



भारतीय प्रबंध संस्थान बेंगलूर
INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

WORKING PAPER NO: 344

**Sports Goods Foundation of India (SGFI):
A Collective Response to CSR Issues**

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Abstract

The SGFI case deals with the collective response of the Jalandhar (India) inflatable ball manufacturers and exporters to the issue of child labour used in the production of inflatable balls. During the 1998 football World Cup, media coverage of the child labour usage in football manufacture led to a boycott of the inflatable balls exported from India and Pakistan.

In response, Pakistan signed the Atlanta Agreement, under which different stakeholders came together to set up a monitoring mechanism. On similar lines, the manufacturers of Jalandhar established the Sports Good Foundation of India (SGFI) to assist in monitoring of child labor among the SGFI members.

SGFI was funded by FIFA from 1999 to 2003 on the explicit understanding that the external monitoring would be done by an internationally reputed agency like SGS. SGFI hired SGS to do the monitoring of the production of inflatable balls for export in Jalandhar.

In 2004, UNIDO stepped in to launch its cluster development programme through SGFI. Under this programme, SGFI expanded its activities and enhanced its role to enter other CSR areas. When UNIDO intervention and funding came to an end in 2008, the SGFI members decided to contribute a proportion of their export revenues towards SGFI activities. While SGFI is critical to monitoring the production process and investigating and countering child labour accusations, it is not clear if the expanded activities of SGFI are directly relevant to the business interests of its members.

Keywords: CSR, SGFI, Collective response, International pressure, International agencies

Sports Goods Foundation of India (SGFI): A collective response to CSR issues¹

Part A: FIFA and the Genesis of SGFI

14 December, 2009

Riiiiinnnnngggg

It was 10 pm. Ramesh had just returned to his hotel room. He wondered who was calling at this time.

“I have been trying to call you for the last two hours! Where have you been?” Ravi Purewal, Project Director, Sports Goods Foundation of India (SGFI) asked on the phone.

Ramesh: “Oh, hi, Ravi. Vidhi and I were out for dinner at a traditional Jalandhar Dhaba around the corner. The weather was beautiful so we took an after-dinner walk. Where are you?”

Ravi: “I am in the restaurant on the ground floor.”

Ramesh: “I will be down; just give me five minutes.”

Ramesh went down to the restaurant and found Ravi having his dinner.

Ravi: “Great to see you, Ramesh. Do sit down.”

Ramesh: “I am sorry; I didn’t realise you’d be here, or we could have had dinner together. I’m really grateful for your sharing all this information about SGFI and spending so much time with us. It’s very useful for our work. SGFI makes for a great case study.”

Ravi “I’m glad you find this useful, but I do have some concerns I wanted to discuss.

Ramesh: “Concerns? About what?”

¹ Acknowledgements: We are grateful to Mr. Ravi Purewal, Project Director, Sports Goods Foundation of India, for giving us access to the organisation, providing us with material that was useful in writing this case, and spending over two days with us answering our many questions. We also thank the staff of SGFI and the producers, stitchers, and Center heads, who provided us with insights helpful in writing up the case. We thank the IICA-German Development Foundation (GTZ) project for giving us a generous grant that made this work possible. Ms. Monica Ramesh from the Corporate Social Accountability Division, Association for Stimulating Know-how (ASK), administered the project and gave us all the assistance we required.

The authors of this case are Professors Amit Gupta and Vasanthi Srinivasan of the Indian Institute of Management (IIM) Bangalore, Bannerghatta Road, Bangalore-560076, India. This case is intended as a discussion of various management issues. It is not intended as an illustration of effective or ineffective management. It was written with the objective of highlighting the complexity of managing Corporate Social Responsibility (CSR). It is not meant to make a value judgment.

Ravi: “Look, people like you come here all the time. Our experiences in the past have been negative. They get whatever information they can get and then portray the organisation in a negative light in their work. There was a foreigner we took around; immediately afterwards, he went out on his own, gave some money and a football to some children, took photographs of them, and then started making allegations of child labour. Sometimes, newspapers come here, give a football and maybe two hundred rupees to a child, take photographs, and then blackmail us. Many people here are poor and if you give them a couple of hundred rupee notes, they will pose for photos you set up. We have a truly difficult job making sure child labour is not being used, and it is very disheartening when we face all sorts of allegations. That’s why I have some questions I’d like you to answer.”

Ramesh: “I’ll try to answer them, but really, there’s nothing to be concerned about ---”

Ravi: “I understand this seems like a confrontation, but we’ve had a hard time before, so forgive me if I seem suspicious... I just need to understand your motivations here. Tell me, why have you really come here? Why are you involved in this project?”

Ramesh “Ravi, I promise, I’m being honest here. We are here because we were told that SGFI is a great example of how sports goods producing companies have come together to address a genuine concern about child labour in football stitching. I was really impressed by whatever I heard about all that your organisation is doing to deal with this problem. I think it will go a long way in helping prevent the exploitation of child labour. I can assure you that we are not here to spy on you or do anything like that. India has a population of more than a billion people. You can find examples of almost all positive and negative things imaginable in this large country. I am sure that there must be cases of child labour, it is very difficult to achieve 100% monitoring, but I feel that your organisation provides an effective mechanism to monitor and prevent child labour in the sporting goods industry... ”

Ravi: “Fair enough... Ramesh, I hope you realise that we are always sceptical given our experience.”

Ramesh: “I do understand that, especially now that you’ve explained where you’re coming from.

Ravi: “Good to know. But there’s a lot more to it than just that. Ramesh, there are two types of NGO’s – advocacy- and solution-based NGOs. We are a solution-based NGO. We have set up mechanisms to address problems of child labour. It’s a difficult job given the economic situations of families here and the lack of emphasis on education in the lower socio-economic strata.”

Ramesh: “Ravi, would you be able to tell me more? How did all of this start? What do you really do?”

Ravi: “It’s a long story, and it’s too late now to start on it. We’ll talk tomorrow. Get a good night’s sleep.”

15 December, 2009

Ravi walked into his office, and found Ramesh and Vidhi having a hot cup of tea in the morning cold of Jalandhar.

Ravi: “Good morning! You two got here really early.”

Vidhi: “We came in early because we wanted to have enough time to hear the SGFI story, all of it!”

Ravi: “Well, just let me settle down and get a hot cup of coffee...”

It all started in the mid-1990s. News stories began to surface in the western media about the use of child labour in the stitching of footballs. There was a story about a blind girl stitching footballs. That blind girl lives nearby, here in Jalandhar. She was eight years old at that time; now she is 18 years old. Someone gave her a football to stitch and clicked a photograph of her. This was flashed on the BBC and widely circulated in the western media. Adidas, the primary supplier of World Cup Footballs, cancelled its orders. Other companies soon followed suit. There were other stories on the BBC, such as the one below:

“According to the BBC, this boy earns only 20 pence a day.”



FIFA responded to the allegations saying: "Our main preoccupation is with the World Cup. We can't scour the world for children stitching balls." (BBC, 16 April 1998)ⁱ

Adidas had supplied footballs for the World Cup since 1970. These footballs were sourced from the Sialkot region in Pakistan and from Jalandhar in India. (See Appendix 1 for FIFA Match Balls used in Football World Cups)

Peter Donnelly and Leanne Petherick report: “A spokesperson for Adidas pointed out that children’s small hands were necessary to carry out the task of stitching together the panels of soccer balls, and the children were not mistreated. A rather docile audience of sports reporters appeared to accept this absurd explanation.”ⁱⁱⁱ

These revelations and the outcry from various quarters, under the threat of boycott, led to the signing of the Atlanta Agreement on 14 February, 1997.ⁱⁱⁱ (See Appendix 2 for a copy of the Atlanta Agreement).

In 1997, there were four major suppliers of footballs in the world – China, Pakistan, Thailand, and India. China and Thailand were recent entrants into the production of footballs. Both China and Thailand had a factory model for the production of footballs and, hence, child labour monitoring in these locations was easier. Football production in Pakistan and India was done primarily through hand stitching and, hence, these countries were more vulnerable to child labour exploitation in the stitching of footballs.

The Sialkot cluster was affected more by this episode and suffered a loss of business, since large brands like Adidas and Nike source their game balls from there. They immediately implemented the Atlanta Agreement, and monitoring started in 1998 with the help of international agencies like the International Labour Organisation (ILO), United Nations Children's Fund (UNICEF), and Save the Children Foundation-United Kingdom (SCF-UK), in association with the Sialkot Chamber of Commerce.

The sports goods industry in Jalandhar in Punjab, on the other side of the India-Pakistan border, was a product of the partition of India in 1947. During this time, some families and workers moved from Sialkot in present-day Pakistan to Jalandhar and started manufacturing sports goods. Inevitably, Jalandhar became the largest football-producing and exporting area in India and was also impacted negatively by the adverse publicity related to child labour.

The manufacturers in Jalandhar decided to follow the procedures laid down in the Atlanta Agreement. They approached the Government of India (GOI) for help in dealing with this issue, which had significant implications for the inflatable balls export sector. The Government of India invited ILO to submit a proposal for monitoring child labour use in the football stitching industry. ILO's proposal, however, was not acceptable to GOI and was rejected.

