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# Sialkot - Pakistan The football industry From Child Lab

Monday, 01 November 1999 14:32

Sialkot, Pakistan
The football industry From Child Labour to Workers'
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If a lot has already been written about the football industry, it is because of child labour. Already in 1996, during the European Nations Cup, several trade unions and NGOs drew attention to the forced labour of children making footballs for the world market in Sialkot, Pakistan.

Those children made footballs for famous trade names such as Nike, Puma, Decathlon, Adidas or Reebok. Confronted with these revelations, the football manufacturers agreed to take part in a monitoring programme set up by the International Labour Organisation (ILO). The main objective of the Atlanta Agreement - named after the city in the United States where it was signed - was to eliminate child labour in the football industry in Pakistan within 18 months. It was also to give child workers the opportunity to go to school rather than simply end up working in another sector of industry.

In September 1999, nearly two years after its signing, what are the results and impact of this agreement?

# Sialkot, Pakistan

With 130 million inhabitants and a quarter of its population earning less than \$ 1 a day (+/- BEF. 38), Pakistan is one of the major countries to export sports goods, especially hand-stitched footballs. Sialkot (situated in the province of Punjab) and the 1,450 neighbouring villages account for about 75% of the world production of footballs.

In 1997-1998, 35.4 million footballs were exported for a total amount of 5,000 million Pakistani rupees . Belgium imported 1 million footballs.

Sialkot, one of the largest industrial areas of Pakistan, has more than 500,000 inhabitants. Of the 39.5% of the population over 14 in employment, 11.7% (4% women and 7.7% men) work sewing footballs.

With a total of 40 million children between 5 and 14, Pakistan has about 3.3 million child workers. This is in spite of the fact that the country has ratified the Convention on the Rights of Children and 5 out of the 7 basic conventions of the International Labour Organisation (ILO), including the one forbidding the labour of children under 14. According to the ILO, between 5 and 7000 children aged between 5 and 14 worked in the football industry in 1996.

Children are often forced to work in order to supplement the family income. In 1997, the English NGO Save the Children published a survey showing that 81% of the children who stitched footballs did so to meet basic needs such as food, clothing, shelter and education.

The need for children to supplement the family income has increased lately as the purchasing power of the

nothing directly for us at this moment, but we're supporting several human rights defenders in Thailand and Malaysia household has declined. On average, children stitching footballs contribute up to 23 % to the household income.

### Education

The literacy rate is of only 40% in Pakistan - 51% for men and 28% for women. The state allocates only 2% of its budget to education. Absenteeism among teachers is high and numerous "ghost schools" exist only on paper.

The curriculum is seen as mostly irrelevant and parents often prefer sending their children to work in manufacture or workshops where they may acquire practical skills.

In the district of Sialkot, most of the children going to state schools don't have classes in a building, but under the shade of trees which doesn't protect them enough from the scorching sun in summer and from the cold in winter. Among the 972 primary schools of the Tehsil sub-district of Sialkot, 484 are outdoor schools.

The football industry

# The production process

There are two components in a football:

- the external part, also called " rexine ", made of synthetic materials
- the internal part, made of natural rubber.

There are different qualities of footballs:

- the A-quality footballs, or valaiti , are used during matches and training sessions ;
- the B-quality footballs, or lahori, are mostly sold on the local market;
- the C-quality footballs, or desi, are used as promotional material.

There are a lot of middlemen between the company marketing the footballs (Nike, Adidas, Reebok...) and workers stitching in the villages. The different components of a ball are supplied to the workers through a large network of subcontractors.

### Wages and working conditions

Before the Atlanta Agreement (see page 5), the balls were mainly stitched at home and constituted one of very few job opportunities for women and girls. 66% of the women as opposed to 10% of the men in paid work sew footballs. The women allocate a larger part of their wages to the housekeeping than the men.

