, most households are also able to pay off their debt in one year, only to take on another in the next. The duration of debt is determined by the time it takes to weave the carpet and is not indefinite.

The evidence stated in not enough to establish that children in the carpet weaving industry are in bonded labor. The data shows that risks to children in the carpet weaving industry are from the conditions of work and duration and not from burden of debt. Children are undoubtedly exploited in the process, but they are not bound to labor according to the definitions from the UN. Carpet weaving children work for their families, not for themselves, and hence are not free to choose, they are born in carpet weaving and – especially for women - die in carpet weaving.

See summary of definitions provided in Samuel Hall’s study of Afghan Brick Kilns, Samuel Hall (2012), Buried in Bricks.

*ILO (2005), Global Alliance against Forced Labor, Geneva
3.2 Input Traders

Some input supplying households are also input producing households. Among the sampled population, child labor was only observed among input traders who produce inputs. Children are not involved in trading or supplying inputs to other value chain actors, they are only involved in input production. A small but notable proportion (16%) of children under the age of 14 are employed by their parents at this level. Due to the small sample sizes, the percentages presented in this section of the report are indicative rather than definitive. Of the 11 traders interviewed who employ their children under the age of 17, 5 employ children between 11-14 to sort wool and a further 6 employ children of the same age to spin the wool at home. All traders who employ children in the sample say that they pay children a wage, although there is no qualitative evidence to support or undermine this claim. The average wage is around 130 AFN per day (around USD 2.40), with wages ranging from as little as 20AFN per day to as much as 200AFN per day. Virtually all input traders recognize that child labor is ‘bad’ (92%). When asked why, 87% said that children miss out on their education if they are employed. However, input traders also recognize that economic necessity is often the underlying reason why households employ their own children to produce carpets and input supplies. 92% of input traders say that carpet weaving and input producing households are forced to employ their own children because the households are poor.

3.3 Weaving Households

Weaving a carpet is a slow process, involving hundreds of knots per square inch depending on the quality of the carpet. A single carpet can take months to finish – at minimum 2 but more often 4 months spent crouching over a horizontal wooden loom often in poorly lit or dusty conditions. Young girls in particular are at great risk of following their mothers down a similar path. The findings suggest that once a young girl starts weaving, she will continue to work on the loom for the rest of her life, continuing to weave well after she is engaged, married and becomes herself a mother – perpetuating the cycle of child labor. Whether one looks at the number of households that employ children, or the total number of children employed, girls are notably more likely to be involved in carpet weaving activities than boys.

Child labor among weaving households is significant. - just over a third (33%) of weaving households employ children under 14, and more than half (56%) employ children under the age of 17. In some cases, children start weaving carpets as young as 5 years old. Child labor was present in the GoodWeave licensed and non-licensed supply chains; therefore the figures below are taken from the sample as a whole.²⁶

²⁶ These were households who were weaving for GoodWeave’s new licensee. The households were yet to be audited under GoodWeave’s policy for child weavers.
Unlike input producing households, gender roles in carpet weaving are strongly reinforced from a young age taught by their own mothers when they were children. By the time she is 18, an average girl living in the surveyed areas will almost certainly be weaving carpets – 98% of households employ women over the age of 18 in carpet weaving. Women are often confined to their houses once they are married due to strong cultural norms. Therefore, home-based carpet weaving is one of the few economic activities that many women are able to perform. Significantly, the data shows that women are most likely to start weaving at around the age of marriage (15-24 years), when they are more likely to be restricted to their homes than when they were children. Even so, many young girls begin weaving below the age of 14 during the only period of their lives where they can enjoy the comparative freedom of youth.

Looking at the number of children who work as a proportion of the total number of children in weaving households, we find that 33% of female children are employed in weaving activities, compared to only 9% of boys from the same households.

Table 2: Number of children employed to work in weaving households

<table>
<thead>
<tr>
<th></th>
<th>Absolute</th>
<th>Percentage</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Weaving</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>93</td>
<td>9%</td>
<td>33%</td>
</tr>
<tr>
<td>Spinning</td>
<td></td>
<td></td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Dyeing</td>
<td></td>
<td></td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>278</td>
<td>241</td>
<td>278</td>
</tr>
</tbody>
</table>

27 40% of girls between the age of 15-24 are married according to the National Risk and Vulnerability Assessment conducted by the Afghanistan Central Statistics Organization in 2013.
The number of girls who are involved in carpet weaving increases with age — the older they become, the more likely they are to start weaving carpets. Girls start carpet weaving as young as 5-6 years old, although this is uncommon. Nevertheless, by the age of 7-10, girls start learning the basic skills and patterns. Approximately 10% of households employ girls of this age. 1 in 5 households employ girls who are 11-14 years old and one third of households (34%) employ girls who are 15-17 years old.

It is difficult to measure the precise number of hours that children work on the looms due to inherent errors of self-reporting, but the qualitative findings suggest that weaving is a dawn-to-dusk activity for adult women, while younger children seem to accommodate weaving duties with their schooling. It is not clear whether weaving is a seasonal activity, but the prolonged daylight hours during summer months suggest that it could be an important factor in determining the number of hours spent weaving. The family setting and home-based nature of their work makes it difficult to measure. What is certain is that they weave six days a week — with one day being given as rest.

Quantitative estimates are therefore conservative. Very few households report child labor from 10-7, which makes it even harder to generate an accurate number for hours worked. Of the 13 households that employ girls aged 10-7, the average number of hours worked is 4 per day. Children aged 14-11 work around 5-6 hours a day. Estimates from the data and field observations suggest that children between the ages of 17-15 work around 7-8 hours a day. Qualitative interviews found that many households tend to work on the looms 6 days a week, taking Friday as a day of rest. Therefore children aged 15-17 work approximately 50hrs a week on average, and children aged 14-11 work 36 hours a week on average. According to one adult carpet weaver in Herat: “I weave carpets eight hours a day and six days a week...” Of the households that employ children...
(56%) in total, the majority employ girls between 15 and 17 years old for weaving (61 out of 68). A significant proportion also employs girls from 11-14 years old (42 out of 51).

54% of weaving households that employ children say that their children attend school. If one includes households that send only boys or only girls to school, the figure rises to 82% of households.

<table>
<thead>
<tr>
<th>Table 3: Activities in which children are involved, by gender and age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Age 15-17</td>
</tr>
<tr>
<td>Age 11-14</td>
</tr>
<tr>
<td>Age 7-10</td>
</tr>
<tr>
<td>Age 6 and under</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

*Figures correspond absolute number of all children working in weaving or related activities

Negative health impacts associated with carpet weaving are well documented in other countries, yet little is known about the impacts in Afghanistan. The preliminary indications from this study suggest that children in weaving households suffer from maladies or illnesses related to carpet weaving in the short term such as coughing (48%) or breathing difficulties (28%), which are caused by the fine woolen particles suspended in the air around the looms. In spite of reports of drug use among carpet weaving communities, this practice was not detected during the fieldwork, although it cannot be ruled out altogether.

29 Field observations of carpet weavers
It is impossible to assess the long-term health impacts in the current study, as a dedicated health research is needed to assess these beyond the eyes of a general observer. We will return to this in the conclusions and recommendations chapter. What can be said, however, is that older carpet weavers unequivocally provide further evidence for the inherent health risks associated with carpet weaving. Field observations conducted among input producing and carpet weaving households identified a number of potential health hazards for workers. The illnesses or maladies that were mentioned the most are summarized in the table below:

<table>
<thead>
<tr>
<th>Problem</th>
<th>Cause</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back pain</td>
<td>Sitting/squatting over horizontal looms with bent backs for prolonged periods.</td>
</tr>
<tr>
<td>Joint pain in knees</td>
<td></td>
</tr>
<tr>
<td>Shoulder pain</td>
<td></td>
</tr>
<tr>
<td>Poor eyesight</td>
<td></td>
</tr>
<tr>
<td>Headaches</td>
<td>Tying and counting small knots to create the carpet patterns.</td>
</tr>
<tr>
<td>Dizziness</td>
<td></td>
</tr>
<tr>
<td>Difficulty breathing</td>
<td>Fibers from the wool irritate throats and lungs.</td>
</tr>
<tr>
<td>Dry skin/rashes on hands</td>
<td>Working with coarse woolen fibers and tying tight knots for prolonged periods. Thorns or other organic debris in the wool fibers.</td>
</tr>
</tbody>
</table>

There are few, if any, measures taken to address these problems at a household level. Many looms are located inside the house with poor light. Even those located near to windows or outside are constrained by poor natural light in the early morning and late at night. The poor or inexistent supply of electricity, especially in
rural areas, exacerbates the problem of lighting. As a result many older carpet weavers complain of deteriorating eyesight and headaches caused by prolonged intense focus on tying knots. The looms themselves are designed with little consideration for ergonomics. Most weavers in Herat and Faryab use horizontal looms which require the weaver to squat on the ground close to the threads for many hours a day. The prevalence of horizontal looms in Afghanistan compared to vertical looms in other countries is interesting and could be due to lower costs, easier maintenance and the availability of replacement components. It would be interesting to test this hypothesis in future research. Throughout much of the weaving process, fine woolen particles are suspended in the air causing irritation to the eyes and throat. Indeed, researchers observed many children and adults coughing and sneezing during the fieldwork. However, in order to convincingly demonstrate to households that these problems are acutely linked to carpet weaving, a control group of non-weaving children and adults should be used. This could form a core component of future action-based research into child labor in the carpet-weaving sector.
Ashor and his family used to live in Gulan District, Herat, where they farmed their own land. However, they were forced to move to the 9th District of Herat city following rising insecurity in Gulan, leaving their house and farm behind them. With few employment opportunities, Ashor struggled to find a job in the City. In order to generate some income for the family, Ashor’s wife and son have started to weave carpets, but the income they get is still small. He says: “I do not have any job here. I have become old, and I have only one son, who weaves carpet with his mother but does not make enough money.”