In 1998, sports goods exporters voluntarily joined hands and founded the Sports Goods Foundation of India (SGFI) with 25 members. SGFI was registered under the Societies Registration Act XXI of 1860, vide Registration No. 1681 of 1998-99 dated 25 January, 1999. It was established as a non-profit organisation committed to the prevention and rehabilitation of child labour in the sporting goods industry. SGFI started working towards an agreement with organisations like the World Federation of Sporting Goods Industry (WFSGI), ILO-International Program for Elimination of Child Labour (ILO-IPEC), and Save the Children.^{iv}

As of 2009, Jalandhar was a major Indian manufacturer and exporter of inflatable balls (Appendix 3). The football manufacturers were located mainly in the city of Jalandhar and surrounding areas. The exports of inflatable balls from India have been increasing over the last 10 years (Appendix 4). The particular sporting equipment made in Jalandhar included inflatable balls, footballs (or soccer balls), rugby balls (for the UK and Australian markets), footballs (as used in American football), volleyballs, cricket bats, hockey sticks, and protective equipment.

When it started in 1998, the objectives of SGFI were as follows:

- To prevent and progressively eliminate child labour in the manufacture or stitching of footballs.
- To ensure that any child labour found in the field is immediately reported and admitted into the various schools run by the foundation.
- To facilitate an attitudinal change in the community as well as the worker's families with regard to the importance of education and evils of child labour.
- To promote education in the inflatable ball stitching community.

The scope of operations of SGFI was limited to the activities of organisations that were its registered members. It monitored only the process of production of inflatable balls hand-stitched and exported by these organisations. It did not monitor production of machine-stitched balls, since these were primarily made in factories.

Ramesh: "I don't understand how inflatable balls get manufactured. Why is stitching a problem? I am sure you must be stitching footballs in large factories, just as shirts and trousers are stitched in the garment industry."

Ravi: "Ramesh, maybe a little explanation about the different types of footballs will be helpful here. It is also important to understand how footballs are manufactured here in Jalandhar to be able to understand issues related to child labour."

There are two categories of footballs – promotional balls and match balls. Of the balls produced, 90-95% were promotional balls, whereas only 5-10% were match balls.

Till the mid-1980s, all match balls were made of leather. The 1986 Football World Cup in Mexico was the first event at which synthetic balls were used. As of 2009, match balls were made from PU with a coating of cloth and foam. Most of the promotional balls were made of PVC. Ninety percent of the match balls were made in the Sialkot area in Pakistan.

During the initial days of manufacturing in Jalandhar, leather for the balls was sourced from the leather complex in Jalandhar. With the usage of PU and PVC in large quantities, the suppliers of raw material had set up new units in Jalandhar.

Of the total balls manufactured in India, only 1% were PU balls. Football grade PU was not available in India and had to be imported. It cost around Rs. 50 crores^v to set up a plant to manufacture football grade PU, and the total exports of this category of footballs from India did not justify that kind of investment.

Footballs are made of different panels that were stitched together. Match footballs have 32 panels with a total of 910 stitches. Other footballs might have 18 panels or even fewer. Rugby balls have 4 panels, whereas volleyballs might have 32 or even 18. The number of panels and the shape of the panels depend on the requirements and design of the customer sourcing these balls.

The balls are also categorised by quality, depending on the quality of PVC used and the number of layers of material (Appendix 5). Footballs are of different sizes, from size 1 (small) to size 10 (large). Some of the larger balls are used in the medical field in physiotherapy.

Process of production of inflatable balls

The major steps in the production of inflatable balls are as follows:

1. PVC, foam, and cloth are glued together. Cloth gives strength to the ball. There is a minimum of one layer and a maximum of three layers of cloth. The best footballs contain three layers. As the number of layers increase, it becomes difficult to machine-stitch the ball.
2. The sheet of PVC, cloth, and foam glued together is machine-pressed and dried in heating chambers for 1-2 hours or laid out in the sun to dry, weather permitting.
3. The dried sheets are cut into panels using punching machines. The dies used also make holes for stitching. The shape and number of panels depends on the design of the football.
4. Next, the individual panels are screen-printed. As many as 2-3 layers of printing might be done, of logos and design.
5. The panels are then sorted, and kits made. The kits include the appropriate number of panels and a rubber bladder fixed to one of the panels.
6. Stitching is done by stitchers. Stitchers work in factories, centres, or units. Factories are large manufacturing facilities owned by manufacturers. The entire production process is carried out in factories. In Jalandhar, the actual stitching process is outsourced to centres or to families who work from home. A centre is defined as a location housing more than eight stitchers who come together to stitch balls. Centres are usually managed by contractors. Units are locations housing fewer than 8 stitchers. These are usually residences of stitchers, where a number of family members come together and stitch balls. There are usually two mechanisms for the distribution of kits. The kits might be distributed to the contractors who in turn distribute them to various units (home based stitchers) and/or larger stitching centres. The stitched balls are then collected from these units and centres. Alternatively, stitchers pick up the kits directly from the factories and deliver the stitched balls back to the factories.
7. The stitched balls are returned to the factories, and an incoming quality control inspection is done at the time of receipt of the balls. Defective balls are sent back for restitching. To deal with defects found at a later stage, the factories employ some stitchers to open the stitches and fix the defects.
8. The balls are inflated to make sure that there are no leaks. Sometimes, the bladders turn out to be punctured and air escapes from the ball. In such cases as well, the stitches have to be opened, the bladder changed, and then the ball restitched.
9. Next, the balls are cleaned and deflated.
10. The balls are packed in clear plastic bags and then in cardboard boxes for supply to the buyers.

Ramesh: “All of this is fascinating. Can you explain how the kits get transformed into stitched balls and tell us something more about stitchers?”

Ravi: “Stitching is a skill that requires excellent hand-eye co-ordination. The stitcher has to be seated on a stool or on the floor with the football panels placed between his knees. We have built a contraption that helps the stitchers to hold the panels together.

Balls were traditionally hand stitched. Stitchers formed the backbone of the industry. Since all balls had to be stitched, their role was critical. Most of the hand-stitched footballs were produced as home based work. A large number of women did domestic work and then stitching in their spare time. There were two kinds of stitchers. To some of these, work was

delivered at home. Typically, these were members of a household. There was also a stitcher community where multiple stitchers assemble and work in a common area. This is generally an informal setting, and the number of workers is often fewer than twenty.

The stitchers were assigned work based on their stitching quality and the ability to deliver on time. Over a period of time, stitchers were graded for different kinds of stitching. Some buyers, who were willing to pay a premium and also particular about the quality of work, employed stitchers with better skills to make their inflatable balls.

Some stitchers, who could mobilise a number of other stitchers to deliver their output, had become contractors over a period of time. Several of these contractors had managed to assemble a large number of stitchers under one roof and formed centres. The contractor also gave out work to home based stitchers. Some home-based stitchers would directly pick up kits for stitching from the contractors.

Over a period of time, some of the contractors expanded their operations to do contract manufacturing for the large exporters. They quoted prices for the entire end-to-end contract. A contractor could work for a number of exporters.

In recent years, stitching machines were introduced for the purpose of stitching balls. However, even with this mode of production, the last panel had to be stitched by hand. Productivity with machine stitching was much higher than with the hand-stitching process. One machine could make approximately 110 balls per day. Jalandhar had about 30 factories with 15,000 workers stitching 45,000 balls per day. One person could make only about five balls per day. In comparison, one factory in China using the machine stitching process had 6,000 workers under one roof stitching over 60,000 balls per day.

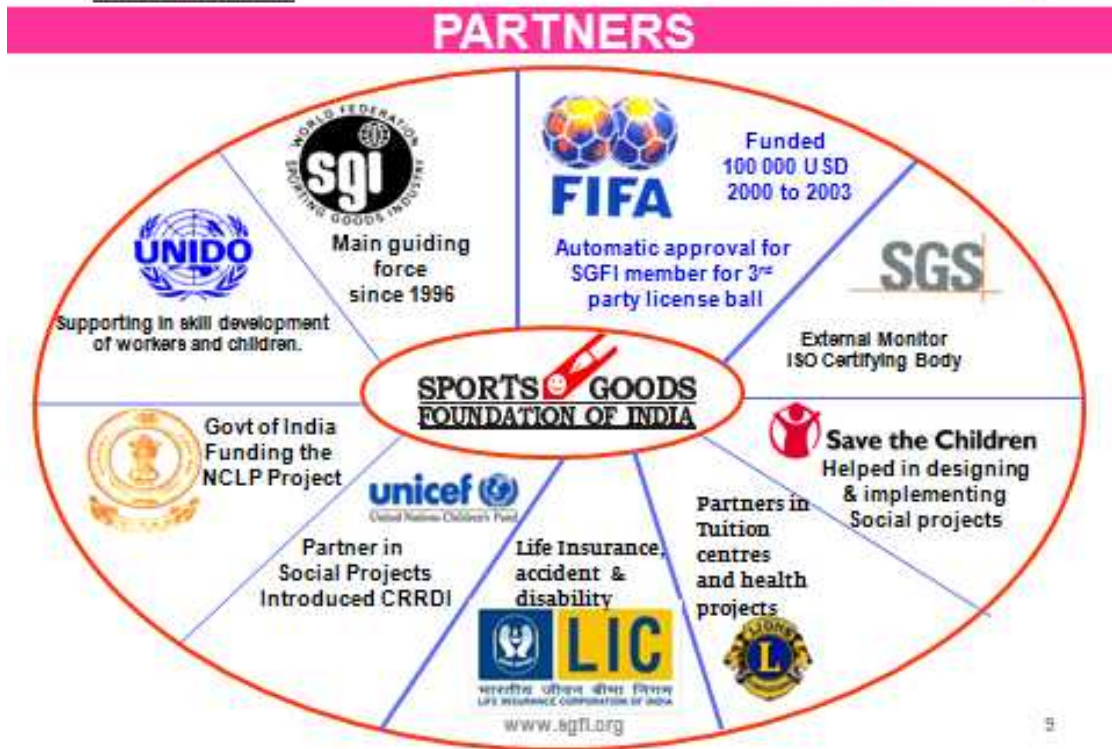
As of 2009, SGFI monitored production in 3,300 different locations involving 15,000 stitchers. Out of these, 40 were centres at which more than eight stitchers came together under a single roof to work and 3,260 were units that had fewer than eight stitchers working on footballs.