The job doesn't require special equipment and is, for that reason, regarded as a better alternative to other kinds of work. Its main disadvantage lies in the poor wages it brings in comparison with other jobs. On average, a person stitching footballs produces 3.5 balls a day, and piece rate varies between Rs. 20 and 35 according to quality. It is estimated that to earn a living wage, workers would need to be paid piece rate of \$ 2 (i.e. Rs. 100) per ball. According to Sada Qat Farooq, a teacher of 28 who lives in the village of Wan, a stitcher should earn between Rs. 60 and 70 per ball to be able to lead a decent life.

There are between 7 and 10 people in an average family and such a family needs between Rs. 10,000 and 12,000 a month to pay for food, health care and school.

There are between one and three wage-earners per family. Each worker earns between Rs. 1,800 and 2,500 a month, and they sometimes have to pay up to Rs. 30 a day to travel to the factory.

The price of rice varies between Rs. 12 and 15 per kilo, sugar costs Rs. 22 per kilo, maize Rs. 5, milk Rs. 12 per litre and oil Rs. 16. One litre of petrol costs Rs. 27. Someone producing 3 footballs a day is not able to meet the needs of an average family.

The small advances - or paishgi - that some employers give to the families bind the employee to the company until their repayment. Such advances - between Rs. 5,000 and 8,000 - lent to the new employee by the employer, constitute a cheap credit system. In the brick-making sector however, this practice creates heavy dependence and is labelled debt bondage.

Contrary to the production of surgical instruments or bricks - two important local industries - sewing footballs doesn' t expose workers to heat, sharp instruments, toxic substances or dust particles which might induce respiratory diseases.

# Freedom of association

There already are plenty of labour laws and they apply to men and women alike.

One or two trade unions are allowed to operate in companies employing at least 10 workers. If a third union wants to be represented, it must demonstrate membership of at least 1/3 of the workers. So the employer only has to set up two unions to prevent any effective representation.

Very few workers receive a letter of employment, which would compel the employer to pay social security .

Overtime - i.e. hours worked above 8 hours a day - must normally be paid double.

The minimum salary - Rs. 1,950 for unskilled workers - is not respected.

For a trade union to be entitled to operate in a company, workers must register their request at the Ministry of Labour. But without a letter of employment, it is difficult for them to prove that they actually work in the company.

Some permanent workers are registered under the factory act (i.e. a social security system), but only in a few large production centres like Sublime. In the stitching centres and other small companies, workers are paid on a daily basis and can be dismissed at any time. There is no minimum wage, no job security, no social security.

# The Atlanta Agreement

The official title of this agreement is Partners Agreement to Eliminate Child Labour in the Football Industry in Pakistan.

It was signed on 14 February 1997 in Atlanta (Georgia, USA) by the Sialkot Chamber for Commerce and Industry

(SCCI), the International Labour Organisation (ILO) and UNICEF. The NGOs Save the Children, Pakistan Bait-ul-Mal and Bunyad Literacy Community Council also joined the project.

### 1. Monitoring

The Atlanta Agreement aimed to eliminate the labour of children under 14 in the football industry. As it is difficult to monitor child labour at home, the Agreement specifies that the stitching of footballs must be transferred to centres registered and monitored by the International Labour Organisation. Any place where 5 men and 3 women are gathered to stitch balls is regarded as a stitching centre. The exporters had to transfer their whole production to these centres in three 6-months stages:

Phase I October 1st, 1997 - March 31 1998 25% of the production Phase II April 1st, 1998 - September 31st, 1998 50% of the production Phase III October 1st, 1998 - March 31st, 1999 100% of the production

Monitoring is intended to be internal as well as external:

- internal monitoring is carried out by the companies themselves. Each company must identify and locate all stitching centres from which it receives footballs, directly or indirectly. Moreover, each centre must hold a register, in which the name, address and age of the workers among other things are to be recorded.