Nafas Gul was forced to leave her home in Ruahr Sang in Herat Province. Severe drought and poor job opportunities made life impossible for Hafas Gul and her family, so they moved to the City. Unlike Ashor, Nafas Gul practised carpet weaving in her home village, so she was able to bring her source of income with her. Renting a loom, Nafas Gul now weaves carpets in Herat City and sells directly to the market for a small income. In spite of economic hardship, she does not employ her young children on the looms to weave carpets.

These examples illustrate two different uses of carpet weaving in conflict induced and natural disaster induced internally displaced families. In Ashor’s example, carpet weaving provides a ‘fall back’ coping mechanism. Unable to find employment himself, carpet weaving is the only option for his wife and son. In Nafas Gul’s example, carpet weaving provides the security needed to facilitate the move from one location to another. Further research is needed to examine the role of carpet weaving among migrant households. It would be interesting to explore how many households adopt carpet weaving when they move to a new location and to examine the effect this has on local markets. It is one thing to know how to make a carpet, but quite another to know how to sell it. Therefore an important exercise in this regard would be to overlay migration maps with carpet trade networks to examine possible connections. Do people move to locations where they know they can sell carpets?

Further research is needed to examine the effect of population movements (whether through internal displacement or labor migration) on child labor. This study shows that economic necessity is the main cause of child labor. Following this logic, the prevalence of child labor in carpet weaving among displaced and migrant communities could be notably higher than among non-migrant communities. Rising rates of internally displaced persons (IDPs), estimated at over 600,000 conflict-induced IDPs and over 100,000 natural disaster-induced IDPs, render an analysis of child labor in displaced families a necessity given vulnerabilities that result from forced displacement.

In the same vein, voluntary migration can also negatively impact children left behind. Anecdotal evidence from Herat province shows that the absence of male heads of household – who migrate to Iran for work, as irregular labor migrants – transfers income-earning responsibility to their spouse and children. Before they leave, they settle specific commissions with middlemen to ensure that, during their absence, their families are kept busy. This diversification of income places an increased burden on children, and illustrates the potential negative impact of labor migration on families – and children – left behind. More research on the negative impact of migration on children left behind is needed – especially as the 2008 rapid assessment on child labor showed the prevalence of orphans and unaccompanied minors in the carpet-weaving sector. A dynamic household profile creates new vulnerabilities and coping mechanisms, making children central and income-earning actors of their families.
4. A GORDIAN KNOT: CAUSES OF CHILD LABOR

Child labor throughout the carpet sector is caused by strong market pressures and underlying socio-cultural traditions. Together these factors compel and induce households to employ their children in labor activities. Social and economic factors are closely linked. For example, high labor intensity (economic) means that the only way for women to care for their children is to keep them by their sides while they work on the looms. In this way, child labor on the looms effectively provides a day care service (social). The main economic causes of child labor are labor intensity and low unit returns – it takes a long time to make a carpet and the returns are often very low. Growing competition from the international market forces many households to make more carpets for less money. As a result, families employ children to increase the household’s productive capacity and thereby increase income.

1 NEEDS MUST – A CALCULATED ECONOMIC DECISION TO EMPLOY CHILDREN: 78% of weaving households who employ children do so ‘in order to earn more income for the household’.

2 MANY HANDS MAKE LIGHT WORK - HOUSEHOLDS USE CHILDREN TO SPEED UP PRODUCTION: Households that employ children are able to produce more carpets a year on average than households that do not employ children. A single carpet of 1m’ can take up to 90 days to weave for a single carpet weaver.

3 WEAVING FOR SURVIVAL – A TRADITIONAL COPING STRATEGY: Carpet weaving can be deployed as a coping mechanism during times of economic hardship – indeed some households start weaving when a household member is sick, injured or cannot work in other labor activities, or when a woman is widowed.

The main social cause of child labor is the fact that it is a home-based and traditional industry. In practice, this means that children often start carpet weaving because their parents want to keep children by their sides during the day – and they are not the first in their families to be in this position; their work is part of a life-long social and economic cycle. There is a long-standing historical precedent for child labor in weaving communities as many of the older carpet weavers started weaving when they were children themselves. For some families, child labor is simply a continuation of a traditional household activity.

1 WATCHING OVER CHILDREN – LABOR AS DAYCARE: Parents often decide to employ children as a means of watching over them during the day, and as a means of ensuring that they are not getting into trouble on the streets. 35% and 17% of weaving and input-producing households respectively that employ children do so because there is nothing else for them to do.

2 HISTORY REPEATS ITSELF – AN INTERGENERATIONAL CYCLE OF LABOR: Attitudes towards child labor are tempered by tradition. Many adults started weaving when they were children, so the use of their own children to weave carpets is not considered to be unusual. A plurality of respondents (23%) in weaving households think that children can start weaving as young as 7 years old. In 2008*, among the sample interviewed, over half of the children surveyed recommended carpet weaving to their peers; and over half of the adults considered it a fair practice.

* ILO (2008), A Rapid Assessment on Child Labor in Kabul, Kabul, Research commissioned by the ILO International Program on the Elimination of Child Labor (ILO-IPEC).
4.1 Economic factors

Prevailing market conditions encourage households to employ their children in carpet weaving and input supply production. Put simply, low-income households must invest significant labor time to produce a single carpet for which they receive little money. High labor intensity and low economic returns put pressure on household production units to maximize labor potential. This creates a strong incentive for employing children because households are able to make more carpets in a shorter timeframe and therefore earn more money. The figure below shows the underlying economic drivers of child labor.

4.1.1 Household poverty: needs must

One of the root causes of child labor in the carpet-weaving sector is economic necessity. Carpet weaving is often a secondary source of income for producer households. Low wages and poor job opportunities force many households to adopt multiple economic activities in order to generate sufficient income. 75% of households were engaged in

“We are a poor family and our men can earn a small amount of money, that’s why our children both study and work to make an income for the household” – Totakhil, wool spinner, Andkhoy, Faryab
another economic activity, particularly in the construction sector as daily paid laborers. A small proportion of households are also involved in spinning wool into yarns/threads (18%), or washing and cutting the carpets (10%) to increase the share of the income that they get along with weaving.

Just over three-quarters (78%) of respondents from weaving households that employ children said that they employ children in order to earn extra income for the household. Corroborating this, households that have taken loans in the past are more likely to employ children under the age of 18 than households that have never taken a loan – 61% compared to 48% respectively. More than 1 in 5 households say that they employ children in order to pay off a family debt, although this does not infer debt bondage, as highlighted in Box 4.

Graph 5: Reasons for child labor among weaving households

The picture is similar among input producing households – 68% of the sample said that children work in order for the household to earn some extra income, while 21% of households who employed children said they did so to pay off their debts. The qualitative data also suggests that child labor is used as a coping mechanism in times of economic hardship or difficulty. For example, one household encouraged its children to weave because the father was sick and could not work.
In abject poverty, the most frequent reason for taking on debt in Afghanistan is to meet immediate basic needs such as food or fuel. Samuel Hall conducted research for the First Micro Finance Bank Afghanistan (FMFB-A) to explore rural demand for credit services. The survey found that the main source for credit is almost universally relatives or/and traders. Transactions also take place in kind as a farm might pay back his creditor at harvest period. When traders or subcontractors give loans, they provide them in small amounts so that a default or a delayed payment does not hurt them much. Transactions on debt are agreed to be marginally more expensive than on cash. However, as one trader puts it, “there is no other way of doing business. If I don’t give credit, no one will be able to buy from me”. Thus, debt actively stimulates trade, and since interest is considered ‘haram’ there are few opportunities in this specific context for debt bondage to occur.

