



# IPEC



International Programme on the Elimination of Child Labour

## Prevention and Elimination of Child Labour in Global Supply Chains: the Soccer Ball Industry in Pakistan

### Background

Situated in the north-east of Punjab province in Pakistan, Sialkot is a dynamic economic hub, home to more than half a million people in the city and around 3.5 million in the wider Sialkot district. Sialkot is renowned for its sports and surgical goods industries and is the world's largest manufacturer of hand-stitched soccer balls. Changes in the 1970s and '80s within the industry and in the business environment generally in Pakistan led to a growth of informal systems of production, through which companies began to outsource soccer ball manufacturing to contractors. These contractors redistributed football production to outside workers, mainly women operating from home. This led to a breakdown in the monitoring and control of working conditions, and more and more children became involved in stitching and related activities as a way to augment family income.

Parallel to this, consumer and businesses attention to labour conditions in global supply chains increased steadily. When media investigations of soccer ball manufacturing in Sialkot around the time of the 1994 Soccer World Cup and the 1996 European Football Championships found children working in the industry, the entire sporting goods sector in Sialkot was under threat.

### Action

In response to the situation, and with the support of the World Federation of the Sporting Goods Industry, the ILO, UNICEF, and the Sialkot Chamber of Commerce and Industry (SCCI) representing the companies producing hand-stitched soccer balls signed an agreement in Atlanta, USA, in February 1997 to work together to eliminate child labour in the soccer ball manufacturing industry in Pakistan.

Under the terms of the Atlanta Agreement, the ILO's International Programme on the Elimination of Child Labour (ILO-IPEC) implemented a project to eliminate child labour in Sialkot from 1997 to 2004, with financial support from a range of donors, including the US Department of Labor, UNICEF, the Soccer Industry Council of America, the International Federation of Football Associations (FIFA) and, subsequently, the SCCI, the local companies concerned and the Sialkot district government.

The project aimed to:

- assist local companies in preventing child labour in the manufacture or assembly of footballs;
- identify and remove children from the manufacture or assembly of footballs and provide them with educational and other opportunities;
- influence community and family attitudes to child labour.

In order to achieve these goals, the project sought to develop a voluntary, credible and reliable monitoring system across the industry. It also withdrew children from hazardous work in the stitching industry, provided them with appropriate education, skills training, and health and social protection services and supported their families through alternative income-generating activities. On a broader level, the project raised awareness among business, community and religious leaders, families and children of the dangers of child labour and the importance of education.

## **Achievements/Accomplishments**

The project surpassed expectations and targets in some of its objectives (see box). Thousands of children were withdrawn from work and they and their siblings were enrolled in school. Some schools were set up through the project as state education facilities were not always present in outlying vulnerable communities surrounding Sialkot. Vocational education was made available to help older children develop new skills in trades that would provide them with a more secure future. A skills training and micro-credit program was also established to help vulnerable families develop income-generating activities to offset the loss of children's income. In addition, health and hygiene activities were included as part of the social protection component, providing medical examinations and support to children and their families.

As the project progressed, the number of children working in the football industry fell considerably and prevention rates increased. Consequently, the education and social protection components were gradually phased out. Although some education centres closed as students graduated or moved to state schools, a large number was subsequently taken over either by the community or by the district government, improving education access across Sialkot district. This strategy ensured that education support continued to be available in those communities for as long as necessary and that the project was integrated effectively into the district government's primary education plan.

### ***Centralizing production, protecting women's employment***

A voluntary child labour prevention and monitoring program was opened to all soccer ball manufacturers that agreed to abide by its terms and conditions. Those that signed up paid a membership fee to contribute towards the costs of the program. As part of an overall effort to reorganize and streamline the industry, each signatory was obliged to set up registered football stitching centres which were monitored internally and externally to ensure compliance. Work previously done in households was shifted to these registered centres. The provision of child-care facilities ensured that mothers could continue to work, and the centralized production made monitoring for child labour feasible. Working conditions were generally improved throughout the industry, with an additional focus on hygiene and related health and safety matters. In general, workforce morale improved, particularly in the stitching centres, which became a strong focus of community activity.