Ramesh: “Ravi, how did you get involved in all this?”

Ravi: “In 1998, I was the Planning and Control Manager (PCM) for a manufacturer making shoes for Reebok. Mr. P.C Sondhi, one of the major industrialists of Jalandhar, asked me to get involved as Project Director of SGFI. I agreed because it sounded exciting.

SGFI started with two employees besides me. The former Prime Minister of India, Shri I.K. Gujral, agreed to be the patron of SGFI, and Shri I.P. Anand, India’s member on the governing board of ILO Geneva, agreed to be the first chairman. We realised that in order to meet our objectives within a certain period of time, it would be best to involve other partners in the foundation and take their help either with technical support or as donors. The list of partners has evolved over a period of time.”

Some of the key partners in the history of SGFI are as shown below:



FIFA Marketing: FIFA Marketing was a key supporter of the foundation. FIFA had agreed to support the SGFI monitoring programme for four years during the first phase of the project, between January 2000 and December 2003, with funding of USD 400,000. FIFA Marketing permitted its licensees to produce footballs in India only with manufacturers that were members of SGFI and compliant with the SGFI rules. FIFA insisted that an external and independent consultant be hired to conduct the monitoring exercise, and SGS India Pvt. Ltd. was hired for the purpose.

WFSGI: The World Federation of Sporting Goods Industries, Switzerland, was involved with SGFI right from the latter's inception. WFSGI was very concerned about the use of child labour and had coordinated efforts of the major international brands and manufacturers of footballs. The organisation was also been extremely active in helping SGFI at every stage.

SCF-UK: Save the Children's Fund-UK (SCF-UK) was involved in this programme even before SGFI was officially started. Its active participation in SGFI programmes, along with UNICEF, was the key factor in initiating the social protection programme. SCF-UK suggested that a steering committee be formed comprising the foundation and its partners so that the monitoring and social protection programme could constantly be reviewed.

UNICEF: UNICEF brought to the foundation their enormous wealth of knowledge on issues related to the exploitation of children and social awareness. While not a financial contributor to the foundation, their advice and guidance was invaluable to the social protection programme.

SGS India Pvt. Ltd: SGS was the external consultant appointed to monitor the Jalandhar cluster. The organisation set up an office in Jalandhar dedicated to the SGFI programme. They hired local people, trained them, and started the monitoring process towards the end of 1999. SGS charged USD 80,000 for the monitoring activities. They monitored all stitching locations, and if any children were found stitching footballs, SGFI was immediately informed so that these children could be weaned away from child labour and involved in the social protection programme.

Ramesh: “So how does monitoring actually happen? What challenges did you face in monitoring?”

Ravi: “The monitoring process was as specified in the Atlanta Agreement (See Appendix 2 for a copy of the Atlanta Agreement). This specified process was implemented by SGS when it started its monitoring process in Jalandhar.”

As per the monitoring process specified in the Atlanta Agreement, manufacturers of inflatable balls were required to formally register all the contractors, stitchers, stitching facilities, and locations to which work was contracted out. This was done to ensure that all stitching locations were clearly identifiable and open to inspections. Each manufacturer would establish an internal monitoring department with a specified process. The manufacturers would train their inspectors in monitoring the location and age of all stitchers. To ensure that all the required data was captured and recorded, formal reporting formats were designed. The manufacturers were required to provide their internal monitoring reports to independent third parties. The independent third parties would in turn monitor and validate the internal monitoring reports provided by the manufacturers. The independent monitoring agencies (SGS in Jalandhar) also provided periodic reports to the Coordinating Committee and to the World Federation of Sporting Goods Industry, which disseminated these reports to customers and consumers in Europe, the Americas, and Asia. These reports were also available in the public domain.

When SGS left, SGFI continued with this process specified by SGS.

Ravi: “The challenge was to identify home-based locations and register them for the monitoring programme. Subcontractors give lists of families to factories – name, location, age of workers. For easy identification, SGFI put a plate with a unique location number on the doors of all families who do stitching for SGFI members.”

These locations are visited by the internal monitoring teams who report back to the factories. The factories generate an internal monitoring report that is given to SGFI. Based on these reports, SGFI conducts another independent external monitoring exercise on a random basis.

SGFI has a software programme that selects centres and locations based on inspections already been done during the year. This database is used for regular external monitoring on a random and unannounced basis. SGFI teams monitor 50 locations per day. This ensures that each location is visited at least four times in a year.

The monitoring team from SGFI comprises of a male and a female member. There are a lot of households in which women work at home and men outside. To avoid any inconvenience to the families, a mixed gender team visits the homes.

To ensure monitoring of inflatable balls only for SGFI members, each manufacturer is assigned a unique ID code. This ID code is printed on the back panels of the balls. By examining the panels in the kit, the SGFI team can easily identify the member for whom the ball is being stitched. Besides ensuring that there is no child labour being utilised, this process also helps in identifying counterfeit balls being made.

Ramesh: “This sounds like quite a stringent and robust process. What has been its impact?”

Ravi: “The impact has been tremendous. The number of cases of child labour in football stitching has been on the decline. You also need to understand the difference between child labour and child work. As per the Child Labour Policy in India (Appendix 6), child labour is being used when the child is below fourteen years of age and does not go to school. There is another classification related to child work. If the child is below fourteen years of age, goes to school and does part-time work, then this is defined as child work and not child labour. This is not against the law. If a child is over fourteen years of age, he is not covered under the child labour act.”

Vidhi: “I wonder, are there still violations that happen, despite this stringent process?”

Ravi: “That does happen. Violations generally occur on weekends and during school vacations. This is when schools are closed and children are free. Parents might ask their children to stitch in order to keep them occupied and to earn extra money.”

The children usually start to learn how to stitch from 9-10 years onwards. Once the needles are passed through the holes of the panel, the thread needs to be pulled to make sure that the stitch is tight. Children below 10 years are too young and do not have the strength to make a tight stitch and, therefore, to stitch. Parents give them two panels to stitch at first, to test them. Then they ask the children to help out with easy stitches. Since the wrong stitches can be opened and restitched, mistakes can easily be corrected.

Since SGFI monitors stitching only for its members, there may be child labour violations in stitching of balls produced for non-members. There have been incidents of people giving some money to a child, giving the child a ball to stitch, taking a photograph, and then reporting the use of child labour. News channels have done the same and then attempted to blackmail SGFI.

As of December 2009, SGFI membership consisted of 32 manufacturers and exporters of footballs/volleyballs/rugby balls. These members were responsible for approximately 95% of the total exports of footballs.

Ramesh: “What else did you do to reduce the incidence of child labour in the production process?”

Ravi: “We had other important initiatives. We organised campaigns to raise awareness of the families and local community on issues related to child labour and the advantages of educating children. Due to the pressure exerted by the manufacturers and due to monitoring and counselling by SGFI, there is now a growing awareness among the community in Jalandhar about the positive impact of educating the children and not making them work in stitching.”

Awareness Raising: SGFI ran an awareness campaign in all football stitching areas in Jalandhar and Batala by organising free medical camps, magic shows, and street plays. This brought people out of their homes and raised their awareness about child labour issues. In the year 2000, UNICEF initiated the Centre for Research in Rural and Industrial Development (CRRID) to undertake awareness raising exercises. CRRID's main job was to build the credibility of the SGFI initiative among a critical mass of the community. The stitching community, local youth clubs, Mahila Mandals (women's groups), and local leaders were identified and made part of the programme.

After that, SGFI received training from CRRID and sustained the awareness campaign on its own. As of 2009, SGFI had a regular campaign targeting the less aware areas. The families were profiled in order to understand the reasons for engaging children in labour activities. Based on this, a plan was developed for the rehabilitation of the children.

This awareness campaign was very successful in reaching the stitchers and making them understand that their children should be going to schools and enjoying their childhood and not involved in any child labour activities.

SGFI saw a dramatic change in the attitude and awareness of the community with regard to child labour. The village leaders (Panchayat and Sarpanch) also started working in partnership with SGFI. This partnership was a breakthrough in accessing the community in a credible and trust-building manner. This further spread awareness and built up the community's understanding of the importance of education for the children's future.

One of the programmes significant in ensuring that children went to school was Muskan.