The case of carpet weaving is the same. Households will take debt from sub-contractors and input suppliers in cash or kind, which is paid back at the end of delivery of the product. These debts are taken/given in expectation of the value that will be obtained from the end product that the household will deliver (i.e. carpet or input) to ensure repayment. Out of all producing households that were surveyed (weaving and input producers combined) 68% households had taken on debt and 40% used it for daily consumption needs. A debt cycle such as this usually lasts for the time it takes for the production of a carpet or woolen threads. The type of short-term debt incurred by carpet weaving households in the sampled population is not an underlying cause for child labor and nor does it appear to lead to any form of debt bondage.
4.1.2 Labor intensive: long threads and even longer hours

High labor input encourages households to employ children in order to boost the household’s productive capacity. Carpets are made by hand and take a long time to make. The faster a household can produce a carpet, the more money it earns. Employing children can reduce labor time and increase production outputs. A single carpet of 1 m² can take one adult female anywhere between 10 days to 90 days to weave depending upon the experience of the weaver. An experienced child can complete a carpet in the same time frame depending on the number of hours worked in a day. There is categorically no evidence to suggest that children can weave better or faster because they have smaller hands or better eyesight. The average weaving time is close to 37 days but since most people cannot endure the physical strain of crouching over a loom for months on end, a household only ends up producing 2-3 carpets in a year at this rate. The data shows that households that employ children are able to produce more carpets on average each year. For example, of the 6 surveyed households that are able to produce 6 rugs a year, 5 employ children. In the sample collected for this study, children’s time contribution represented 41% of the total time required to weave the carpet. This is a strong incentive for employing children and leaves many families reluctant to stop their children from working on the looms. According to one carpet weaver in Faryab: “If someone provides us the inputs or the share that children can earn us in carpet weaving, we will have the children removed from carpet weaving.”

Graph 7: Average annual carpet production, by child/non-child labor households

4.1.3 Low unit returns: difficult to make any money

The price of carpets in Afghanistan is being suppressed by competition from foreign producers. This has a direct impact on market value of each carpet unit. The carpet weaving industry of Afghanistan is an export-driven market. Before the conflict began in Afghanistan (1956-1976), approximately 90% of the total

"Some of the households whose children help with carpet weaving earn more profit and weave more carpets” – Carpet weaver, Faryab.
production was being exported\textsuperscript{31}. Studies by government indicate that exports still presents the best opportunity to keep the Afghan carpet industry alive\textsuperscript{32}, but it is an increasingly difficult marketplace. In 2012, the top 5 import markets were USA, Germany, UK, Canada and Japan, which accounted for half the world’s carpet imports. There has been little fluctuation in demand over the last five years suggesting a reasonably stable market in the near future. This is an attractive market for producers who are able to meet the demand. Turkey, Pakistan, India and Iran all export mass-produced carpets. Indeed, Turkey and India ranked 2\textsuperscript{o} and 4\textsuperscript{o} respectively in exports of carpets to the world in 2012. In the run up to this period, Afghanistan’s rank in world carpet exports dropped 5 places between 2008 and 2012 to 26\textsuperscript{o} position. In spite of the Government’s optimism, there is no doubt that Afghanistan is struggling to keep apace the international market.

As far as the household is concerned, this means that exporters are unable to pay premium rates for carpets produced domestically, which suppresses the monetary return on each unit. Low carpet prices lead to low household income. Since households get paid for each carpet they produce rather than on a personal wage basis, they are incentivized to increase their productive capacity. In other words, the faster a household can complete a carpet, the more carpets they can make, and therefore the more money they can earn: “I think children should work on the looms so that the carpet weaving is done sooner” – Nassima, carpet weaver, Sherinteghab, Faryab. In the surveyed areas, this has resulted in a situation where supply outstrips demand, which further suppresses the unit value of a carpet. Carpet weavers themselves say that it is difficult to make a living from weaving carpets due to the high cost of input supplies (28\% of respondents), the low price of carpets (22\%) and the difficulty of finding good buyers (21\%). Even in the licensed supply chain the households claimed that earning an income from carpet weaving was very difficult because the price of the carpets was very low.

The reality of low unit cost is in stark contrast to the high level of demand among international carpet dealers, who would be prepared to pay a high price for carpets that come directly from Herat or Faryab. Sellers in Europe\textsuperscript{33}, for example, struggle to find carpets that come directly from Afghanistan. They go to Pakistan to buy carpets that come from Faryab. This means that very little of the carpet’s final value actually ends up in the pockets of producer households once it has been sold in a foreign market (unlike domestic markets, where households receive around 40\% of the carpet’s value). Connecting households directly to buyers could alleviate short-term economic hardship by increasing the financial returns for producer households. However, quite apart from the logistical challenge of connecting traders with households directly, this would require considerable efforts to equip producers with commercial and economic expertise to prepare them for direct trade. For example, households would need to know where to find buyers, how to set terms of trade, whether to set up formalized producer-trader relations or remain ad hoc producers, adjust their prices and understand final market demand (i.e. what the final buyer in the US wants from a carpet). Currently they tend to rely on the nous of the middlemen to play this role. We return to this issue in the recommendations section at the end of the report.

\begin{flushright}
\textquote{The competition affects the prices a lot. There are lots of carpet weavers, but not enough customers for the carpets, which is why the carpets are sold for low prices} – Carpet weaver, Faryab.
\end{flushright}

\textsuperscript{31} Banwal, A.B., (2005), Status and Prospects of Afghanistan’s Industries: Sectoral Study on Handicrafts with Emphasis on Carpet Weaving, KAS-OFFICE-KABUL

\textsuperscript{32} See studies by Afghanistan Investment Support Agency (AISA); Banwal (2005), idem.

\textsuperscript{33} Key informant interview with a carpet seller in Europe.
4.2 Social factors

In addition to economic factors, deep-rooted social phenomena induce households towards child labor. The fact that carpet weaving and input production are home-based activities makes it very easy for children to start weaving at a young age under the supervision of their parents, which limits child protection safeguards. In addition, there is a historical precedence for child labor in carpet weaving communities because older generations often started weaving when they were children too. In this regard, there is a ready child workforce in many of the households in the surveyed areas. The figure below summarizes the social factors that lead to child labor.

Box 8: A Production Paradox: Home-Based vs. Factory-Based Production

The fact that weaving takes place at home is one of the primary causes of child labor. This also makes it difficult to monitor whether children are being employed or not. However, pressure from international markets may encourage some exporters to set up centralized factories in order to reduce costs and speed up production. In other countries, this often creates a rich environment for child exploitation, and there is nothing to suggest that Afghanistan will not go down a similar path. However, this model would be much easier to monitor than home-based labor, and, paradoxically may help to reduce the prevalence of child labor in Afghanistan, as the survey findings show. Since this form of production is still very much in its infancy in Afghanistan, there is a window of opportunity for GoodWeave to ensure that policies are put in place to ensure that this does not happen. This would include sharing best-practice lessons from other of GoodWeave’s areas of operation and working in close partnership with the ILO, as discussed in detail in the recommendation section at the end of the report.

The GoodWeave licensed supply chain did not show any incidence of child labor at the input production phase. The reason for this was that input production for the licensed chain was taking place in a centralized unit rather than a household. At this facility, there were only adult women involved who were paid a wage to come to the facility to clean and spin the wool.

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4.2.1 Home-based activity: an informal social safety net?

Since carpet weaving and input production take place at home, many families opt to employ their children as a means of childcare, especially for younger children. Carpet weaving is labor intensive and many women are forced to spend most of their day working on the looms, which makes it difficult to mind their children. By engaging small children in carpet weaving, mothers are able to keep an eye on them throughout the day while continuing to work on the looms themselves. Thus the lines between labor and casual contribution to weaving are easily blurred, particularly for the very young who may be given a spool of thread to untangle for their mother. What starts out as an informal social safety net and day care system, quickly and very naturally turns into a model of child labor at home.

The fact that carpet weaving and input production are home-based has further implications. A significant proportion of input producing households (38%) say that they employ children to keep them busy because there is nothing else to do. Just under a fifth (17%) of weaving households say that they employ their children for the same reason. These findings are similar to the motivations for child labor reported in a Samuel Hall report about brick kilns, which found that parents preferred to keep their children at their sides during the day to avoid exposing them to criminality, drug abuse

“The households train their children in carpet weaving to avoid them from going outside the home” - Khal Shah, carpet weaver, Andkhoy, Faryab
or violence.” The deteriorating security situation, especially in Faryab, makes parents reluctant to allow their children to play on the streets. Anecdotally, there are few activities in which young people can engage outside of education and employment. Nationally, there are few sports academies, youth clubs or societies and few schools offer extra-curricular activities after classroom hours, which lends legitimacy to parents’ concerns for their children’s welfare when they are not at school. The lack of a supervised space for children and youth to gather, exchange, socialize outside of school or outside of their homes, means that they fall more easily into patterns of home-based work.

