

**THE DARK SIDE OF FOOTBALL**

**Child and adult labour in India's football industry  
and the role of FIFA**

**India Committee of the Netherlands**

**June 2000**

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The Dark Side of Football:  
Child and adult labour in India's football industry and the role of FIFA  
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## **PREFACE**

This report takes a close look at child labour and working conditions in the sport goods industry in Punjab, India.

It also describes and discusses the various initiatives taken nationally and internationally to tackle these issues. In India the initiatives of the South Asian Coalition on Child Servitude (SACCS) and the Sports Goods Foundation of India (SGFI) are among the most prominent. Internationally the World Federation of Sporting Goods Industry (WFSGI), FIFA and its licensing organization ISL (International Sports and Leisure), the International Confederation of Free Trade Unions (ICFTU) as well as the major sports goods companies play an important role. The International Labour Organization (ILO) and UNICEF are other major players in the field of child rights and labour rights.

This publication is the result of consulting many sources, not only written information but also a number of organizations who are closely involved in the issues at stake.

A very important source of information has been the authoritative report 'Child labour in the sports goods industry - Jalandhar, A case study' based on research conducted by the V.V. Giri National Labour Institute, India.

Furthermore the knowledge, field experience and cooperation of the organization 'Volunteers for Social Justice - an NGO with a long experience on the issues of child labour, bonded labour and migrant labour in Punjab - has been invaluable for the preparation of this report.

I also would like to express my sincere thanks to the Sports Goods Foundation of India and their 'stakeholders' who informed us in considerable detail about their efforts to eliminate child labour in the sports goods industry.

Furthermore I want to thank the International Confederation of Free Trade Unions (ICFTU) who provided information on the results of their negotiations with FIFA/ISL on the 'FIFA Code of Labour Practice' and the contractual labour conditions between ISL and sports goods companies.

Finally I want to express the hope that this report, though critical on various aspects of present initiatives to eliminate child labour, will be seen as a constructive contribution to the efforts of all those who wish to see an end to child labour in the sports goods industry (and elsewhere) and who would like to see this combined with equally strong efforts to guarantee the internationally recognized labour rights of the workers in this industry.

June 2000

Gerard Oonk

Co-ordinator, India Committee of the Netherlands

## **PART I**

### **Executive summary**

In 1995 the first reports appeared in the newspapers about the large scale use of child labour and exploitation of adults in the football industry of Sialkot, Pakistan. A couple of years later it became clear that the same problem also existed in India which, after Pakistan, is the second largest exporter of footballs and other inflatable balls.

From the moment the issue was highlighted by the media and NGOs, especially in the run-up to the 1996 European Football Championship, not only national organizations in Pakistan and India but also several international organizations have been closely involved in the issue. Prominently among them are the World Federation of Sporting Goods Industry (WFSGI), the International Confederation of Free Trade Unions (ICFTU), the International Labour Organization (ILO) and the international federation of football associations (FIFA).

Also major sports companies such as Nike, Adidas, Reebok, Mitre (UK) and others started taking a keen interest in the use of child labour in stitching footballs because - to mention at least one important reason - it was spoiling their brand image.

Whereas in Pakistan a programme to eliminate child labour from the football industry has been in place since 1997, a similar programme in India - implemented by the Sports Goods Foundation of India (SGFI) and funded by FIFA - started on January 1st, 2000.

The South Asian Coalition on Child Servitude (SACCS) was the first to highlight the situation of child labour and unfair labour conditions in the Indian sports goods industry in 1997. SACCS initiated discussions with the sports goods industry which broke off when the British organization Christian Aid published a report with the help of SACCS which estimated that 25,000 to 30,000 children were working in the sports goods industry. The manufacturers strongly objected to this figure and started the Sports Goods Foundation of India (SGFI) without the cooperation of SACCS.

The Christian Aid report did however prompt an independent research study funded by ILO-IPEC and FICCI (a national employers' association). The research was done by the V.V. Giri National Labour Institute (NLI). Their report, 'Child labour in the sports goods industry; Jalandhar, A Case Study' (further called the 'NLI report'), came to the conclusion that around 10,000 children are stitching footballs in the district of Jalandhar. Other producing areas were not included. The report, published in September 1998, also provides a wealth of information on the socio-economic conditions of the stitchers. It is therefore the main source of the following description of these conditions.