During one of the monitoring visits, the monitoring teams went to a home and found a child in his school uniform with his school bag packed, all ready to go to school. His mother told them that he would get ready and then not go to school. On questioning the child, the team found out that the child had not done his homework since there was no one at home to help him with his homework. He was afraid that if he went to school, the teacher would punish him.

This gave the team the idea of starting a tuition centre that would help children do their homework after school. The monitoring team identified a girl who had passed her 12th standard and who was not employed. They asked her if she would help children with their homework for a couple of hours in the afternoon. She agreed, and the tuition centre was born. This was the beginning of Muskan.

As of 2009, SGFI had a team of 30 members who were operating 30 free tuition centres to rehabilitate children previously involved in labour activities. Each tuition center looked after approximately 25-30 children with a total enrolment of 950 children. These tuition centres were tutoring children who were going to school in the morning. Most of their parents were busy at work or not sufficiently educated to teach their children at home after school. The children visited the tuition centres from 3:00 PM to 5:00 PM to get help with their school work. The time spent by these children at these centres meant time away from any form of child labour.

One major achievement of these free tuition centres was their success in inculcating a sense of responsibility in the parents, who now prefer to send their children to these centres rather than force them to work.

Due to lack of resources, SGFI was not been able to enhance the effectiveness and reach of this pilot project. Till that point, all its activities were funded through voluntary donations from SGFI members.

Vidhi: “The FIFA funding really helped you to do a lot and make a significant impact...”

Ravi: “Yes, but FIFA funding ended towards the end of 2003. Since we could not afford to pay for SGS, they withdrew from monitoring.”

Appendix 1: FIFA Match Balls used in Football World Cup



Fédération Internationale de Football Association

P.O. Box 81 8093 Zurich Switzerland Tel: (41 43) 222 7777 Fax: (41 43) 222 78 78 www.FIFA.com



FIFA
For the Good of the Game

MATCH BALL HISTORY

YEAR	COUNTRY	NAME	MATERIAL	DESIGN
1970	Mexico	Telstar	Leather	1st white ball with black pentagons
1974	Germany	Telstar/Chile	Leather	Chile - all white ball
1978	Argentina	Tango	Leather	1st Tango design
1982	Spain	Tango España	Leather with water-proof, sealed seams	same as 1978
1986	Mexico	Azteca	1st fully synthetic	Aztec mural within Tango triads
1990	Italy	Etrusco	Fully synthetic ball	Etruscan lion head within Tango
1994	USA	Questra	1st ball with hi-tech PU foam	Stars within Tango triad
1998	France	Tricolore	1st ball with synthetic foam	1st coloured World Cup ball
2002	Korea/Japan	Fevertova	The most accurate football ever produced by adidas	Gold (energy) with red flames

OFFICIAL FIFA WORLD CUP MATCH BALLS

BAW1_041_0413 0306

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**Appendix 2: Atlanta Agreement
(A Retyped Copy)**

(Source: <http://www.imacpak.org/atlanta.htm> - accessed on 23 December, 2009)

PARTNERS' AGREEMENT TO ELIMINATE

CHILD LABOUR IN THE SOCCER BALL INDUSTRY IN PAKISTAN

WHEREAS, the communities surrounding Sialkot, Pakistan are the centre of the global market for soccer ball, producing over half of the world's hand-stitched balls each year for export to customers around the world;

WHEREAS, the International Labour Organization's (ILO) minimum age convention (NO. 138), 1973, provides that no one under the age of 15 years shall be shifted to employment or work in any occupation but permits a ratifying Member whose economy and educational facilities are insufficiently developed, after consultation with employer and workers concerned, to initially specify a minimum age of 14 years;

WHEREAS, Pakistan has ratified the ILO Minimum Age (Industry) (Revised) Convention, 1937 (No. 59);

WHEREAS, for purposes of this Agreement, "Child labour" shall be deemed to be present in Pakistan whenever children under age 14 are working in conditions that interfere with schooling, or that are hazardous or otherwise injurious to their physical, mental, social or moral well-being;

WHEREAS, the International Labour Organization set up the International Program on the Elimination of Child Labour (IPEC) to assist all elements of society, including government, industry and labour to work together to develop programs and strategies to end child Labour and to that end a Memorandum of Understanding between the Government of Pakistan and the International Labour Office was signed on 21 June 1994 and extended on 21st August 1996;

WHEREAS, the United National Children's fund ("UNICEF") has been operating in Pakistan pursuant to the current Basic Cooperation Agreement between the Government and UNICEF, entered into force on 24th November 1995 and the Master Plan of Operations 1996-98, in order to secure and promote the rights of children as identified and articulated in the Convention on the Rights of the Child, ratified by the Government of Pakistan in November 1990;

WHEREAS, the Sialkot Chamber of Commerce and Industry (SCCI), the All Pakistan Sporting Goods Association and other interested business organizations located in the Sialkot District, Punjab Province, have created a Steering Committee on Child Labour (SCCL), to coordinate the efforts of the business community in Sialkot to contribute to end Child Labour in Pakistan by supporting the efforts of its members and their customers to eliminate Child Labour from the manufacture or assembly of soccer balls, and others products for which Sialkot is internationally know;

NOW THEREFORE, this agreement is entered into as of February 14, 1997, by and among the International Labour Office (ILO) represented by IPEC, UNICEF and SCCI,

(collectively, the "Partners") for the creation of a Project to Eliminate Child Labour in the Soccer Ball Industry in Pakistan (the "Project"):

I. Goals of the Project.

A. Elimination of Child Labour in Soccer Ball Production

The primary goal of the Project is (i) to assist manufacturers seeking to prevent Child Labour in the manufacture or assembly of soccer balls in Sialkot district and its environs; (ii) to identify and remove children from conditions of Child Labour in the manufacture or assembly of soccer balls and provide them with educational and other opportunities and (iii) to facilitate changes in community and family attitudes to Child Labour, including in the soccer industry. The partners acknowledge that the success of the Project depends on integrating the implementation of these elements and receiving the support of other institutions operating in the region, most particularly the Government of Pakistan. The target timetable for realizing this goal has been set by the partners at 18 months.

B. Elimination of Child Labour in Other Local Industries.

The Partners recognize that efforts to eliminate Child Labour in the soccer ball industry in Pakistan can best succeed if they are complemented by similar efforts in others local industries and by the creation of meaningful new opportunities for children in this district. It is the hope of the Partners that the development of the Project shall encourage other sectors of the business community in Sialkot, the Government of Pakistan and other important institutions in Pakistan to explore how they might do more to contribute to the end of Child Labour.

II. Elements of the Project

The project shall consist of two basic program elements (collectively, the "Programs"):

Prevention and Monitoring Program. Manufacturers engaged in the production and assembly of soccer balls shall be invited to join a voluntary program of prevention and monitoring (the "Prevention and Monitoring program").

1. Registration of Contractors. Stitchers and Stitching Facilities.

By joining the program, participating manufacturers shall publicly commit to a series of actions designed to prevent the practice of stitching by children under 14 years within 18 months, by requiring the formal registration of (i) all contractors responsible for overseeing stitching on behalf of the manufacturers, (ii) all stitching location such that they are clearly identifiable and open to unannounced inspection and (iii) all stitchers, including documentation verifying that they are over 14 years.

2. Establishment of Internal Monitoring Systems.

Each participating manufacturer agrees to establish an internal monitoring department to verify that it is in compliance with the program and to designate a senior manager with responsibility for this function. Each participating manufacturer agrees that its monitoring department shall provide training to employees to enable them to monitor the age of stitchers and to prepare periodic reports on its monitoring efforts.

3. Agreement to Independent Monitoring.

Participating manufacturers also agree to have their compliance with the Program verified by an independent third party (the “Independent Monitoring Body”) who shall provide periodic reports to the Coordinating Committee and to the World Federation of Sporting Goods Industry (for dissemination to their customers and consumers in Europe, the Americas and Asia). These reports shall be made public.

4. Coordination with Social Protection Program.

Participating manufacturers commit to work closely with the ILO and other organizations involved in the Project to integrate their efforts to remove children from conditions of Child Labour with the effort to provide such children from educational and other opportunities. These other efforts are described more fully in the description of the Social Protection Program shall have the following section.

Social Protection Program.

The Partners recognize that a comprehensive program must be developed (the “Social Protection Program”) to ensure that the elimination of Child Labour does not create new and potentially more serious dangers to the affected children or their families. This program shall have the following elements:

1. Protection of Children Removed from Child Labour by Providing Educational and Other Opportunities.

The Partners acknowledge that it is essential to identify children at risk of Child Labour in the manufacture or assembly of soccer balls and provide them with appropriate education and facilities. Some combination of the following initiatives shall be developed to address the needs of these children:

(i) Rehabilitation.

A rehabilitation initiative shall target children under 14 removed from the soccer ball industry to support their placement into appropriate education programs.

(ii) Education.

An educational initiative shall also seek to discourage children at risk of becoming engaged in Child Labour from abandoning the educational system by upgrading the relevance and value of educational opportunities currently available to them.

(iii) In-kind Assistance.

An assistance initiative shall seek to provide appropriate in-kind forms of support to facilitate the participation of children in educational programs.

The Partners agree that the development and implementation of these initiatives shall require the close cooperation of industry to ensure that children engaged in Child Labour are properly identified and that they promptly receive the education opportunities.