Finally, the fact that carpet weaving is home-based means that it has been traditionally dominated by women. Since women are often the primary caregivers of young children, this brings children into close proximity with weaving from a young age, whether they actively participate or not. The convergence of carpet weaving and caregiving through women is one of the reasons why children are involved in the carpet weaving industry. This is especially true for girls. As shown in the previous chapter, girls under the age of 14 are notably more likely to be involved in carpet weaving than boys of the same age. There is greater social pressure on households to employ girls than boys because girls are often expected to weave for their husbands when they are married later in life. Boys, on the other hand, are expected to engage in economic activities outside of the house like agriculture or daily wage labor. As a result, many parents consider early involvement in carpet weaving to be beneficial for girls – in fact, skilled weavers have been reported to fetch a higher bride price³⁵. Thus the transmission of skill from mother to daughter often perpetuates the cycle of child labor through the generations.

However, there are increasing signs that this cycle is being interrupted – which provides a second entry point for programming interventions that can ‘ride the wave’ of this transition. Young girls today are notably more likely to have attended school than their parents’ or grandparents’ generations and the qualitative interviews and focus groups certainly found that many women do not enjoy carpet weaving and feel compelled to do it out of economic necessity. There is no historical data for comparison, but it would be interesting to see whether attitudes towards carpet weaving among women have changed since the increase in female education.

Weaning families off child labor will not be easy. Parents need to be convinced that a) they can maintain the same level of production and income that they reap from child labor, and b) that their children have something better to do. A female carpet weaver from Andkhoy in Faryab said that people in her community would be happy to ban children from working on the looms if they were to be “supported and assisted properly.” Indeed, 87% of weaving households that employ children said that they would stop employing their children if there was sufficient income for the family.

³⁴ Samuel Hall (2011): Buried in Bricks, p.42
³⁵ Anecdotal evidence from a carpet value chain analysis conducted by Samuel Hall (2014) in Faryab province on behalf of DACAAR.
4.2.2 Traditional roots: cycles of labor

Many see child participation in carpet weaving as a continuation of a long-held tradition in the local community. Carpet weaving is deeply embedded in local cultural identity in Faryab and Herat — so much so that experts can easily identify where a carpet was made and even the group of people who made it based on the pattern, weave quality and materials used. Even today, when patterns often comprise design elements from many different locations, it is still possible to establish the provenance of a carpet. Field observations and in-depth interviews with village leaders found that most of the households in weaving communities practiced carpet weaving. According to one village leader in Andkhoy: “Carpet weaving is so important in Andkhoy because it is the only profession of the residents here, and the carpet from Andkhoy district is more popular. Hundreds of families are weaving carpets in this area; most of them are the women.” The reality is that in the surveyed areas, there are limited employment opportunities so people rely on traditional crafts as a way to guarantee a steady, albeit small, income.

The fact that carpet weaving has such a long-standing tradition among many communities means that there is no historical precedent for self-regulating child labor. People living in weaving communities are inured to the cultural shock of seeing a child at work on a loom, and in contrast to other forms of child labor, it may be seen as comparatively benign — especially since it is conducted in the household. As a result, people may not consider child participation in household weaving as a labor activity, in the same way that they might consider child participation in a coal mine or brick kiln. The process by which a child is inducted into carpet weaving is often organic and begins at an early age. Respondents living in carpet weaving households were asked at what age they thought children can start weaving carpets. Overall, a plurality of respondents (23%) think that children can start working on the looms at the age of 7 years old. As the graph below shows, the significant majority of households think that children can start working on the looms at the age of 7 years old. As the graph below shows, the significant majority of households think that children can start working below the age of 14. While respondents expressed concern that children’s education could be affected by participation in carpet weaving, many said that their children attend school and weave carpets, which may account for the perception that children could participate in carpet weaving as young as 7 years old: “In Afghan society, children should be taught things between the ages of 6-12 because they can grasp much more in these ages” — Bibi Khadija, carpet weaver, Andkhoy, Faryab.

“Since, there is no other job to do, it is important to weave carpets and provide money for the household. I started weaving carpets when I was five years old” — Focus group with female carpet weavers in Herat.

“...my two daughters, each aged 12 and 13 have been working with me on the looms since they were 7 years old” — Be Be Nar, carpet weaver, Sar-I Pul, Herat

“...Since, there is no other job to do, it is important to weave carpets and provide money for the household. I started weaving carpets when I was five years old” — Focus group with female carpet weavers in Herat.

“...my two daughters, each aged 12 and 13 have been working with me on the looms since they were 7 years old” — Be Be Nar, carpet weaver, Sar-I Pul, Herat
In spite of these views, over the last decade there are more incentives for households not to employ children than in the past - principally education. Many parents recognize that child labor can have negative impacts on their children’s education and would prefer their children to attend school rather than work on the looms: “I think children shouldn’t be involved in carpet weaving. Instead, they should be sent to school to learn things and become educated” – Rukhsana, carpet weaver, Sherintaghab, Faryab.

Of the 67 households in the surveyed sample who employ children to weave carpets, almost 1 in 5 (18%) do not send their children to school. Of these, (31 in total), 15 say that the reason for their children not attending school is that they must weave carpets. Field observations found that many families consider carpet weaving an investment for their children’s future. Many have reservations about the relevance of academic skills in the reality of today’s labor market. In crude economic terms, children are a sunk cost to households because they are economically unproductive household members that need to be fed, clothed, sheltered and educated. In the face of poverty, poor employment opportunities and rising food prices, households must balance the opportunity cost of sending a child to school or employing them on the looms. Ultimately, many parents think it is better simply to teach their children a practical skill like weaving that they can use when they are older, rather than gamble on an education that may not bring any returns later in life. Although the education system has significantly improved over the last decade, many of the jobs for which children are prepared simply do not exist. Afghanistan remains a predominantly agricultural economy, and while the last few years have seen a growth in the services sector, the withdrawal of international forces at the end of 2014 will likely witness a decrease in employment opportunities in this area. Moreover, most of the jobs in the services sector are located in urban centers such as Herat city, Maimana and Kabul. In rural areas, employment opportunities are extremely limited, especially for women, so carpet weaving remains an important, if not always popular, means of income generation for many respondents. Encouragingly, the majority of households that employ children to weave carpets say that they send their children to school. Just over half (54%) send both girls and boys to school. Many respondents do not consider education and carpet weaving to be mutually exclusive activities, as the following quote illustrates: “The children usually go to school for half a day and then they do the household chores or help with carpet weaving” – Khal Shah, carpet weaver, Andkhoy, Faryab.
CONCLUSION

Child labor is caused by strong economic push factors and social pull factors, but the outcomes are always the same – trapped in a cycle of labor that has been passed down through the generations, young girls especially have little hope of changing their future. A lifetime of weaving awaits them and their children. The reality of child labor in the carpet sector is bleak. Yet the very fact that households exploit children is a sign of economic desperation, which means that interventions to address child labor must be carefully considered in order to avoid destroying an important livelihood option for impoverished households. Overall, the nature of the carpet sector leaves children:

- **WORKING WITHOUT SAFEGUARDS** – The home-based nature of carpet weaving and input production obstructs efforts to implement child protection policies. The prevalence of child labor in the carpet sector is likely underreported by households who are often reluctant to report behaviors they know that donors or implementers condone. So long as it remains predominantly home based, it will be impossible to fully grasp the extent of the problem, or the extent of underreporting.

- **WORKING WITHOUT ALTERNATIVES** – Poor employment opportunities and low wages leave many households with little option but to weave carpets or spin wool in order to subsidize their regular income. The labor market in rural areas is often stagnant, relying almost entirely on agriculture or daily wage labor in activities such as construction. Until there are alternative (and lucrative) economic opportunities, households will continue to rely on carpet weaving.

- **WORKING WITHOUT A FUTURE** – Many households think that children should learn how to weave carpets or help out with input production activities, such as wool spinning, because there is nothing else for them to do, either as children or when they are adults (38% input producing households, 17% weaving households). This is particularly the case for girls who are often expected to weave for the rest of their lives once they get married.

- **WORKING WITHOUT END** – Girls who start carpet weaving will almost certainly continue to weave carpet until failing eyesight or ill health intervene. Strong cultural norms restrict women to household labor activities and perpetuate the intergenerational cycle of female-dominated labor in the weaving sector. Mothers teach their daughters to weave to prepare them for the same life they themselves lead.