Stitching footballs is largely a home-based industry in which the manufacturing/exporting companies produce the 'panels' of the balls in their factories and hire contractors who act as middlemen between them and the home-based workers who stitch the balls. Almost half of the stitchers are living below the 'poverty line' and four out of ten households are headed by illiterate adults. About 90% of the households belong to the so-called 'untouchables', or Dalits as they prefer to call themselves. Their human rights are violated in many spheres of life especially when they dare to assert and organize themselves. Dalits, including their children, are the main victims of bonded labour and child labour.

The NLI report estimates the average daily earning of an adult male in the sports goods industry to be around Rs.20 (less than half a US dollar) which is about one third of the present minimum wage of Rs.63 a day. Stitchers are normally not aware of the concept of minimum wage and are not organized by any trade union. Any protest or attempt to organize themselves can be easily

crushed as they are dependent on the contractors for work. The piece rates for stitching a football are not determined on the basis of time needed to stitch a ball in relation to the right to earn at least a minimum income. Furthermore the stitchers are routinely cheated by the contractors. The NLI advises doing away with the contractor system and making the manufacturers/exporters responsible for the payment of wages.

It is estimated that 10,000 children are working in the production of sports goods in and around Jalandhar, 1,350 of whom are 'only working' (OW), while the rest are both working and going to school. Stitching of footballs is being done by children from five years and older. Of all the full-time working children 37% are between five and twelve and the rest are thirteen or fourteen. Of the working-and-school going (WSG) children two-thirds are between five and twelve, indicating that most children are starting to stitch footballs when they are quite young. The combination of school and work leads most children to drop out around the age of ten.

The work intensity of the stitching children is high. A six year old 'only working child' spends on average 7.5 hours stitching balls while a thirteen year old child spends 9 hours. 'WSG children' even have to shoulder a bigger work burden: 9 hours when they are six and almost 11 hours when they are thirteen. A quarter of the OW children work at night compared to 14% of the WSG children. Almost half of the 'only working' children and less than a third of the 'WSG children' report some health problem. The most common problems are joint pains and backache.

The NLI report was to become the basis for an initiative by the SGFI, the WFSGI, Save the Children and ILO-IPEC, the child labour programme of the International Labour Organization (ILO). ILO-IPEC would supervise the external monitoring of stitching locations and US\$3 million was to be funded by the US government for the monitoring system and the rehabilitation of the children. The 25 exporter-members of the SGFI promised to start an internal monitoring system on child labour and to ensure that the workers would earn at least the official minimum wage.

The Indian government however refused to accept ILO-IPEC as the external supervisor. They also refused the money from the USA for the project and, just like most exporters, did not want SACCS to be part of the new initiative.

After the 'expulsion' of ILO-IPEC, the SGFI went ahead with a programme to prevent and rehabilitate child labour in the sports goods industry. SGFI, under the guidance of the WFSGI, ISL and major sports goods companies, hired the well-known auditing company SGS (Société General de Surveillance) to do the external monitoring of the stitching locations. The list of these locations is provided by the manufacturers on the basis of their internal monitoring. The external monitoring is now funded by FIFA, while the manufacturers contribute 0.25% of their export earnings for the rehabilitation of the children.

In a period of two years the SGFI plans to concentrate all stitching in registered centres with more than eight workers or units with at least three workers. Elimination of child labour and fair wages should be the result. In addition SGFI has hired the Indian Council of Child Welfare (ICCW) to create awareness among the stitchers' families on the child labour issue. ICCW has recruited students of a girls' college to do this work, joined by some wives of exporters.

A 'social protection programme', for which Save the Children and UNICEF would make further plans and possibly provide funds, has not started yet. During the first round of external monitoring by SGS only one working child was found, which makes it unclear for Save the Children, UNICEF and other stakeholders if and how to start a programme.

Combining the results of the NLI report, local research and recent meetings with most of the organizations involved in the issue the following additional points emerge (see also the con-

clusions and recommendations):