- this information is then sent to the ILO for independent - or external - monitoring. At the moment, this task is carried out by eleven inspectors which, even according to the new director of the ILO office in Sialkot, Jacques Van Der Pols, is not enough. ILO inspectors make unannounced visits, checking whether children work there and the number of workers involved. Each inspection team working in the district of Sialkot receives every morning a list of at least 20 centres, of which it will visit 5 or 6. In total, more than 35 centres are monitored every day. - At the end of the afternoon, the information gathered is entered in a database that enables the ILO to assess exporters' actual production. In order to check that exporters give correct information (location of centres, number of workers), the ILO compares the number of footballs exported, as published by the banks, with its own estimate. This estimate is arrived at by counting the number of centres monitored working for an exporter and the number of workers actually registered as working in these centres (one worker sews on average 3.5 balls a day). The reference number of the exporter for whom the ball is produced must be stamped inside each football.

# Participation in monitoring programme

The third and last stage of the programme had to be completed by 31 March 1999. But by then, only 39 of 69 main exporters had joined the scheme, which was deemed insufficient. The Sialkot Chamber for Commerce and Industry and the ILO then decided to extend this stage until 31 October 1999. Companies which did not join the scheme by that date would lose their FIFA licence. Other incentives included reducing the cost of participation in the Atlanta Agreement from Rs. 100,000 to 15,000.

With 58 sportswear companies (including Adidas, Kappa, Mitre, Nike, Reebok, Puma and Rucanor) committing themselves to buying footballs only from companies accepting ILO monitoring, 53 exporters had joined the prevention and monitoring programme by the end of August 1999, ie almost 70% of all exporters. By the end of June 1999, they had opened more than 600 stitching centres, including 150 centres for women, employing more or less 12,000 workers.

In April 1999 however, the ILO declared itself no longer satisfied with the information published by the manufacturers. Inspection teams began to carry out investigations and ask questions in villages to see whether hidden stitching centres might be producing for companies that had signed up to the Atlanta Agreement (the ILO also monitors 74 centres outside Sialkot).

What happens if a child is found working in a stitching centre?

In the past, the ILO dismissed the children immediately and informed the manufacturer who sometimes reacted by simply closing down the centre. But the ILO has changed strategy: the child is now allowed to continue working in the same centre until she/he is ready for some form of training. The manufacturer is informed of the number of children found in centres every month, but is not told which centres are involved. In the last six months, almost no children have been found working in the stitching centres.

# 2. Social protection and rehabilitation programme

This is the second part of the Atlanta Agreement.

It is a programme of education and rehabilitation for children who no longer work in football production. It aims to help children avoid having to work, for economic reasons, in other sectors - where working conditions are often worse.

Informal educational activities, health care, training sessions with a view to launching into productive activity as well as micro-credit schemes are organised with the help of UNICEF and various NGOs. The Bunyad Literacy Community Council (BLCC) has set up 176 informal educational centres called Umang Taleemi Centres (UTCs - in Urdu, the national language, Umang means hope and Taleemi education).

These UTCs have been set up in the areas where, according to the ILO, child stitchers are concentrated - the three Tehsils sub-districts of Sialkot, Sialkot, Pasrur and Daska. There are some 35 children in each of these centres. At the moment about 6,500 children aged 7 to 14 (of which 63% are girls) go to these centres for 3 to 4 hours a day, which reduces their working time. The UTCs enable these children to receive an accelerated education programme for two years. 176 teachers (13 men and 163 women) have been hired by the BLCC. Teachers' wages are low: Rs. 1,000 a month for 3 to 4 hours of morning or evening classes in their own house or in a public building. They must at least have completed their secondary schooling and attend training sessions of 2 to 4 days every two months.

Equipment and resources such as tables, chairs and textbooks are provided by the BLCC. Teachers receive first

aid training from Alkhidmat, another local NGO, which also sends doctors in the UTCs to examine the children. The first stage of the project ends on 31 October, but the project itself will go on for at least two years since new centres have just opened and the programme lasts 2 years.