Measures to address child labor should be built around 6 primary policy responses:

1) **SAFEGUARDING BENEFITS FOR CHILDREN** – Parents are the key players – they determine whether a child works or not. Getting parents to rethink priorities for their children is no easy task, especially under difficult economic circumstances. However, a core focus of interventions in the carpet
sector should be to encourage parents to put the needs of their children above the needs of the household, and to recognize the exploitative nature of child labor.

2) ENSURING TRANSPARENCY OF PRACTICES – Child labor is virtually impossible to monitor and regulate because it takes place at home. Policy makers should aim to provide a more formalized structure to this hidden practice. Currently there is nothing to stop a household making its children weave around the clock. There is little self-regulation and few incentives for ceasing child labor. Bringing carpet weaving into a more structured context would enable greater oversight of abuse and exploitation of children at all levels of the value chain. In practice this could a number of forms: setting up weaving cooperatives where membership is contingent on no child labor, or creating community-based weaving centers where mothers can weave while their children are looked after in an adjacent day care facility.

3) ENCOURAGING ALTERNATIVE INCOME GENERATING ACTIVITIES AS COPING STRATEGIES – The limited range of fallback options during times of economic hardship leave many families with no choice but to rely on carpet weaving, which often leads to child labor. Developing alternative income generating activities for women in the context of rural Afghanistan is no easy task. An unpublished market assessment and feasibility study by Samuel Hall for DACAAR found that dairy production, poultry and handicrafts are particularly suited for female employment given local market dynamics and cultural restrictions.

4) SAFEGUARDING ALTERNATIVES TO TRANSITION OUT OF CARPET WEAVING – The reality of the labor market in rural Afghanistan leaves few options for children to break with tradition. The concept of a career, much less a career choice is anathema for most youths in Herat and Faryab. Vocational training courses could be offered in parallel to regular education in order to broaden the range of alternative livelihood activities that children can adopt when they leave school. If parents can see that their children are being equipped with a practical life skill, it would alleviate their concerns over the value of a modern education, and may reduce the pressure that some households feel to ‘prepare’ their children for a lifetime of carpet weaving.

5) CREATING CHOICES FOR PARENTS AND CHILDREN – Parents worry about their children during the day: young children at home and older children out on the streets. Building day care facilities, youth clubs, designated sports facilities or other basic infrastructure would provide a safe environment for children to play in during the day, and relieve pressure on mothers to look after their children while they weave carpets themselves. Giving parents a legitimate alternative to weaving as a ‘care’ mechanism would likely reduce child labor on the looms.

6) CUTTING THE TIES THAT BIND – Finally, policy makers must address the cyclical nature of carpet weaving for women. This is closely related to the 4th response outlined above. To break the cycle, there has to be a financially viable and socially acceptable alternative to carpet weaving for women. In Faryab, for example, Women’s Resource Centers (WRC) could be used as a platform for encouraging women to adopt other income generating activities and to foster female entrepreneurship. WRCs provide a physical space and organizational support for female economic activity. Such an environment can
facilitate increased female economic participation in jobs outside of the home and introduce new horizons to younger generations as they begin to think about their own futures.
6. RECOMMENDATIONS

The carpet-weaving sector presents a number of unique challenges for programming. Strong economic push factors and social pull factors create a ubiquitous and pervasive pressure for households to adopt child labor. In the face of such overwhelming pressure, what are the main challenges for policy makers, and where can GoodWeave make a difference?

GoodWeave must find a way to create an environment that actively favors no child labor in the carpet sector. This is not an easy challenge given the immense strain on the economy, high rates of extreme poverty, poor employment opportunities and low wages. However, there are a number of mutually reinforcing actions that could pave the way – through advocacy, information raising campaigns and targeted programming and activities for children, their caregivers and communities. These recommendations build on GoodWeave’s current community-based approach and borrow from other on-going initiatives to emphasize the need for a collective approach around key partnerships. Political and economic uncertainty will characterize the policy landscape over the coming years, and rising insecurity in many rural areas will make it increasingly difficult to maintain a physical presence in the field for many organizations. This is particularly pertinent for GoodWeave as it seeks to audit licensed supply chains.

In today’s development context, community-based approaches are the only way to ensure that the already-commencing transition out-of-carpet-weaving for children is supported with strong alternatives – both economic and social alternatives.

6.1 Advocacy

1. **Advocate for wage labor in the carpet sector.** Households are currently financially incentivized to employ children in carpet weaving because they are often paid for each output unit (i.e. a carpet) or by the meter. The more carpets a household can produce, and the faster they can produce them, the more they get paid. Advocacy should take place at two levels simultaneously:
   - i) **Encourage more traders to offer wage labor, rather than a per unit payment.** Currently, there is little incentive for traders to adopt a wage structure because unit payment ensures faster production times. However, if the perceived benefits of becoming a GoodWeave licensee outweigh the costs of paying a wage, GoodWeave could insist on a wage structure. The benefit of becoming a GoodWeave licensee is that traders are connected to international markets. Given the state of the domestic market, this should be a big incentive, but the problem is that people simply do not know who or what GoodWeave is, let alone how they could benefit from being licensed.
   - ii) **Lobby government to introduce and enforce labor regulations specifically targeting carpet weaving.** This could be a long-term objective over the coming years. GoodWeave could partner with other actors seeking to eradicate child labor (ILO in
particularly) to introduce compulsory wage payment in sectors where child labor is present - particularly carpet weaving and brick kilns. The capacity of the government to implement laws and regulations is weak, but the added clout of government backing could encourage traders and employers to adopt GoodWeave’s terms of licensing.

2. **Conduct community-based awareness raising and education workshops.** Child labor in the carpet-weaving sector is deeply embedded in tradition and culture. People do not consider weaving to be child labor in the same sense as brick kiln work or mining because it is carried out in the house under the supervision of parents. Education programs could help to challenge the perception of child labor as ‘normal’ or ‘culturally acceptable’, by illustrating the negative impacts of child labor (in terms of health, education and welfare) rather than focusing phenotypic characteristics of child labor itself.

### 6.2 Campaigns and Partnerships

3. **Establish a strategic partnership with the ILO, UNICEF and Save the Children.** ILO plays an active and highly visible advocacy and lobbying role in Afghanistan. ILO definitions are recognized, if not always implemented, and few organizations have as much leverage with national and international governments with regards to labor standards for women and children - indeed Samuel Hall and ILO have collaborated on detailed socio-economic surveys and cross-border value chain analyses. Similarly, actors like UNICEF and Save the Children have well-established programs to address child protection needs and have developed practical toolkits for identifying vulnerable children. If GoodWeave wishes to increase brand awareness and policy visibility, these actors will be important players to partner with towards a consolidated approach to child protection in the sector.

4. **Create an information network for stakeholders and development practitioners who work on child labor in carpet weaving.** One of the greatest challenges for development practitioners in Afghanistan continues to be the absence of data. Information is often gathered in silo and rarely shared between stakeholders. GoodWeave should promote an interactive information based management system to allow practitioners to share resources, discuss definitions and coordinate complimentary interventions in local communities. Given the broader socio-economic environment out of which carpet weaving is often born, this kind of information network could encourage cross-sectorial responses and reinforce GoodWeave’s current interventions.

5. **Conduct outreach and communications work in target communities and traders to raise visibility.** The GoodWeave brand should be a familiar sight to carpet dealers in key carpet trading hubs such as Herat, Maimana and Kabul. If carpet traders notice that a licensed trader is doing particularly well they may be encouraged to join the GoodWeave scheme themselves. GoodWeave could organize, sponsor or host a trade fair to showcase the advantages of being licensed by GoodWeave.
6.3 Programming/Activities

6. Establish community-based weaving co-operatives. GoodWeave should encourage households to work together rather than in isolation. Weaving cooperatives would be able to bulk buy input supplies at wholesale cost and increase their profit margins at the point of sale. Women’s Resource Centers already exist in Faryab and could provide a suitable location for setting up weaving centers. From a programmatic perspective this would have the added benefit of reducing the number of physical locations that need to be audited as part of the GoodWeave licensing process. Membership of the cooperative could be conditional upon no child labor, so households would be financially incentivized to self-regulate the presence of child labor. The profits from the cooperative could be shared among the members and a small amount could be allocated for the upkeep and repair of weaving tools such as looms and combs.

7. Provide a safe working environment for carpet weavers. Many of the health hazards associated with carpet weaving could be avoided (or significantly reduced) by carefully planning purpose-built production facilities, which could be located in the Women’s Resource Centers mentioned above. Such facilities would include:
   a) Visual resources for educating weavers about health and safety hazards of weaving;
   b) Improved lighting conditions;
   c) Extraction fans for removing dust particles;
   d) Dedicated resources for repairing and maintaining looms (tools, materials etc).