- \* Stitchers are still earning wages far below the official minimum wage. This fact is being denied by the Sports Goods Foundation of India, not checked as part of their internal monitoring and not externally monitored and verified by SGS.
- \* Stitchers are not organized in a trade union. Their absolute dependence on the contractors for work makes this almost impossible. Not the stitchers themselves but the contractors 'bargain' with the employers about the piece rates for stitching.
- \* Considering the health problems of children stitching footballs it can be concluded that stitching footballs is a hazardous occupation.
- \* The successful elimination of child labour depends on an effective 'social protection programme' which now seems to get stuck because 'no children are found'. An essential part of this social protection should be the willingness of the industry to pay living wages, at least the official minimum wages.
- \* The newly set up stitching centres are exempted from the Factory Act. This act gives employees a number of rights, including a labour contract, an annual bonus, double pay for overtime etc., which are now being denied.
- \* There is strong evidence that a few members of the SGFI are hiding a part of their production from the monitoring system, in particular the largest exporter Mayor & Co. This company is supplying balls to Adidas, Mitre and Mundo, as well as to other FIFA/ISL-licensed companies. Mayor & Co also supplies footballs with a Euro 2000 design for the European market, imported under FIFA/ISL-license by 'Mookie Toys' (see photos).
- \* The contractual agreements between the ISL (the licensing organization of FIFA) and all licensed football importing companies who buy their balls in India are violated on the issues of (hiding) child labour, wages below the official minimum, misuse of advances paid to workers, obstacles to the right to organize, exemption from existing labour legislation and lacking health standards and sanitary facilities.

## Conclusions and recommendations

1. All available evidence points to the fact that most stitchers in India, either working at home or in stitching centres, do not earn even half the minimum wage of Rs.63 a day or Rs.1,753 a month. The sports goods exporters who have joined the SGFI do have the responsibility - to which they agreed in November 1998 - to ensure that the workers at least earn the minimum wage for an eight hour day of work.

This responsibility should at least result in:

- paying piece rates that make it possible for stitchers working eight hours a day to earn at least the official minimum wage (see also point 2);
- informing all stitchers orally and on paper about piece rates. This should not be done by the contractors but by persons appointed by the SGFI and/or its Steering Committee; information on piece rates should be available in all stitching locations;
- including questions about number of balls produced and real wages paid in the internal monitoring system of the SGFI and registration of piece rates and real wages paid in the registers of all stitching centres and units.

2. There is strong evidence that the SGFI and individual exporters are overstating the number of balls that can be stitched in a normal working day. This leads them to claim that stitchers can easily earn the minimum wage or more, while in reality they can produce much less and earn far less than the minimum wage. In order to fix piece rates in a way that leads to payment of at least the official minimum wage, the recommendation of the V.V. Giri National Labour Institute that a scientific study should be undertaken to determine the real time needed to stitch different types of inflatable balls, is still extremely valid.

3. At present the stitching centres set up by sports goods exporters are exempted from the Factory Act which stipulates that working units with more than twenty employees should be registered under it. The Factory Act gives employees a number of rights, including a labour contract, an annual bonus, double pay for overtime etc.

It is unacceptable that the stitching centres are exempted from the Factory Act.

4. There is strong evidence that at least some members of the SGFI are deliberately hiding a considerable part of their production from the monitoring system. This implies that there is no check on child labour and working conditions in the area where this production is found: the district of Gurdaspur. Especially India's largest sports goods exporter, Mayor & Co, seems to be involved in this. A programme designed to monitor child labour has no credibility when part of the production is hidden by some members of the SGFI. It is not only a blatant violation of the system but, if unchecked, also leads to additional movement of stitching outside the area which is monitored. Internal and external monitors should therefore make sure to include all stitching locations of the SGFI-members.

5. It is clear from the NLI report that both full-time and part-time child labour is violating the right of the child to recreation and to full-time education until he or she is at least 14 years of age. Though some efforts are undertaken by the SGFI, the present approach is not likely to be sufficient to eliminate child labour effectively and give these children the right to full-time education.

The success of creating community awareness on the need to eliminate child labour in the sports goods industry as well as monitoring of this industry on child labour, depends to a large extent on involving the community and local NGOs in the effort. Against this background the present awareness raising efforts by the Indian Council of Child Welfare do

lack the necessary credibility. College students and wives of exporters cannot be expected to make a real impact in this situation. The SGFI and its Steering Committee have to cooperate with local communities and credible local NGOs who should take the lead on this.