The BLCC has also launched a savings and credit programme to enable families to increase their income.

#### Johnson

Johnson is 13 years old. He's got two younger brothers and two younger sisters. His father and his uncle work in a brickyard. The meagre wages this brings in are insufficient to feed seven people. Johnson has never been to school. His mother started stitching footballs at home, and Johnson started helping her very early. Since his mother had to take care of the children and the housework, they could only stitch three balls a day, which brought in Rs. 45. The daily needs of the family amount to around Rs. 100. The family started borrowing from neighbours without ever being able to pay back. The hard work at the brickyard has eventually ruined the health of the father, who is no longer able to carry out such hard work.

When a UTC opened in Johnson's village, the teacher approached the family. They were quite reluctant to let Johnson stop working, but when they were told that the children only went to school for 3 hours a day, and that they could go to work for the rest of the day, the family agreed. Johnson has been worried lately because his father is ill again. He doesn't know if he'll be able to continue going to school but he is doing his best.

### UNICEF

The UNICEF Programme Universal Primary Education in Sialkot is aimed at preventing child labour. Its objective is to:

- enable all children of the Sialkot district, aged 5 to 7 (ie about 46,000 children), to go to a state or private school by the year 2001;
- encourage the local communities to ensure children attend school. 6 to 7,000 teachers will be trained in the whole district. In return for the training, the teachers commit themselves to enrol children in the schools.

The objective of UNICEF is to eliminate the labour of children aged between 8 and 12 within 5 years. For those aged 12 to 14, no concrete solution has been found yet.

UNICEF works in close collaboration with several departments of the government of Punjab, such as the Public Health and Agriculture departments. These are responsible for providing information about hygiene, medical care, etc. in the schools. The health department will also organise an annual medical examination for children. But working with the government departments takes time, and they do not always keep their promises.

UNICEF also collaborates with the ILO, informing the ILO about child workers in the villages. The ILO in turn acts as link between UNICEF and the Sialkot Chamber for Commerce and Industry. Manufacturers have accepted to sponsor children from 20 villages and to pay their school fees. The ILO works with 6 other NGOs - BLCC and SAHA, a Human Rights organisation, and four local NGOs. Its 1999 budget amounts to Rs. 15 million, to which the government has added 22,16 million. Only the Thesil sub-district of Sialkot is involved for the moment but from December 2000 the other two (Daska and Pasrur) will be covered too. The combined budgets of UNICEF and the Pakistan government for 2000 and 2001 are of Rs. 33.36 million and Rs. 37.4 million respectively.

# Save the Children

Save the Children also play an important role in the project, notably by financing two local NGOs: SUDHAAR for their role in education and the National Rural Support Programme for creating new job opportunities for rural families. Save the Children regularly publish progress reports on the elimination of child labour in the football industry.

# SUDHAAR

The role of this NGO is to prevent child labour by improving infrastructure and training official primary school teachers in the rural areas of Sialkot. Up to now, 85 School Management Committees (SMCs) have been set up in villages where at least 25% of families are involved in sewing footballs. These Management Committees see to it that as many children as possible go to primary school. Since May 1998, school attendance has increased by 5.4% in the areas where SUDHAAR is active.

# National Rural Support Programme

The aim of the NRSP is to generate income for families living in villages. Since the start of the programme in Sialkot in December 1997, NRSP has used the database of SCF to identify those villages with a high proportion of families involved in sewing footballs. 220 Village Communities COs have been created, involving a total 3,500 families. There are three types of Communities: men's groups, women's groups and mixed groups. These groups have been trained to set up micro-credit organisations, to buy water pumps, livestock, agricultural inputs, etc...