8. Continue to build day care facilities for children who live in weaving areas. Many women prefer their children to stay by their sides during the rather than let them play on the streets. The lack of day care facilities for young children means that many simply start weaving because they are sitting by their mothers while they are working on the looms. GoodWeave has already set up day care facilities among some weaving communities in Balkh Province, but demand for these facilities is still high.

9. Provide classes or clubs for older children to allow parents the peace of mind to continue weaving without having to worry about their children. An on-going study by Samuel Hall among urban displace youths in Afghanistan continues to find dissatisfaction among young people due to a lack of ‘space’ they can call their own. Again, a cost effective approach would be to identify Women’s Resource Centers in weaving areas and use their facilities to house activities for youths. These clubs could include vocational training for the older children, extra tuition, or simply a safe ‘common area’ for socializing and meeting with other children. In a similar vein, GoodWeave could create village-based sports areas for children to play safely.

10. Provide vocational training classes for older children - GoodWeave can help to ensure a smooth transition to youth and adulthood. Children often work on the looms because families want economic security for themselves and for their children in the future. By teaching children to weave carpets, households ensure that their children have a livelihood activity to rely on when they grow up,

36 Samuel Hall (2014, forthcoming) Urban Displaced Youth in Kabul, funded by Samuel Hall, with a technical working group composed of UNHCR, ILO, IOM, UNFPA, UNHABITAT and ACBAR.
thereby ensuring a constant (and growing) supply of new carpet weavers every year. By providing vocational training in other livelihood skills relevant to the local markets, GoodWeave can start to redress the balance between labor force supply and demand in favor of the laborers. In other words, the fewer carpet weavers there are, the more they can charge for weaving a carpet. Since many carpet weaving children already attend school, the training should be organized in the same place so that children are not forced to miss their regular education. This may create a greater incentive for parents to send their children to school - especially if their main reason for employing their children is to teach them a life skill.

11. **Identify sub-contractors in the supply chain** who can help GoodWeave to map local supply chain actors and provide introductions to individual households. In addition to encouraging collective production, GoodWeave should continue to work at a household level. Sub-contractors provide a good entry point to carpet producing communities because they frequently visit weaving households to deliver patterns, input supplies and collect carpets. They could also facilitate the auditing process.

12. **Conduct a detailed study of production techniques to identify new practices that could speed up and improve production.** Mechanized production may still be out of reach for many households, but there may be techniques imported from other carpet producing countries that could help to create a safer and more productive working environment for adults. Replacing horizontal looms with vertical looms, introducing better lighting equipment or occupational safety and health (OSH) practices are some examples of how this could be done. Of course, this would not necessarily reduce the presence of child labor, but it will allow households to increase productivity without recourse to child labor, and reduce health risks due to improved ergonomics.

13. **Create a trading cooperative for households so that they can connect directly to the international market.** Demand for Afghan made carpets is high, but carpets are often sold through Pakistan before they reach the end market. By creating small, community-based weaving cooperatives, GoodWeave could help to ensure that households make more money for the carpets they weave. At the same time, this would also incentivize households to work collectively, which would make the monitoring of child labor much easier, especially if one of the conditions for joining the cooperative was that no children could be involved.
7. LOOSE ENDS: FURTHER AREAS OF RESEARCH

This research builds on previous studies and highlights further areas of research needed. Samuel Hall and GoodWeave build on their experience and expertise in the sector to recommend the next stage of research to include a thorough assessment of the impacts of migration and displacement on child labor, the impact of carpet weaving on child development, and the occupational safety and health hazards associated with carpet weaving.

7.1 Migration, displacement and child labor

Carpet weaving is common in families displaced by decades of conflict and natural disasters in Afghanistan. Moving from one province, one country to another, leaving behind homes, they reproduce traditional and ancestral practices in their new locations, often as coping mechanisms when other options fail. With the decrease in the income earned by heads of households, or in the absence of heads of households, children are relied upon to contribute to the household income and repay debts incurred in displacement. The negative impact of migration on children left behind is another area of proven vulnerability. As a result, a specific study on the impact of migration and displacement on child labor in Afghanistan is needed to understand:

- What are the effects of migration and displacement on child labor?
  - Is child labor in the carpet-weaving sector a key coping mechanism?
- What are the negative effects of labor migration on children left behind in Afghanistan?
  - Do labor migrant households (men leaving to Iran) use carpet weaving at home as a source of income while the head of household is away?
- What are the cross-border linkages of child labor practices in the carpet-weaving sector?
  - Do refugees pick up on carpet-weaving skills while in Iran?
7.2 Health and Wellbeing

The impacts of child labor in the carpet sector on health and wellbeing are little understood in Afghanistan. Weavers rely on traditional tools to weave carpets, particularly the horizontal loom, which can cause serious health injuries to users. Young children complain of breathing problems and older carpet weavers display musculo-skeletal injuries incurred from years spent crouching over looms. Given the prevalence of carpet weaving, this must put a strain on already-overstretched healthcare infrastructure, especially in rural areas. More subtly, it will be important to assess the psychosocial wellbeing of children who work on looms and input production. Giving children a voice in the issue of child labor is critical if policy makers are to develop effective and appropriate interventions. A detailed longitudinal study is needed in order to assess:

- How does carpet weaving impact on health?
  - What is the cost to the household of a sick or injured child?
  - What is the cost to the local healthcare infrastructure?
- How can health risks be reduced?
  - What interventions could transform the workplace into a safer environment?
  - What are the most common injuries and how can they be prevented?
- What is the general level of wellbeing among weaving children?
  - Do they enjoy carpet weaving?
  - How does carpet weaving impact on their emotional and intellectual development?

7.3 Socio-economics

More research is needed to fully explore the broader socio-economic significance of child labor in the carpet sector. Such a study would examine the cost of child exploitation to the labor market. It would further examine the extent to which the labor market relies on child labor and the extent to which child labor restricts economic diversity and entrepreneurship. Children who are taught how to weave as children will likely continue to weave for the rest of their lives. This means that entire rural generations grow up with no choice and no alternative but to weave carpets. Rising levels of education, mobile phone coverage and urbanization are already creating new market dynamics. Today, children are caught between traditional household labor activities and a changing labor landscape.

- What aspirations do children from weaving households have?
  - Do they want to weave or do they have other aspirations?
- Does carpet weaving encourage or inhibit economic growth in rural areas?
  - Is there a bright future for children who weave carpets?
  - What opportunities exist in the carpet value chain for entrepreneurship?
- What is the cost to the future labor market if children continue to weave carpets?
  - How easy or difficult is it for a child to stop weaving?
  - Are children better off if they don’t weave?
7.4 Cross Border Study

This report has highlighted the importance of cross-border trade in the carpet weaving value chain. Not only are carpets often finished and sold in Pakistan, but input supplies like wool are also frequently brought into Afghanistan from other countries. It is unknown whether and to what extent children are involved in these processes. A broader cross-border study with Pakistan would allow researchers to answer some important questions about the value chain once it leaves Afghanistan and provide a more nuanced account of value distribution from households to final traders.

- Are children involved in any of the processes that are carried out in Pakistan?
  - What factors cause child labor in Pakistan?
  - Do traders in Pakistan know/care about child labor in Afghanistan?
- How important are Afghan made carpets for the Pakistani carpet sector?
  - What proportion of carpets is imported from Afghanistan compared to the proportion made in Pakistan?
- What is the nature of the relationship between final traders in Pakistan and their suppliers in Afghanistan?
  - Do they encourage Afghan manufacturers to adopt mechanized techniques?
  - What do they consider to be the attraction of Afghan carpets – price or quality?
  - Are there opportunities for intervening in the value chain in Pakistan to encourage households in Afghanistan to abandon child labor?
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ILO (1973): Minimum Age Convention (No.138), Article 7

ILO (1999): Worst forms of Child Labor Convention (No.182)


Samuel Hall (2011): Jogi and Chori Frosh Communities: A Story of Marginalisation. UNICEF.