6. The successful elimination of child labour also crucially depends on an effective 'social protection programme' which now seems to get stuck because 'no children are found'. An essential part of this social protection should be the willingness of the industry to pay living wages, at least minimum wages. This would also create trust with the stitchers' families. It would show them that the industry is serious about their welfare and the education of their children. Furthermore a programme of transitional education centres, as earlier decided upon by the SGFI and their stakeholders, should be implemented in order to prepare full-time working children for government schools. Similarly, tutorials for part-time working children to catch up in school should be provided. UNICEF and Save the Children would be in a position to prepare plans for this and generate the necessary resources.
7. Eliminating child labour in the sports goods industry can be an important first step to eliminate child labour in other sectors. For this to happen a combination of specific measures to phase out child labour through a targeted regional approach in combination with improving the system of primary education is of crucial importance. Strategies and programmes should therefore be developed to keep children in school until they finish 10th grade of elementary education. Improvement of the quality of education is essential to reach this goal, but also social mobilization to establish and enforce the social norm that no child should work. The SGFI and other organizations, like UNICEF and Save the Children, can play an important role in stimulating the local and state government to take up its responsibility to offer every child the right to full-time elementary education.
8. Considering the health problems of children stitching footballs it can be concluded that stitching footballs is an hazardous occupation. Further research should establish the character and magnitude of the health problems. Also in the case of adults it is recommended to undertake a scientific study into the health hazards of manufacturing sports goods. On the basis of this research a plan of action to protect the health of sports goods workers should be formulated and implemented.
9. The contractual agreements between the ISL and their licensees (including all major football importing companies) are violated on a number of points:
  - The contract<sup>1</sup> states that no child who is less than 14 years old shall be employed. There is however ample evidence that some members of the foundation are hiding a part of their production - and thus the use of child labour - from the monitoring system funded by FIFA.
  - The contract has the provision that 'workers should be paid at least the legal minimum legal wage or a wage that is consistent with local industry standards, whichever is greater'. It is quite evident that the wages of most stitchers are below the legal minimum wage.
  - The contract states that 'advances on and deductions from wages should be carefully monitored'. No such monitoring exists so that contractors can use the advances to take deductions from the wages without any form of third party monitoring.
  - The contract recognizes that 'the right of workers to join and organize associations of their own choosing should be respected'. The present contract system makes it de facto almost impossible to use this fundamental labour right as the stitchers are absolutely dependent on the contractors.

- The contract states that 'factories [and those who supply them] shall comply with all applicable laws and regulations regarding working conditions'. The fact that the stitching centres are exempted from the Factory Act is at least a violation of the spirit of this provision.
  - The contract states that 'standards and procedures should be elaborated to protect workers from fire, accidents and toxic substances'. Stitchers do work with and inhale toxic substances (like ink and glue), but there are no standards and procedures to protect the workers.
  - The contract states that 'workers should have access at all times to sanitary facilities'. Observations show that such facilities are lacking in several stitching centres.
10. The mandate of the external monitoring company SGS does not at all reflect the provisions of the present contracts between ISL and their licensees. The terms of reference for monitoring are largely confined to child labour. This might not be a violation in letter of the contract, but it certainly is in contradiction with the spirit of the provision in the contract that ISL 'may request evidence of compliance with the code'.<sup>2</sup> The best way to provide this evidence is to include it in the terms of reference of SGS as the appointed external monitoring organization.
11. The SGFI and its Steering Committee of the SGFI, in consultation with local communities, NGOs, unions and others, should find ways to implement the important conclusion of the NLI report that the contractor system should be replaced by a system with effective monitoring and regulation by the state, employers and trade unions. In addition the idea to form labour co-operatives should be further studied and implemented with the help of NGOs and unions.
12. Bringing an end to the use of child labour and guaranteeing basic labour rights in the sports goods industry of course goes beyond the influence of FIFA and other football associations alone. Therefore all companies should, regardless of their relation to FIFA and ISL, have a code of labour practice which is at least as good as the original FIFA Code and is independently monitored and verified.
13. It is strongly recommended that football importing companies do not stop sourcing from their existing suppliers in India. They should rather use their influence to make sure that the present contracts between ISL and themselves as ISL licensees are implemented in letter and spirit and are being improved upon. For this to happen they have to pay prices that makes it possible for the Indian suppliers them to establish and pay for the working conditions agreed upon.
14. The Code of Labour Practice initially agreed upon by FIFA and the International Confederation of Free Trade Unions (ICFTU) - if signed, incorporated in the ISL agreements, implemented and effectively monitored - would be an important instrument to improve labour conditions in the sporting goods industry worldwide. The present contractual arrangements fall considerably short of that as there are still a number of unresolved problems in terms of both the content and the implementation of the ISL arrangements.
15. An active role of the ILO - not only ILO-IPEC like in the case of Pakistan - in the monitoring and verification of FIFA Code would be highly desirable. This would not only give an important impetus to the status and credibility of the FIFA Code, but could also be a pilot for the involvement of the ILO in giving guidance to the content and

implementation of other codes of conduct which are (partly) based on ILO Conventions.