### ***Additional key elements for success***

- The terms and conditions of the Atlanta Agreement were intensely negotiated between the partners in Pakistan. Consequently, ownership of the agreement by the partners and stakeholders was never in doubt.
- The project gained significant momentum and profile as a result of the signing of the agreement, which set out a partnership approach, including defining the roles and functions of each partner. The partnership between industry and non-industry actors was pivotal to the project's success and the leadership in industry was clear and decisive, although not all SCCI members were favourable to it.

- The project had time-bound targets for the elimination of child labour from the supply chain of participating manufacturers.
- The project received strong support from all the local stakeholders, including local communities.
- The project benefited from the vision of the local and international business leaders to accept responsibility for informal sector activities linked to soccer ball stitching. Tackling child labour at its source in informal supply chains was vital.
- The project was endorsed by the then All Pakistan Federation of Trade Unions (APFTU) and the Employers' Federation of Pakistan and these organizations were also members of the project coordinating committee.

## Sustainability

A new body, the Independent Monitoring Association for Child Labour (IMAC), was established in 2003 to take over and sustain the industry monitoring system begun under the ILO project. Participating companies are required to implement their own internal monitoring systems, in addition to external IMAC monitoring. Balls stitched in IMAC-registered centres are stamped with special codes. A daily random list of workplaces to be inspected by IMAC monitors is generated by computer software. Inspections cover a range of workplace elements, including but not exclusively the presence of child labourers. In order to persuade the manufacturers to strictly adhere to the provisions of the program, IMAC provides incentives by categorizing the level of compliance and cooperation according to three tiers. After three months on the lowest tier, indicating no measures taken to improve compliance, the company is removed from the program. The system is self-financing and no longer dependent on external support.

An interesting general outcome has been a significant increase in awareness of child labour among communities within Sialkot district and particularly at district government and private sector levels.

## Lessons learned

In an ideal world, the prevention and elimination of child labour would be ensured by the existence of effective state labour inspection systems, and a culture of respect for labour rights would be instilled throughout supply chains. Those supply chains would comprise formally registered workplaces that could be readily inspected. However in many countries such as Pakistan this is far from reality. Labour inspection systems are often understaffed and poorly trained and funded, or even non-existent. Supply chains that operate in developing countries commonly are linked with the informal economy, where decent work deficits are widespread. And companies are increasingly held responsible for violations of labour rights that occur in global supply chains.

In these situations, private monitoring systems such as IMAC can play an important role, filling the breach while state systems and capacities are developed. However to be effective, the Sialkot programme needed more than monitoring; a fundamental restructuring of the production system was required to resolving the underlying factor feeding the child labour problem, that is, the extensive use of household-based production. The lesson for business is clear: monitoring and audits may help diagnose the problem, but achieving sustainable progress means understanding and addressing root causes.

Another root cause of child labour in the soccer ball industry was the lack of quality education and social protection. Of course, effecting change in these areas cannot be done by brands or their suppliers alone but require engagement with local stakeholders,

particularly government. The Sialkot programme offered a platform for such collaboration, connecting business interests with national and community level social and economic development efforts. Nevertheless, social services remain insufficient, and more must be done to ensure that child labourers and at-risk children have viable alternatives to work.

Another emerging lesson from Sialkot is related to the interdependent, mutually supportive nature of fundamental rights at work—freedom of association and collective bargaining, the prohibition of forced labour and discrimination, as well as child labour. Success in tackling child labour is dependent on respect for all of these rights. For example, the right of workers to organize and bargain collectively can be considered an “enabling right” that can provide substantial protection against child labour.

This was recognized in a 2007 stakeholder assessment of the soccer ball programme. The resulting Sialkot Initiative provides for an expansion of the monitoring system to cover other fundamental labour rights, strengthening government labour inspection, promoting effective social dialogue, and strengthening IMAC’s capacity. While Pakistani trade unions had endorsed the soccer ball programme and sit on the project coordinating committee, relative to business interests they have had a lesser role in the governance of the system. The Sialkot Initiative is intended to expand the scope of the system in part by strengthening trade unions’ role and tapping into unions’ ability to provide continual workplace monitoring. The Sialkot Initiative also responds to the requirements of international buyers, who need assurance that all labour rights, not only the prohibition of child labour, are being respected.