# ANNEXES

## ANNEX A: Key Definitions

<table>
<thead>
<tr>
<th>Term and Concept</th>
<th>Definition and Standard</th>
<th>Source</th>
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<tbody>
<tr>
<td><strong>Primary Activities</strong></td>
<td>“Activities that are directly concerned with the creation or delivery of a product or service.” They can be grouped into five main areas: inbound logistics, operations, outbound logistics, marketing and sales, and service.</td>
<td>Porter M, (1985), “Competitive Advantage: Sustaining Superior Performance”</td>
</tr>
<tr>
<td><strong>Secondary Activities</strong></td>
<td>“Activities that support effectiveness or efficiency of primary activities.” They are 4 main areas of support activities: procurement, technology development, human resource management and infrastructure.</td>
<td>Porter M, (1985), “Competitive Advantage: Sustaining Superior Performance”</td>
</tr>
<tr>
<td><strong>Child</strong></td>
<td>“Anyone under the age of 18 is considered to be a child.” The ILO recognizes that standards may differ in different countries. For the purpose of GoodWeave, Afghanistan’s programming anyone below the age of 14 years old is considered a child who is not allowed to work.</td>
<td>UN (1989): Convention on the Rights of the Child, ILO (1999): Worst forms of Child Labor Convention (No.182)</td>
</tr>
<tr>
<td><strong>Child Labor</strong></td>
<td>The term ‘child labor’ is often defined as “work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.”</td>
<td>ILO: <a href="http://www.ilo.org/ipec/facts/lang--en/index.htm">http://www.ilo.org/ipec/facts/lang--en/index.htm</a></td>
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<tr>
<td><strong>Decent Work</strong></td>
<td>“Opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.”</td>
<td>ILO: <a href="http://www.ilo.org/global/topics/decent-work/lang--en/index.htm">http://www.ilo.org/global/topics/decent-work/lang--en/index.htm</a></td>
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### Hazardous work

“Any work, which is likely to jeopardize children’s physical, mental or moral health, safety or morals should not be done by anyone under the age of 18.”

It refers to work that is mentally, physically, socially or morally dangerous and harmful to children and interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.


### Basic Minimum Age

“The minimum age for work should not be below the age for finishing compulsory schooling.”


### Light Work

“It is defined as work that is (a) not likely to be harmful to their health or development; and (b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programs approved by the competent authority or their capacity to benefit from the instruction received.”

ILO (1973): *Minimum Age Convention (No.138)*, Article 7

### Forced Labor

“All work or service, which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”

Additionally, forced or compulsory labor is considered as one of the worst forms of child labor in the Worst Forms of Child Labor Convention, 1999.

ILO (1930): *Forced Labor Convention (No. 29)*

### Bonded Labor

“A worker is in bonded labor when he or she is working in order to repay a loan or another form of debt – often from the employer or from a labor broker. The UN definition of bonded labor is: “the status or condition arising from a pledge by a debtor of his personal services or those of a person under his control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined.”


UN, (1956): *Supplementary Convention on the Abolition of Slavery, the Slave Trade and Institutions and Practices Similar to Slavery*, Article 1 (a)

### Human Trafficking

The United Nations define human trafficking as: “Recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over

UN: *United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially women and...*
another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs.”


38 Presumably, if the reporting of numbers is correct, the autumn in 2009 was due to the recession seen in these countries. The first commodities that are foregone under recession are non-necessary luxury goods. As such the export of high-end carpets might have receded.

ANNEX B: Current Export Scenario

The major international markets for carpets are Europe and North America. The amount of exports of carpets to the world has remained more or less in the neighborhood of $12 billion except for in 2009. In 2012, the top 5 countries, namely USA, Germany, UK, Canada and Japan accounted for half the world’s carpet imports. The little variation in the 5-year trend suggests that demand for carpets is likely to remain steady unless some unconventional factor affects the markets.

However, considering the supply to these countries, Afghanistan ranks lowest amongst all its neighbouring nations (for whom data is available) in exports. Carpets in Afghanistan compete with those produced in its neighborhood in south and central Asia because of similar production and designs that are derivative of each other. In this sense Turkey and India ranked 2\textsuperscript{nd} and 4\textsuperscript{th} respectively in exports of carpets to the world in 2012. Afghanistan’s rank in the world carpet exports dropped 5 places between 2008 and 2012 to 26\textsuperscript{th} position. But the most important aspect is that Pakistan, whose carpet industry consists of refugees from Afghanistan, is ranked higher throughout the last 5 years.

Table 5: Share of world carpet imports, 2008-2012

<table>
<thead>
<tr>
<th>Country</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Grand Total</th>
</tr>
</thead>
</table>


Unincorporated Enterprise

“An unincorporated enterprise is a producer unit which is not incorporated as a legal entity separate from the owner (household, government or foreign resident); the fixed and other assets used in unincorporated enterprises do not belong to the enterprises but to their owners, the enterprises as such cannot engage in transactions with other economic units nor can they enter into contractual relationships with other units nor incur liabilities on their own behalf; in addition, their owners are personally liable, without limit, for any debts or obligations incurred in the course of production.”

https://stats.oecd.org/glossary/index.htm
Graph 9: Top 5 carpet exporting countries and Afghanistan (UN COMTRADE), 2008-2012

Afghanistan’s exports are being undermined by Pakistan due to a situation that has risen out of migration between the two countries. Afghan refugees in Pakistan are well versed with carpet production, not just weaving but also ancillary processes. Pakistan has allowed the setting up of local industries where carpet weaving, input production and finishing processes take place. For instance, the Afghanistan Investment Support Agency’s (AISA) recent report acknowledges that companies that handle finishing, marketing and exporting are located in Pakistan. Despite the fact that Afghans own these companies, the majority of the income earned from distribution is reinvested in Pakistan (in these factories). Final returns to Afghanistan come only in the form of wages and wholesale prices at which they are exported. The figure below describes the share of Afghanistan’s carpet export going to Pakistan as compared to Pakistan’s total exports.

39 AISA, *Invest in Afghanistan: Opportunities in Carpets and Textiles*
The graph below provides the self-reported carpet import data for 4 individual countries importing from Afghanistan. 3 of the 4 countries represented in the graph are the highest carpet importing nations. They, along with Pakistan are also major trading partners with Afghanistan. In the case of Afghanistan, self-reported export data is inconsistent and of questionable authority. Therefore the following graph is made from self-reported import data.

The prices of the carpets that are imported in Europe and North America (from Afghanistan) are clearly decreasing over the last three years. There is only a marginal increase in the import price of carpets in Pakistan. The data also shows that between 2011 and 2013, carpet imports in Germany and UK fell by 13% and 65% respectively. In the US, the import quantity rose only by 5% where as price has reduced by 40%. Thus, Afghan export of carpets to North America and Europe are clearly showing negative earnings over the last three years.

**Graph 11: Carpet import prices from Afghanistan (2011-2013)**

Source: ITC calculations based on UNCOMTRADE statistics
ANNEX C: Carpet production process

Input production

 Carpets in Afghanistan are made of two primary input materials. Wool is used for making the main body of the carpet and is generally the material used for weaving the knots. The tassels of the carpet are made of silk. In very rare cases, a carpet may be made entirely of silk, but this is not traditional in Afghanistan.

Wool

Shearing: The sheep shearing occurs in the months of April-May (the end of the winter season when the wool is thickest). The wool has to be washed to remove the fat and impurities before it can be sold. At this stage, either the livestock owners themselves carry the wool to the market to be sold to raw wool sellers, or the wool sellers may travel to rural areas to collect the wool.

Sorting: After this the wool is sorted into white wool, wool for dyeing and other residual material. Most often, Afghan white wool goes to Pakistan to be spun and dried. The remaining wool, which can be used for spinning is collected and sent to the households.

Picking: Even after the wool is sorted into different kinds, there are often different kinds of strands mixed in the wool from the same sheep. To make the threads, these fibers need to be separated carefully. In Afghanistan, this process is done by hand by the household.

Spinning: the household also completes the thread making, where the same kinds of strands are carefully twisted into a thread, which is gets rolled up simultaneously. Most often it is the old women who perform these activities.

Silk

Seri Culture: The practice of cultivating silk worms only takes place in Herat. Herat is the only silk producing province of any significance in Afghanistan. There are a few places, where farmers go mulberry trees so that the silk insects can feed on them. Thus farming and seri-culture goes hand in hand. In other cases, the silk insect is imported from China and then merely harvested here.

Harvesting: The insects are merely fed and allowed time to gestate for 4-5 days, during which they form their cocoons. The cocoons are placed in the hot sun to kill the insect inside.

Spinning: The cocoons are then boiled in hot water from where workers individually pull out strings from the cocoons, and twist them into threads. Generally, 3-4 cocoons are used to make a fine thread of silk.

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40 The wool industry in Afghanistan serves not only the carpet weaving business, but may be considered as a separate value chain in itself producing wool for different purposes.
Finishing Process

Most carpets require additional processing from skilled workers before they are sold. Following are the processes described briefly:

Dyeing: The wool/silk may undergo two types of coloring processes: Natural or chemical. The chemical dyes are cheaper and quicker to dye. The natural dyes on the other hand are found in raw plant form and have to boiled and processed into fine powder before the dyeing can commence.