## **PART II**

### **Child and adult labour in India's football industry**

#### **Short history of the issue**

The South Asian Coalition on Child Servitude (SACCS) was the first organization to highlight the situation of child labour and unfair labour conditions in the sports goods industry in India. This network, with a membership of more than 500 non-governmental organizations in India alone, has been at the forefront of the fight against child labour for the last ten years. SACCS has been one of the main initiators of the Rugmark label for carpets made without child labour, which has been functioning successfully for the last five years. SACCS also initiated the Global March Against Child Labour which has now become a worldwide movement against child labour ([www.globalmarch.org](http://www.globalmarch.org)).

In April 1997 SACCS organized a national consultation on child labour in the sports goods industry.<sup>3</sup> Representatives of the World Federation of Sporting Goods Industry (WFSGI), the Sports Goods Export Promotion Council (SGEPC), several sports goods exporters, as well as the National Human Rights Commission, UNICEF and the National Trade Union Centre participated in the meeting. It was decided to form a Joint Committee consisting of the Sports Goods Export Promotion Council, the sports goods industry itself, various experts and SACCS as the coordinating agency.

A month later Christian Aid and SACCS (with the help of its local member 'Volunteers for Social Justice') published the report 'A Sporting Chance' on child labour in the sports goods industry. The report led to a lot of publicity as well as very negative reactions from the sports goods industry. In particular the statement that between 25,000 and 30,000 children are working in the sports goods industry, was strongly rejected by the exporters. After publication of the report one meeting of the Joint Committee took place, after which it ceased to function.

Shortly after the first and last Joint Committee meeting the Sports Goods Manufacturers' and Exporters' Association (SGMEA) announced that they themselves had taken the initiative to eliminate child labour in the sports goods industry. Eighteen exporters took up a survey of their stitching locations and came to the conclusion that only seven school-going children between twelve and fourteen years are stitching footballs.

The Christian Aid/SACCS report however did prompt FICCI (Federation of Indian Chambers of Commerce and Industry) and ILO-IPEC to commission a study on child labour and socio-economic conditions in the sports goods industry in the Jalandhar area of Punjab. The research assignment was given to the well-known V.V. Giri National Labour Institute. A 25-member Advisory Committee with representatives of NGOs, UNICEF, ILO-IPEC, the sports goods industry, the government as well as some academics was set up to guide the study. SACCS was not invited.<sup>4</sup> The NLI report came to the conclusion that around 10,000 children are stitching footballs in the district of Jalandhar, of whom 1,350 are full-time workers.

In 1998 both SACCS and the sports goods exporters continued their activities. SACCS started its Fair Play Campaign, including a few schools for former child stitchers, a mother's training centre and an awareness raising programme in Jalandhar and Meerut. The exporters initiated the Sports Goods Foundation of India (SGFI) and started working towards an agreement with organizations like the World Federation of Sporting Goods Industry (WFSGI), ILO-IPEC and Save the Children. This approach is based on the so-called 'Atlanta Agreement' (signed in February 1997), which formed the basis for a programme to eliminate child labour from the football industry in Sialkot, Pakistan. The USA was willing to financially support a similar

agreement and programme with US \$3 million, under the condition that ILO-IPEC would be responsible for external monitoring. In November 1998 a three-day workshop was held to develop a programme to prevent and rehabilitate child labour in the sporting goods industry'.<sup>5</sup> Many national and local NGOs were present. SACCS and its local member organization VSJ were not invited.

However, the 'Atlanta Agreement for India' which was supposed to be signed in February 1999, never materialized. The Government of India (GOI) took the decision not to allow ILO-IPEC to supervise the external monitoring. The financial support of the USA however was dependent on ILO-IPEC involvement. According to Mr. Satish Wasan, secretary of the SGFI, the argument of the Indian government not to involve ILO-IPEC was that too much money would go to management of the programme and too little would be available for the children concerned. The exporters agreed with this argument, he says.<sup>6</sup> Mr. M.P Joseph, National Co-ordinator of ILO-IPEC recalls a meeting of the 16-member National Steering Committee with the Minister of Foreign Affairs in which the latter came up with a number of arguments, including: Jalandhar did not have priority with regard to child labour as football stitching is not a hazardous occupation, the GOI did not need the three million and was opposed to monitoring supervised from outside the country.<sup>7</sup> Another reason to keep out ILO-IPEC seems to be that both ILO-IPEC and the USA wanted SACCS to be a member of the Steering Committee for the 'India Atlanta Agreement', while a large part of the exporters and the GOI strongly opposed this idea.<sup>8</sup>