2. Changing Community Attitudes toward Child Labour in the Soccer Industry.

The Partners also acknowledge that sustaining the elimination of Child Labour shall require more fundamental changes in community attitudes and family approaches toward work. They agree that some combination of the following initiatives shall be developed to facilitate this change:

(i) Awareness Raising.

An awareness-raising initiative shall target communities in Sialkot which serve as important sources of child workers and educate local community leaders (including members of the business community), religious leaders, parents and children of the importance of education for all children and the serious health and developmental consequences of sending children to work instead of school.

(ii) Income Generation.

An income generation initiative shall offer families the opportunity to replace the income lost when children have been removed from the soccer ball industry by means that do not require Child Labour. Such opportunities shall include, but not be limited to, replacing stitchers under age 14 with qualified members of their families who are older than 14 years.

III. Administration of the Project.

A. Coordinating Committee.

The Partners agree to establish a Coordinating Committee to administer implementation of the Project.

1. Membership on the Coordinating Committee.

The Coordinating Committee shall consist of an authorized representative of each of the Partners as well as other members that the Committee may decide to invite. Each Partner shall designate one individual to serve as its representative on the Coordinating Committee. The Partners have invited Save the Children Fund (UK) (“SCF”), an independent international non-governmental organization, to serve as a member of the Coordinating Committee, in recognition of SCF’s significant experience working to advance the interests of children in Pakistan.

2. General Responsibilities.

General responsibilities of the Coordinating Committee shall include:

i. facilitating communication among the Partners to ensure that all elements of the Project are proceeding in an orderly and efficient manner;

ii. promoting cooperation among the Partners in providing technical and other resources to assist in the development or implementation of the Project;

iii. identifying individuals and organizations qualified to implement the various elements of the Project and delegating responsibility for implementation to them;

iv. assuring the proper integration of efforts to prevent Child Labour with efforts to provide meaningful educational opportunities to affected children and alternative income generation opportunities to their families;

v. making public on a regular basis, status reports on the Project and on its success;

vi. encouraging foreign companies, in particular members of the World Federation of the Sporting Goods Industry and the Soccer Industry Council of America, to support this Project; and

vii. encouraging manufacturers in other business sectors operating in Sialkot to join in efforts to eliminate Child Labour.

3. Approval of Social Protection Program Plan.

The Coordinating Committee shall approve a plan that articulates the programmatic priorities for the Social Protection Program and proposes non-governmental organizations to implement them within a time frame that is consistent with the Prevention and Monitoring Program. The Coordinating Committee shall be responsible for overseeing the implementation of the Social Protection Program plan, including approving the disbursement of funds.

4. Approval of Terms of Reference.

The coordinating Committee shall review and approve the Terms of Reference for the Prevention and Monitoring Program; provided, however, that the members of the Coordinating Committee other than SCCI may delay the implementation of the Program if they agree that this is necessary to protect the best interests of the children who are the intended beneficiaries of the Social Protection Program. The rationale for any such determination shall be made public.

5. Approval of Independent Monitoring Body.

The coordinating Committee shall select an internationally credible Independent Monitoring Body to verify the compliance of participating manufacturers with the Terms of Reference of the Prevention and Monitoring Program. The Coordinating Committee shall be responsible for overseeing the performance of the Independent Monitoring Body, facilitating the distribution of its public reports and approving the disbursement of Project funds for its work.

6. Management and Decision Making.

The Chairpersonship of the Coordinating Committee shall rotate among the Partners every six months, with the ILO representative serving as the Chair of the first six months and the order of subsequent chairs determined by lot. Except as otherwise provided for in Section III.A.4 above, the Coordinating Committee shall decide all matters by consensus.

B. Specific Responsibilities of ILO.

1. Determination of Programs and Implementing Agents.

In consultation with the Coordinating Committee, ILO shall be responsible for proposing for approval by the Coordinating Committee a plan that articulates the programmatic priorities for the Social Protection Program and proposes non-governmental organizations to implement them within a time frame that is consistent with the Prevention and Monitoring Program. This plan shall be presented for approval by the Coordinating Committee within two months following the execution of this agreement.

2. Enlisting the Participation of the Government of Pakistan.

The Partners acknowledge that the basic education of the children of Pakistan is ultimately the responsibility of the Government of Pakistan. Attempts to eliminate Child Labour shall

only succeed in Sialkot if the Government makes a sustained commitment to increase the resources available to educate children. ILO shall make every effort to secure additional resources from the Government of Pakistan to improve educational opportunities for all children in Sialkot and to assist in the implementation of the Social Protection Program.

3. Financial and Technical Support.

ILO agrees to make available over the next 24 months no less than US\$ 500,000 in IPEC programmatic funds contributed by the Government of the United States of America to support the Social Protection Program element of the Project and to provide technical advice and support for the establishment and implementation of the Prevention and Monitoring Program. In addition, ILO shall make available appropriate technical resources, staff assistance and expertise to support the Project and to facilitate the operations of the Coordinating Committee.

C. Specific Responsibilities of SCCI.

1. International Support for the Project.

SCCI agrees to work with the World Federation of the Sporting Goods Industry (WFSGI), whose members represent over 12,000 sporting goods manufacturers, distributors and retailers around the world, and the Soccer Industry of America (SICA), the trade association that represents the U.S. soccer industry, to determine how their members can demonstrate their support for the Project and encourage Pakistani manufacturers of soccer balls to participate.

2. Development of the Terms of Reference.

SCCI agrees to work with the members of the Coordinating Committee to propose a definitive version of the Terms of Reference for the Prevention and Monitoring Program, which shall be made available to the public.

3. Selection of the Independent Monitoring Body.

SCCI agrees to work with the members of the Coordinating Committee to identify and propose an internationally credible Independent Monitoring Body for approval by the Coordinating Committee.

4. Financial and Technical Support.

SCCI has indicated the all costs associated with the development and implementation of the Prevention and Monitoring Program, including the costs associated with constructing new stitching facilities, establishing internal monitoring departments within participating manufacturers and complying with the terms of reference for the Program shall be borne by the companies participating in the program. In addition, SCCI has agreed that participating companies shall contribute funds to finance verification of their compliance by the Independent Monitoring Body. This amount is expected to total no less than US\$ 250,000 over the next 24 months.

5. Contribution of SICA.

SCCI has informed the Partners that the Soccer Industry Council of America, the trade association that represents the U.S. soccer industry, has agreed to contribute US\$ 100,000 over the next 24 months on behalf of SCCI to support elements of the Social Protection Program approved by the Coordinating Committee.

D. Specific Responsibilities of UNICEF.

1. Awareness Campaign on Child Labour.

In consultation with the Coordinating Committee, UNICEF will develop an awareness campaign to educate parents, employers, community members and children in Sialkot on ways to protect against the exploitative and hazardous conditions associated with Child Labour. At the national and provincial levels, UNICEF will advocate with parliamentarians and policy makers to revise laws, improve enforcement and monitor violation of rights of children at risk of Child Labour.

2. Determination of Programs and Implementing Agents.

In consultation with the Coordinating Committee, UNICEF shall present a plan in collaboration with ILO for approval by the Coordinating Committee which articulates the programmatic priorities for the Social Protection Program and proposes non-governmental organizations to implement them within a time frame that is consistent with the Prevention and Monitoring Program and other elements of the Project. This plan shall be presented for approval by the Coordinating Committee within two months following the execution of this agreement.

3. Enlisting Participation of the Government of Pakistan.

The Partners acknowledge that the basic education of children of Pakistan is ultimately the responsibility of Pakistan. Attempts to eliminate Child Labour shall best succeed in Sialkot if the Government makes a sustained commitment to increase the resources available to educate children. UNICEF will work with ILO and other members of the Coordinating Committee to improve educational opportunities for all children in Sialkot and to assist in the implementation of the Social Protection Program.

4. Financial and Technical Support.

UNICEF agrees to make available over the next 24 months no less than US\$ 200,000 for the Project. UNICEF shall make available appropriate technical resource, staff assistance and expertise to support the Project and to facilitate the operations of the Coordinating Committee.

E. Other Provisions.

1. Respect for Logos, Trademarks, etc.

Nothing in this agreement shall be construed to permit any member of the Coordinating Committee to use or permit to use the logos, trademarks or service marks of any other Coordinating Committee member or of WFSGI, of SICA, or of any WFSGI or SICA member or affiliate, without obtaining the express consent of the organization owning the rights to the logo or mark. In addition, SCCI shall be responsible to ensure that the logos, trademarks or service marks of any of the members of the Coordinating Committee are not used by WFSGI, by SICA or by any WFSGI or SICA member without the express consent of the organization owning the rights to the logo or the mark.

2. Resolution of Disputes.

The Partners shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute which may concern the commitments they make as part of this Agreement. Where any such agreement or dispute cannot be resolved by mutual agreement, it shall be settled by arbitration in accordance with UNCITRAL Arbitration Rules as at present

in force. In no event, however, shall this mechanism be employed to resolve disagreements or disputes between members of the Coordinating Committee when making decisions about the design or implementation of the Project.