The government has granted Rs. 80 million at market interest rates (between 18% and 20% a year). The savings scheme, involving mostly women, has produced Rs. 1,890,000. 12 communities have granted micro-credits to their own members. Rs. 19,349,000 has thus been distributed to 873 borrowers, including 114 women. The whole community is responsible for loans contracted by members. As a result, the repayment rate is of 97%.

The NRSP project in Sialkot ends in March 2001. According to the coordinator of the NRSP office in Sialkot, it should last 3 to 5 more years in order to enable communities to consolidate their situation and achieve autonomy.

The Communities COs of Shuker Pur

This village has 1,000 inhabitants. 27 men and 16 women have formed two communities which meet twice a month. Since theirs was set up in April 1998, the men have managed to save Rs.71,940. The savings - Rs. 100 a month for each member - are deposited at a government bank in the name of the group. Rs. 40,000 have been directly re-lent to members, to set up a mini-company manufacturing surgical instruments, to buy livestock, etc. Priority goes to those who are most need of a loan.

Mohamad Ypwob was jobless. Thanks to the community, he has been able to open a small grocery store that brings in Rs. 100 a day. 20 of the 27 members have already received loans varying from Rs. 25,000 to 30,000. Interest rates are the same as those on the market. A loan of Rs. 30,000 can be repaid in two years in monthly instalments of Rs. 1,510.

Every loan at the moment is made to individuals. In the village, the women go on stitching footballs at home. A middleman gives them Rs. 28 for an A-quality ball, Rs. 25 for a B-quality ball and between Rs. 15 and 20 for a promotional one.

Save the Children also work with Biadarie, a local NGO that has formed three women's groups in 4 villages and aims to put them in contact with manufacturers.

# Coordination meetings

The different partners in the project to eliminate child labour in the Sialkot football industry meet in two monthly discussion forums:

- SCF, the ILO, UNICEF and the Sialkot Chamber for Commerce and Industry meet as the Project Coordinating Community;
- SUDHAAR, BLCC, UNICEF, the ILO, SCF, BIADARI and CCIS meet as the Sialkot Implementation Team.

The following means have been made available to the programme :

Chamber for Commerce and Industry	\$ 250,000
ILO	\$ 500,000
UNICEF	\$ 200,000
Save the Children	\$ 1,000,000
	\$ 1,950,000

# Results and impacts of the project to eliminate child labour in the football industry

### Child labour

The stitching of footballs at home has declined significantly following the organisation of the stitching centres and the fall in the demand. No child now works in the stitching centres, even those that are not subjected to ILO monitoring.

So, what are the children who produced footballs doing now?

- Either they have nothing to do and kick around the village streets;
- or they work in other branches of industry.

The information we get in this respect is contradictory. Some NGOs involved in the NRSP project consider that the phenomenon is isolated, like this case of three children under 14 of which the first stitches bags, the second works in a small spinning mill and the third makes shuttlecocks.

Other organisations such as the Working Women Organisation and the Association of Network for Community Empowerment suspect children go on stitching footballs at home for producers who have not signed the Atlanta Agreement, or that they have ended up in large numbers in other sectors of the local industry.

Save the Children is due to investigate.

# School Attendance

More children go to school since the project has been launched. Absenteeism among teachers has decreased. The quality of teaching has improved, notably in mathematics and English. Art is now part of the curriculum. But not all children can benefit from the rehabilitation scheme and go to the Umang Taleemi Centres: in order to make this possible, the identification of children who work stitching footballs will need to be improved.

Two possibilities are now being considered to continue educating the children after the end of the project, the financing of which ends in two years :

- setting up some sort of foundation financed by football manufacturers;
- setting up training centres financed by local communities.

UNICEF is also trying to revitalise the network of the ldblquote traditional dblquote schools, but it is not easy.

# Household Income

Before the Atlanta Agreement, more than one member of a family would usually be involved in stitching footballs. But since the opening of the centres, 2 or 3 members of the family may have lost their jobs, sometimes cutting the family income by 2/3.