Weaving: There are many intricacies about the weaving in terms of knotting, size, quality of wool and such. But basically, the weaving in Afghanistan happens on two types of looms: Horizontal (cheaper and used by traditional Turkman weavers) and the Vertical (used now primarily by Hazara families). A standard 2x3 m² carpet may take up to 2-3 months to weave.

Cutting: The over layer of the front end of the carpet is sheared off to make the carpet smooth and even. Some times, cutting may also involve making the sides of the carpet even and rectangular. Machines to cut carpets have to be imported from Iran. The residual from the cutting may be used to fill pillows or boxing bags.

Repairing: Often times there may be certain fine knots that are improperly done by the household, or the carpet may get damaged during transportation or storage. The carpets may then undergo repairing where the section of the carpet that is damaged is unwoven and re woven into proper knots.

Washing: By this time the wool and the carpet has already travelled a lot between different agents and has spent time begin used. In order for the carpet to look new and regain its shine and lusture, the carpets are washed using certain chemicals that prevent the wool from firming, prevent the dye from coming off and put a shine on the carpet. High end carpets for exports are washed at factories because they require careful treatment and skilled workers. These are essentially company settings where skilled workers are hired to come to a unit and water and soap facilities are provided for the washing to take place.

Stretching: The carpets are put through giant rolling machines and spun at high speeds to dry the carpets after they are washed. Since, wool tends to shrink after wash, this process simultaneously keeps the carpet stretched into its original size.

Finishing: Finally, groups of two or three tassles are individually knotted to make the final knot at each end of the carpet so that the weaving may not get loosened and come off. This is also done by a skilled laborer.
ANNEX D: Value chains in detail

Terms of Trade for Weaving

The production of carpets can take place in three distinct ways – profit sharing, direct buy/sell by weavers and sub-contracting through carpet traders.

Under Profit Sharing, the input trader gives the weaving households the inputs for the carpet, which are considered as a loan. Upon completion of the carpet, the input trader, in the presence of the representative of the weaving family (generally the head of the household), gets the carpet valued (only priced and not sold) from other traders in the market. Once the household and input trader agree to a fair price, the input trader pays the households 50% deducting the cost for the inputs. The carpet then belongs to the input trader to sell in the market. Although not conventionally the same way as profit is shared in business, nonetheless this is what is referred to as profit sharing in carpet industry in Afghanistan.

Next, the sub-contractors may directly buy from weavers. Households that have their own looms and enough capital can purchase inputs and produce carpets for themselves. Once the carpets are finished, they are carried to the wholesale market, which is held once or twice a week. Sub-contractors gather there, as do weavers with their carpets. The sub-contractors inspect and value the carpets before quoting a price. Bargaining ensues with the result that either the weaver walks away with the carpet still upon his shoulder looking for a better price or the carpet gets added to the sub-contractor’s stack.

Finally, and seemingly most popular method is sub-contracting through carpet traders. Here the sub-contractor plays the central role in the value chain. He decides the attributes of the carpet to be woven, purchases the inputs (often including the loom), finds weaving households to weave the carpet. The subcontractor pays for everything including the wage for weaving. Upon completion the weaving household merely delivers the carpet and collects the remaining unpaid salary. Naturally, the sub-contractor inspects the carpets before settling the payments.

Profit sharing is more common to Faryab market whereas sub-contracting is the rule in Herat. Direct purchase by weaving families is very marginal and evidence was found only in the Faryab market. Generally, the returns to the weaving family are so low that any capital accumulation is difficult.

Input production

The value chain described in this section here, studies the input production for carpets. As mentioned before, it is wool that is the most important input for carpet production here, and it is the production of wool that is typically being lost to factories of Pakistan and Iran. If the wool is produced in Afghanistan, there are two ways in which it can be processed into threads for carpets - either the wool is separated and travels to Pakistan and Iran to be machine spun into threads and dyed. If this happens, there is rarely ever any further processing of the threads required once they come back to Afghanistan. These threads make their way straight to the loom.
If however, the processing is taking place within Afghanistan, then it travels through multiple agents before it is converted into thread. The input dealer (one who supplies threads) will obtain the raw wool from the raw wool traders. This input dealer will then contract women from rural households to spin the wool into threads. Typically, how this transaction works is that the trader (the final thread dealer) gives the household a measured quantity of raw wool. The household is paid on the amount of threads it gets back (per kg). Typically, almost 40-50% of the weight of the wool is lost in the process of spinning\(^4\). Next the threads are taken to local dyers who dye the wool, again based on weight. These are then returned to the input trader ready to be sold for carpet weaving.

In terms of individual supply chains, large exporters who are selling in international markets directly are likely to have input spinning households in their supply chains, more than small retailers. This is because carpets made from these inputs are more expensive and it is only in the international market that there is a demand for such high-end carpets. Indeed, in the supply chain for one of GoodWeave’s licensees, the input hand made thread production had been centralized in Herat, where the trader of inputs had hired women to come to a facility to work for a daily wage instead of providing them with wool to take home. That way, the input producer could monitor the quality of threads.

It is difficult to estimate the exact share of the wool threads that are imported versus the share of wool that is produced in Afghanistan. However, informal interviews with traders indicate that hardly any processing of thread now goes on in Afghanistan. Most input processing and production is preferred to be done in Pakistan/Iran because it is cheaper\(^4\).  

\(^4\) Anecdotal evidence from case study with an spinning household woman
\(^4\) Traders approximately quoted that 80% of the inputs now come from outside Afghanistan. The exact value of this share is difficult to estimate and is likely to depend on the individual carpet markets in Afghanistan. For instance, some carpets from Andhkoy still use hand made Afghan wool. Thus, one can find some houses around the same area who can spin the wool.
Figure 6: Input market value chain, Herat and Faryab
7.4.1 The final product market

The decision about the pattern and design of the carpet is different depending on which market the carpets are catering to. The international market tends to have more specification about the size and some specifications about the pattern of the carpets to be produced. This information is transmitted by the exporter to the sub-contractor, who then begins to source inputs and weaving households to make the carpets. For the domestic market on the other hand, the sub-contractor himself specifies the design and the size (unless the carpets are fixed design, like in Shirintaghab and most of Andhkoay). For designing he uses an artist who charges roughly 500 Afs per map, but varies according to the complexity of the design. The same design may produce more than one carpet. The map is carried to the input traders’ shop where the inputs required are conferred upon and then purchased at retail price, subsequently being transferred over the weaving household with a copy of the map.

Once the carpet is woven, subsequent processing happens at the sub-contractor level. In most supply chains, it is the responsibility of the sub-contractor to get the carpet cut, washed, stretched, repaired and finished before he carries it further. There are individual skilled agents in the same market who the sub-contractor also contracts the process to. These agents do rounds of the sub-contractor’s shops everyday picking up carpets. Once they are finished, they are returned back to the subcontractor the next day. Alternatively, in rare cases the exporter or the retailer, whichever is applicable, will sometimes repair or wash the carpet. But the most significant substitute to sub-contractor level processing is when the carpets are shipped to Pakistan to be washed and cleaned before they are sold. These carpets never return to Pakistan.

The role of the sub-contractor is probably the most important and undervalued. In cases as described above, it is their aesthetic sense that dictates how the carpet is woven. Subcontractors are the link between traders and households and often work with a large network of producer households. Thus, the channel to the households is always through them. Therefore, the reality of the value chain is that the final exporter or the retailer who sells the carpets to consumers may not even have met the weaving households. The sub-contractor knows them, has a relationship with them and it is the sub-contractor who has the most bargaining power with them. The degree of the interaction between households and sub-contractors varies from market to market depending upon which method of production is being utilized.

The sub-contractor is the agent who has the most interaction with the labor force involved in the carpet-weaving sector. They categorically engage with the weaving families, processing agents, input traders and in certain cases the input weaving households as well. They are the agents through which the goods, payments and market information are routed in either direction. They have the most information about how value is added systematically to the carpet.

43 Lately, exporters also provide high-end inputs to their trusted contractors to give to the weaving families to make customized carpets.
Figure 7: Final carpet value chain, Herat and Faryab
Samuel Hall is a research and consulting company based in Asia (Kabul, Afghanistan) and East Africa (Nairobi, Kenya). We specialize in socio-economic surveys, private and public sector studies, and impact assessments for non-governmental and international organizations. Our teams of field practitioners, academic experts and local interviewers have years of experience leading research in Central Asia and East Africa. This has enabled us to acquire a firm grasp of the political and socio-cultural context in the country; design data collection methods and statistical analyses for monitoring, evaluating, and planning sustainable programmes; and to apply cross-disciplinary knowledge in providing integrated solutions for efficient and effective interventions. To find out more, visit samuelhall.org.