In witness whereof, the Partners to this Agreement do hereby signify their agreement as of the 14th day of February, 1997

For and on behalf of the International Labour Organization

By /s/ Kari Tapiola

Kari Tapiola

Deputy Director General

For and on behalf of United Nations's Children Fund, UNICEF

By /s/ Stephen H. Umemoto

UNICEF Representative for Pakistan

For and on behalf of the Sialkot (Pakistan) Chamber of Commerce and Industry

By /s/ Khurshid Soofi

Kurshid Soofi

Chairman, Steering Committee on Child Labour

Appendix 3: City-Wise Export of Inflatable Balls

S.No	City Name	2008-09
1	Delhi	2.54
2	Jalandhar	159.38
3	Meerut	8.36
		170.28

(Source: Sports Goods Exports Promotion Council, personal communication via email)
 (1 Crore = 10 million; 1 USD=Indian Rupees 46.1796 on 22 January, 2010, value obtained from <http://www.xe.com/> accessed on 22 January, 2010)

Appendix 4: Exports of Inflatable Balls from India over the last 10 years: (Value in Rs. crores)

Year s	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Export	102.23	102.77	105.02	124.70	129.59	151.54	168.85	162.55	169.64	170.28

(Source: Sports Goods Exports Promotion Council, personal communication via email)
 (1 Crore = 10 million; 1 USD=Indian Rupees 46.1796 on 22 January, 2010, value obtained from <http://www.xe.com/> accessed on 22 January, 2010)

Appendix 5: Quality-wise categorisation of balls (Source: SGFI, Jalandhar)

Sr. No.	Quality of balls	Coding	Average made / per person / per day
1	Cheap	A	5
2	Match	B	4
3	Dara	C	4
4	Rugby	D	10
5	Mini Ball	E1	10
6	Mini Ball	E2	12
7	Mini Rugby	E3	16
8	Mini Rugby	E4	16
9	Mini Ball	E5	18
10	Volley Ball	F	6
11	Top Quality	G	3

Appendix 6: Child labour policy in India^{vi}

There are specific clauses in the draft of the Indian constitution dated 26 January, 1950, that concern the policy on child labour in India. These are conveyed through different articles in the Fundamental Rights and the Directive Principles of State Policy. They lay down four specific policy rules with regard to child labour.

It was also decided that both the Union government and the State governments could legislate on matters relevant to child labour. Various legislative initiatives were also taken in this regard at both State and Union levels.

The main legislative measures at the national level are the Child Labour Prohibition and Regulation Act, 1986, and the Factories Act, 1948. The first act categorically prohibited the employment of children below 14 years of age and identified 57 processes and 13 occupations considered to be dangerous to the health and lives of children. Details on these occupations and processes are listed in the schedule to the said Act.

The Factories Act again prohibits the employment of children below 14 years of age. However, an adolescent aged between 15 and 18 can be recruited for factory employment, only after being certified by an authorised medical doctor as sufficiently fit. The Act proceeds to prescribe a work period of only four hours per day for children between 14 and 18 years. Children are also not allowed to work night shifts.

Moreover, in the year 1996, the Supreme Court of India came out with a judgment in court that directed the State and Union governments to make a list of all children embroiled in hazardous occupations and processes. They were then told to remove these children from work and provide them with education of a proper quality. The judiciary also laid down that the Child Labour and Welfare Fund be set up. Contributions to this fund were to be received from employers who contravened the Child Labour Act.

India is also a signatory to the UN Convention on the Rights of the Child, ILO Abolition of Forced Convention – No. 105, and ILO Forced Labour Convention – No. 29. A National Labour Policy was also adopted in the year 1987 in accordance with India's development strategies and aims. The National Policy was designed to reinforce the Directive Principles of State Policy in the Indian constitution.

- 1) (Article 14) No child below the age of 14 years shall be employed to work in any factory or mine or engaged in any other hazardous employment.
- 2) (Article 39-E) The state shall direct its policy towards securing that the health and strength of workers, men and women and the tender age of children are not abused and that they are not forced by economic necessity to enter vocations unsuited to their age and strength.
- 3) (Article 39-F) Children shall be given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and childhood and youth shall be protected against moral and material abandonment.
- 4) (Article 45) The state shall endeavour to provide within a period of ten years from the commencement of the constitution for free and compulsory education for all children until they complete the age of fourteen years.

It is obligatory for all countries to set a minimum age for employment according to the rules of the ILO laid out in Convention 138(C.138). The stipulated age for employment should not be below the age for finishing compulsory schooling, that is, not below the age of 15. Developing countries are allowed to set the minimum age for workers at 14 years, in accordance with their socio-economic circumstances.

C-138 has also made provisions for flexibility for certain countries, setting the minimum ages of 12 and 13 for their children, but only for the purpose of partaking in light work. Light work can be defined as children's participation in only those economic activities that do not damage their health and development or interfere with their education. In other words, work that does not obstruct with a child's education is considered light work and allowed from age 12 onwards under the International Labour Organization (ILO Convention 138). It is because of this that many children employed in part-time work, learning crafts or other skills of a hereditary nature, are not called child labourers. The same work translates into child labour if a child is thrown into weaving carpets, working in factories, or engaging in some other employment to earn money to sustain self or augment his family's income, without being given school education and allowed opportunities for normal social interactions. A child working part-time (3-4 hours) to learn and earn for self and parents after school, is not considered 'child labour'.

Sports Goods Foundation of India (SGFI): A collective response to CSR issues

Part B: UNIDO and Cluster Development

From around the mid-1990s onwards, there were a number of allegations of child labour in the sports goods manufacturing industry. The issue of child labour came to a crisis around 1997, when the BBC reported use of child labour in manufacturing units producing the footballs that were to be used for World Cup matches in 1998. This led to a string of order cancellations in Sialkot, Pakistan, and Jalandhar, India, two of the main centres producing hand-stitched footballs. An agreement called the “Atlanta Agreement” was signed to put in place a monitoring mechanism to address the issue of child labour in football manufacturing units. The inflatable ball manufacturers and exporters of Jalandhar set up a not-for-profit organisation called the Sports Goods Foundation of India (SGFI) to implement the Atlanta Agreement. Initial funding for setting up the monitoring mechanism came from FIFA, which agreed to provide funds for four years on condition that an external agency does the monitoring. SGS was invited to conduct the monitoring exercises. During this time, the main focus of SGFI was ensuring monitoring of child labour. The organisation also worked on a number of campaigns for raising awareness with regard to child labour issues and set up tuition centres to ensure that children had a constructive alternative way to spend their after-school hours. FIFA, however, withdrew its support towards the end of 2003.

Ramesh: “So FIFA departed. What happened next? ”

Ravi: “SGFI members realised that they had benefited in many different ways from the activities of FIFA and SGS. SGFI membership had become a guarantee that the particular manufacturer’s production process did not use child labour. The manufacturers would proudly display the SGFI logo on their stalls when they participated in international exhibitions. Therefore, the members decided that SGFI was important enough to be supported. From 2003 onwards, they decided to contribute Rs.0.25 for every Rs. 100 earned from the export of hand-stitched inflatable balls towards SGFI, so that SGFI could continue its monitoring and tuition centre activities. SGFI proceeded to hire the SGS staff, who were already trained and could continue the monitoring activity.”

At this point, the UNIDO, which had been experimenting with the cluster development approach and wanted to implement some plans for social development in clusters in India, decided that SGFI would be an appropriate partner. In 2004 UNIDO-CDP partnered with SGFI for a three year project on Corporate Social Responsibility, called Social and Environmental Responsibility of Businesses (SERB). The sports goods industry in Jalandhar was the location of a pilot project, with UNIDO working with SGFI and the Sports Goods Manufacturers and Exporters Association (SGMEA) to address both social and business issues.

With this project, SGFI would scale up its child labour project, tying it in with other community-oriented projects, strengthen educational initiatives, focus on health and safety at the workplace, and address environmental issues. As part of this, SGFI would also provide its members advice on social compliance to handle code of conduct audits conducted by their respective customers. Under the cluster development project of UNIDO, the social agenda of

SGFI was expanded to include a number of activities. UNIDO invested Rs.18 Lakhs^{vii} for implementing the project.

Some of the CSR activities taken up by SGFI under this project are as follows:

National Child Labour Project Schools (NCLP)^{viii}

This is an Indian Central Government initiative designed to bring children into the formal education system. This project is funded by the Ministry of Labour, Government of India. Funds for this project are routed through the Deputy Commissioner of Jalandhar, who is also the Chairman for this project. Each school has a capacity of 50 children. There are four educational instructors, one vocational instructor and one helper in each school.

When children are found to be working full-time, they are put into special schools based on non-formal educational principles. Schools that operate under this project are government schools and afternoon schools working on a part-time basis. The objective of this initiative is to take children up to a level from where they can transition into mainstream schools.

The Government of India established and started running 27 transitional schools in Jalandhar in September 2000 under the National Child Labour Project. SGFI initially adopted four schools. After seeing the excellent results of these four schools, the government entrusted the management of four more schools to SGFI. Now SGFI is running eight schools under this scheme, covering a total of 400 children. The children in these schools were previously either not going to school or dropouts between the ages of 8 and 14. Some of the facilities provided at the NCLP Schools are mid-day meals, free books, Rs.100/- as monthly stipend to the family of each student, free uniforms, free medical and dental check-up camps, competitions (in painting, sports, cultural activities, etc.), vocational training (in stitching of garments, for instance), pot making, etc.