For Nighat-un-Nisa, coordinator of the NRSP office in Sialkot, the most affected by the creation of the stitching centres are the women. In a lot of families, women cannot work outside the house because it must stay open to possible guests. Besides, the roads to the stitching centres are not very safe, particularly for the youngest. If there are several women in a household, some of them can go to work in the centres - the less skilful at stitching balls remaining at home with responsibility for housekeeping.

Women who live in a nuclear family (parents and children) were previously occasional stitchers, as they also have to take care of the house and small children. They therefore will not be able to join the stitching centres.

A study carried out by Save the Children at the beginning of 1999, 16 months after the project started, has shown that:

## Before the project :

- women had enough work; they used to stitch 3 to 4 footballs a day for an average wage rate of Rs. 20 to 25 per ball:
- girls stitched footballs, and saved their income for their dowry;
- families involved in the industry were able to keep stocks of grains and other commodities;

# After the project :

- the work-load was reduced by 25-50% and wages decreased by about 50% to Rs. 10-12 per ball;
- the number of meals per day was reduced in families involved in the industry;
- many girls now wait longer to be married, as they do not earn enough money for their dowry;
- purchasing power has decreased due to lower wages and reduced work.

Some women go on stitching at home, notably for exporters who have not signed the Atlanta Agreement. But the wages paid in the stitching centres are higher than those paid to the women working at home.

Most of the men work in centres while the women still stitch at home. Consequently the gap between the wages men and women receive for the same job keeps widening.

Subcontractors keep back part of the wages of women working from home, using the pretext of inferior quality of the seams. Those women have been sewing footballs for the last 5 or 6 years and it is unrealistic to pretend that they are unable to produce quality footballs. But the balance of power is unequal and women who want to continue working from home must accept lower wages. Nor is it possible to turn to another employer: when a woman has received an advance -a paishgi - from a subcontractor, an unwritten code of conduct forbids her to work for another. Many manufacturers argue that it is important to continue employing women to stitch the balls so that the job supply can stay high and the wages low.

A fall in demand is also a factor in deteriorating pay, enabling manufacturers to pay lower wages to the workers. The price paid for footballs is much lower in villages that are far from production units than in those that are near.

The fact that there is less work available stitching footballs significantly affects the income of other members of the community, such as grocers .

Although the NRSP scheme has succeeded in maintaining communities' income in general and the COs' s in particular, it is difficult for families of stitchers to join the scheme because they belong to a group with lower income. In some villages, it is difficult for women to form a group of 15 to get organised in a CO.

Has football production been moved to other regions that are not monitored by the ILO?

The ILO, Save the Children Fund and UNICEF maintain that football production has not moved significantly out of regions monitored by the ILO to other districts in Pakistan. Azhar Khan, coordinator of the UNICEF office in Sialkot, estimates that part of production moved to other districts - such as Gujranwala - before the implementation of the ILO Programme, though to pay lower wages rather than avoid the child labour programme.

According to the Working Women Organisation and the Association of Network for Community Empowerment, football production has partly moved to other districts, some near some much further from Sialkot (Narowal, Gujarawala, Hafaz Abad, Fasal Abad).

# Conclusion

- a. The primary cause of child labour, the poverty of parents which forces children into work, has not really been taken into account by the project of SCCI, ILO and UNICEF. In some cases, the result of the project is a fall in family earnings, thus putting additional pressure on children to work.
- b. The project as a whole does not properly address the issue. Children who don't work for football exporters tend to work in other sectors, where working conditions are worse (surgical instruments, brick kilns,...)
- c. The Atlanta Agreement is only for six to seven thousand working children. There are at least 3,5 million working children in Pakistan. In other words, this type of approach only has a limited impact on child labour in Pakistan.
- d. If we are really to tackle the issue of child labour, it is essential to secure real freedom of association so that workers can bargain collectively and struggle for better wages and conditions.