Regular health check-ups at the schools & tuition centres

SGFI always gave health significant importance, so health check-ups for all children studying in schools as well as in free tuition centres are organised on a regular basis. A dental check-up, eye check-up, and general health check-up are conducted by qualified doctors. Impressed with the activities and services rendered by SGFI, some doctors have volunteered their services to the SGFI project on long-term basis.

Reach

Wives of the members of SGFI wanted to get involved in the CSR effort. An idea that they came up with was to collect unutilised material and distribute it to the poor families of the region. SGFI held a grand event where all the social elite of Jalandhar were invited, and the project was proposed to the audience, which was enthusiastic about it. Items like clothes, books, household items, etc., were collected through regular collection drives at the collection centres. Volunteers were organised into groups and the collected material was distributed among the poor and needy people. While some of the initial enthusiasts dropped out, the remaining people continued the effort and it has become a regular event.

Reach has now been registered as a separate NGO.

Micro insurance in partnership with LIC (Life Insurance Corporation)

UNIDO was, at one time, putting pressure on SGFI and its members to provide micro insurance to the stitchers. The Honorable Mr. P. Chidambaram, then Finance Minister, launched a micro insurance scheme.

SGFI partnered with LIC to launch a micro insurance scheme from LIC called Jeevan Madhur. This policy could only be sold by NGOs. As of December 2009, around 800 policies had been sold. SGFI has set itself a target to cover all the 15,000 workers who are part of either centres or units and monitored by SGFI.

This is a simple savings related life insurance plan, under which premiums may be paid regularly at weekly, fortnightly, monthly, quarterly, half-yearly, or yearly intervals over the term of the policy. Further, the premiums chosen are subject to the minimum and maximum sum assured of Rs. 5,000/- and Rs. 30,000/- respectively payable on death and maturity under this plan.

The minimum instalment premiums for different modes of premium payment are^{ix}:

Weekly:	Rs. 25/-
Fortnightly:	Rs. 50/-
Monthly:	Rs. 100/-
Quarterly/Half-yearly/Yearly:	Rs. 250/-

There have already been two cases of workers paying only one or two premiums before their deaths. LIC has settled the consequent claims in full.

To make this scheme self-sustaining, there is an incentive scheme for people involved. SGFI gets a commission of 10% on all money collected. This money collected is distributed among various SGFI staff and local people who are involved in implementing the scheme.

Self Help Groups (SHG)

SGFI found that member families were under constant debt. Lower income families need Rs. 500 - 1000 to help them with their immediate financial needs with regard to medical issues or cash flow problems. If they go to money lenders, their families might get charged 10-12% interest per month. SHGs are, instead, able to get loans from the bank at about 1% interest per month and lend to their members at 2% per month.

SGFI has formed over 52 SHGs with 15-20 women in each group, covering 1000 families. SGFI has also formed SHGs for young girls pooling money for higher education or marriage. Each member contributes Rs. 100/- per month towards the SHG. This money is accumulated for a period of six months. After six months, the SHG members are eligible to take loans from the SHG. Many SHGs have availed of bank loans and successfully repaid the loans. SGFI is currently in the process of linking these 600 families with health insurance and pension benefits.

These SHGs might also be helpful in other ways. If manufacturers in Jalandhar move towards machine stitching, the number of stitchers required would come down dramatically. SHGs would help the women to build capital so that they can take up alternate employment opportunities or re-skill themselves for other sources of earnings.

Adult education centres

Many women who stitch footballs were interested in SGFI's efforts to promote education in the Jalandhar area. They requested SGFI to start some basic classes so that they could at least sign their names and be able to learn to read and write over a period of time. SGFI responded positively to this request and opened the first Adult Education Centre at Mithu Basti, at which 12 women were enrolled. One mother of two passed the 5th standard exam from this centre. As of December 2009, she was preparing to appear for her 8th standard exam. Education of women is very significant since it impacts the family positively and educated women end up ensuring that their children also go to school.

Free computer education

SGFI runs a free computer training centre in collaboration with Punjab Rural Information Technology Management Agency (PRITMA) at village Tajpur, Jalandhar. This is a mobile centre intended to give free computer literacy training to all children of this village and then move on to the next village. This centre covers approximately 300 children. Two instructors were hired to provide training. The Village Panchayat provided a room in the community centre building. During the first phase, children were given basic training on computers. In the second phase, they will be given specialised training in collaboration with professional institutes like NIIT or APTECH.

Free mobile sewing school.

The Miss India title holder for the year, Ms. Simran Kaur Mundi, visited SGFI in May 2008 to observe SGFI activities and interact with SHGs. She donated six sewing machines with which SGFI started a mobile sewing school at village Tajpur. Currently, free training is being provided to young girls of this village.

Common Facility Centre (CFC)

Under this project SGFI is collaborating with its members on ways of improving their production process. SGFI members are experimenting with the use of machine stitching for football manufacturing, multiple die cutting of material, single roll lamination machines, and multiple screen printing of panels. Training is being provided to workers from SGFI members factories. Some members have also started procuring machines for installation in their factories.

Swasth Man Swasth Tan (SMST) – Healthy Mind Healthy Body

SGFI's health project is called SMST. Under this project, SGFI conducts one medical camp each week at 2-3 of its tuition centres / NCLP schools. It also conducts a major camp every two months outside the factory for the benefit of workers of the factory. Awareness camps on health related issues are held within the factory premises. The monitoring teams distribute 70 first aid kits daily to the units that they visit. These kits are replaced every three months. SGFI also recently held a medical camp at which over 150 cataract surgeries were performed.

Partnership with Lions Club Jalandhar East

SGFI has partnered with Lions Club Jalandhar East of Jalandhar to support its activities in many different ways. Lions Club provided a team of doctors for the health camps conducted by SGFI. Five of the tuition centres run by SGFI have been adopted by Lions Club. Under the aegis of Lions Club, 152 eye surgeries have been performed during the 2008-09 period.

Vidhi: "Wow, you have really expanded your activities in very diverse areas. How do you plan to take this forward?"

Ravi: “Well, the bad news is that UNIDO withdrew its cluster development programme in 2008. Nonetheless, with the vision and commitment of SGFI members, the monthly contribution was increased to sustain all projects.”

Sports Goods Foundation of India (SGFI): A collective response to CSR issues

Part C: The Future of SGFI

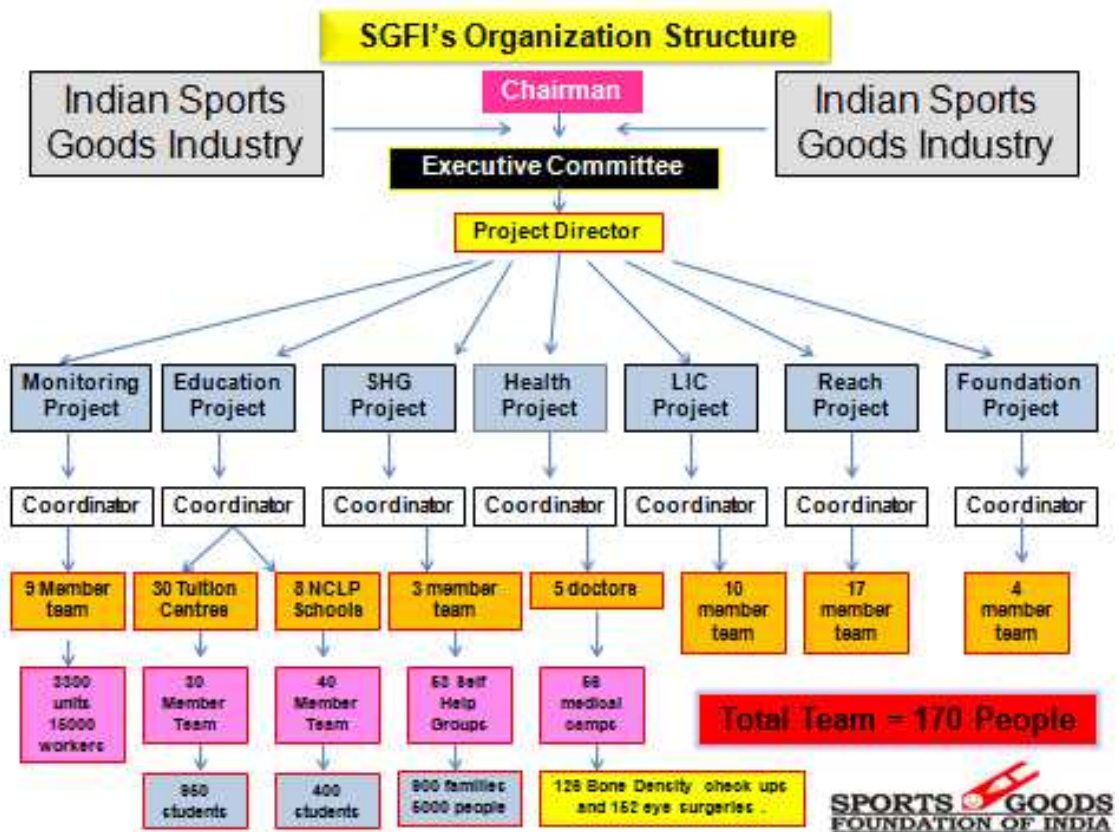
SGFI Objectives

The original objectives of SGFI were as follows:

- To prevent and progressively eliminate child labour in the manufacture or assembly of soccer balls in Jalandhar district and its environs.
- To identify and remove children under the age of 14 years involved in the manufacture or assembly of soccer balls and provide them with educational and other opportunities.
- To facilitate changes in community and family attitudes to child labour.

*As of 2009, the vision of SGFI had changed in line with its expanded activities in the areas of community development, education, and health. The current vision is **to foster and energize social responsibility initiatives of the Indian Sporting Goods Industry.***

As of December 2009, SGFI had 170 employees. Out of these, 95 employees (one project director, two education coordinators, nine from the monitoring team, 30 from the tuition center team, 5 doctors and 48 from NCLP schools) were paid; the rest of the work was done by volunteers. As of December 2009, the organisational structure of SGFI was as follows:



Financial contributions by SGFI members

SGFI caters only to its registered members. To become a member of SGFI, organisations have to pay Rs. 35,000 as a one-time registration fee. They also have to pay Rs. 5,000 as an annual membership fee. Besides this, they have to contribute a certain amount of money every year based on their export turnover for that year.

Over the last decade, beginning in 1999, contributions by SGFI members varied depending on the amount of external funding support available. They also varied because the value of exports were going up, and SGFI was generating revenue in excess of its requirements (Appendix 6). The contributions by members over the years were as follows:

1998 – SGFI registered.

1999 – FIFA funding – SGS starts monitoring.

2003 – FIFA funding ends by end of 2003 – FIFA team hired by SGFI.

2004 – UNIDO entered into collaboration with SGFI to implement cluster development.

2003 to 2005 – Rs.0.25 per Rs. 100 export contribution to SGFI.

2005 – Rs.0.10 per Rs. 100 export contribution to SGFI.

2006 – Rs.0.02 per Rs. 100 export contribution to SGFI.

2008 – UNIDO ended collaboration with SGFI. Rs.0.10 per Rs. 100 export contribution to SGFI.

2010 – from 1 January, 2010, member contribution to SGFI increased to Rs.0.25 per Rs. 100 exports.

Ravi: “So this is where we are today.”

Ramesh: “Ravi, I am really impressed by all that you have managed to build over a 10-year period. But I do have some questions now, things I’m not sure about with regard to SGFI.

Ravi: “What! I thought we were perfect! I’m just joking; I’d be very interested in knowing your views.”

Ramesh: “Well, yours is an organization that has been externally driven and reactive in its approach. All SGFI’s initiatives have been imposed by external organisations, whether FIFA or UNIDO. Both have withdrawn after implementing their respective initiatives and building capabilities in SGFI.

Vidhi: “I’d like to add to that. You started off working in areas that had a direct connection and business relationship with the main business of your members. The original mandate and main business driver of SGFI was prevention of child labour. Today, you have expanded into areas that are far beyond the immediate business needs of your members. To what extent are your members committed to SGFI’s expanded social agenda? If I were a member, I would understand the monitoring and tuition centres, I would even be willing to go along with the health clinics. I am not sure why I would want to contribute to things like SHGs, adult education centres, and computer education. The common facility centre is not even in your mandate. It would seem to me that the members let you do all these things as long as they are convinced that you were meeting your original mandate of ensuring that the production chain is free from use of child labour. What is the level of commitment that SGFI members have to your expanded agenda?”

Ravi: “Well, the common facility centre should have typically been founded by the other sports association, but UNIDO faced a lot of difficulty working with them; it was, therefore, decided that SGFI would be the best partner for the purpose. Ten members of SGFI separately contributed Rs. 65,000 each for this purpose.

Ramesh: “Related to that is the issue that India is a very large country and diverse country. We have a very good mechanism to devise world class policies. However, the implementation of these policies is very weak. I am sure that there are sports goods manufacturers in Jalandhar who are not members of SGFI and who might be using child labour. Also, not all countries are socially conscious enough to ensure that goods have been made by child labour-free manufacturers. I am sure there must be manufacturers exporting to such countries that do not care about child labour issues.”

Ravi: “I agree with you. As I mentioned before, the scope of operations of SGFI is limited to its registered members. It does monitoring only for production of inflatable balls that are hand-stitched and exported. It does not monitor machine-stitched balls since these are primarily made in factories.”

Vidhi: “How do we know that SGFI is doing its job and not covering up for its members?”

Ravi: “That’s easy. Since 2004, SGFI has been ISO 9000 certified. SGS is the certifying body for ISO 9001:2000 for SGFI and audits the SGFI monitoring process once every four months.

Ramesh: “One of the additional problems that you might encounter is that the general reputation of the country might also affect your reputation.”

Ravi: “We cannot change the entire country. We can only set an example in our limited area of operation. I feel that we serve more as an example and model for others to follow.”

Vidhi: “What do you intend to do next?”

Ravi: “Our members face multiple audits from various parties. Any customer that wants to do business with them does an audit. This is a very expensive process for the members. We at SGFI are trying to get them to register for SA8000^x. This is a social standard that has been established by Social Accountability International (SAI) for improving working conditions based on the principles of thirteen international human rights conventions. Once they are certified for this, the nature of SGFI activities will change. We will then be the auditors of their processes to ensure that they are compliant with the SA8000 standards.”

Ramesh: “But will this SA8000 certification make the core activity of SGFI redundant? The manufacturers will then only need to ensure that they are compliant with the standards and get audited at regular intervals of time.”

Ravi: “Let us see what happens. I don’t think SGFI will become redundant.”

Ramesh: “Do you feel that SGFI would be able to sustain this? What will be the future direction of SGFI? You seem to be a very critical person in the functioning of SGFI. What will happen after you leave?”

Ravi: “The daily work of SGFI is motivated on humanitarian grounds. The philosophy is “*if you cannot hold all the children in your arms, hold them in your heart*”. This thought has been expressed by the founder secretary and now chairman (4th year running) Mr. Satish Wasan to fellow exporters who are funding this project.”

**Appendix 6:Export of Inflatable Balls from India over the last 10 years were as follows:
(Value in Rs. crores)**

Year s	1999- 00	2000- 01	2001- 02	2002- 03	2003- 04	2004- 05	2005- 06	2006- 07	2007- 08	2008- 09
Expo rt	102.23	102.77	105.02	124.70	129.59	151.54	168.85	162.55	169.64	170.28

(Source: Sports Goods Exports Promotion Council, personal communication via email) (1
Crore = 10 million; 1 USD=Indian Rupees 46.1796 on 22 January, 2010, value obtained from
<http://www.xe.com/> accessed on 22 January, 2010)

End notes

- ⁱ Source: <http://childlabor.exblog.jp/> accessed on 22 December, 2009.
- ⁱⁱ Source: Workers' Playtime: Child Labor at the Extremes of the Sporting Spectrum. Peter Donnelly and Leanne Petherick. In *Sport, Civil Liberties and Human Rights*, Richard Giulianotti and David McArdle (Eds.), pp 12-13, accessed at <http://books.google.co.in/books?id=zYndj7fL0UsC&pg=PA12&dq=child+labor+football+jalandhar&cd=2#v=onepage&q=child%20labor%20football%20jalandhar&f=false> on 22 December, 2009.
- ⁱⁱⁱ The Atlanta Agreement is an agreement between the International Labour Organisation, the Sialkot Chamber of Commerce and Industry, and UNICEF, made on 14 February, 1997. It was announced at the Sports Super Show in Atlanta, Georgia. Its aim was to combat high rates of child labour use in the Pakistani football-making industry. The goal of the agreement was to improve the working conditions and pay of families living in Sialkot. This would be achieved by helping to ensure that children ("children" defined as persons under the age of 15) would not be forced to work, or at least not forced to miss school, in order to make footballs. At best, it was hoped that the agreement would ensure that adults would be able to earn enough money to support their families without their children having to work. This would improve the percentage of educated youngsters, which would hopefully give future generations more options in terms of work. By substantially raising pay to adults who did work, it was hoped that living conditions would also improve (Source: http://en.wikipedia.org/wiki/Atlanta_Agreement accessed on 23 December, 2009).
- ^{iv} Source: <http://www.sgfi.org/> accessed on 23 December, 2009
- ^v (1 Crore = 10 million; 1 USD=Indian Rupees 46.1796 on 22 January, 2010, value obtained from <http://www.xe.com/> accessed on 22 January, 2010)
- ^{vi} (Source: <http://www.childlabor.in/child-labour-policy-in-india.htm> accessed on 19 January, 2010)
- ^{vii} 10 lakh = 1 million; 1 USD=Indian Rupees 46.1796 on 22 January, 2010, value obtained from <http://www.xe.com/> accessed on 22 January, 2010)
- ^{viii} Source: <http://labour.nic.in/cwl/ChildLabour.htm> accessed on 28 December, 2009
- ^{ix} Source: http://www.licindia.in/jeevan_madhur_plan_010_features.htm
- ^{ix} 10 lakh = 1 million; 1 USD=Indian Rupees 46.1796 on 22 January, 2010, value obtained from <http://www.xe.com/> accessed on 22 January, 2010)
- ^{ix} Source: <http://labour.nic.in/cwl/ChildLabour.htm> accessed on 28 December, 2009
- ^{ix} Source: http://www.licindia.in/jeevan_madhur_plan_010_features.htm
- ^x For more information on SA8000, see <http://www.sa-intl.org/>