### **The Indian sports goods industry**

The Indian sports goods industry, including the production of footballs has its origins in Sialkot, Pakistan. During partition between India and Pakistan in 1947 many Hindu artisans moved from Sialkot in Pakistan - traditionally a major centre of the sports goods industry - to Punjab in India.<sup>9</sup> The Mahashak, the traditionally stitchers' community, started living in the districts of Jalandhar, Batala and Ludhiana. The Mahashak of Jalandhar and Batala are still engaged in ball stitching.<sup>10</sup> Jalandhar is now the major centre of India's sports goods industry. Meerut in Uttar Pradesh is the second and Gurgaon in Haryana is the third.

India is the second largest producer of footballs and other inflatable balls, Pakistan being the world leader. The Indian sports goods industry has grown tremendously since Independence in 1947, particularly in the last decade. During 1996-1997 an export figure of Rs.217.51 crores (US\$61.27 million) was reached.

About 60% of the total sports goods production by Jalandhar-based exporters consists of inflatable balls of different varieties. Between April 1998 and April 1999 India exported 'inflatable balls' for a value of US\$28.5 million (Rs.125.54 crores). Between April 1999 and February 2000 this was almost US\$18 million (Rs.7854.76 lakhs) of which the United Kingdom imports totalled US\$6.86 million. Other important European importing countries are France, Germany, Spain, Italy and The Netherlands.<sup>11</sup> Besides inflatable balls, the other sports goods manufactured are badminton rackets, shuttle cocks, cricket balls and bats, hockey sticks and different kinds of gloves and protective equipment. There are 364 sports goods exporters registered with the Sports Goods Export Promotion Council (SGEPC).

According to the Sports Goods Manufacturers and Exporter's Association, the total number of persons working in the industry is about 30,000. A report by Christian Aid however gives a figure of around 300,000 people working in the industry, 'either in the 1,500 factories and smaller manufacturing units or as subcontracted home-workers'.<sup>12</sup>

It is not fully clear how this large difference can be explained, but it can be assumed that the former figure does not include the home-based workers who are working for the

manufacturers/exporters via the contractors. The number of home-based workers can only be roughly estimated as there are no reliable data on them yet. If the figure of 300,000 is correct this would mean that nine out of ten workers in the sports goods industry are in the informal, unorganized sector.

### **Process of production of inflatable balls and the contract system<sup>13</sup>**

In Punjab different kind of inflatable balls are manufactured of which the most important are footballs, rugby balls, handballs, volleyballs and different kind of cheap promotional balls. The most important actors in the process of production for the export market are:

- the foreign importers who give the ball specifications and designs and give the orders to manufacturers/exporters in India;
- manufacturers/exporters who produce the made-to-order balls for different foreign companies;
- factory-based workers who prepare the sheets and panels and do the screen printing; also final quality control and packing is done at the factory;
- contractors who act as middlemen between the factory owners and the home-based workers and - a relatively recent phenomenon - supervisors who organize the stitching in the recently set up stitching centres;
- home-based workers who sew together the prepared panels and give shape to the final ball and centre-based stitchers working under an exporter-appointed supervisor.

In earlier days the stitching of inflatable balls was a highly skilled job which was confined to the factory premises only. The balls were made of leather which had to be cut manually. At present almost all balls are made of PVC and rubber. The panels, either 18 or 32, 'can now be cut and perforated by machines, making stitching and alignment a mechanical process rather than a craft'.<sup>14</sup> This made it easier to shift the stitching of balls to the household level. The added advantage for the employer was that the Factory Act, which gives additional benefits to twenty workers in one unit, can be circumvented. This practice of decentralizing production and consequently avoiding a regular employer-employee relation is a common phenomenon in Indian industry.

After cutting the PVC sheets into panels in the factory, the panels are screen printed four or five times (depending on the colours and design of a ball) by specialized workers who are hired on a contract basis. The central panel is then pasted on a rubber bladder. The complete set of panels for each ball - the football kit - is handed over to contractors. His job is to collect the 'football kits' with semi-finished products from the manufacturers/exporters and distribute them among home-based workers who do the stitching. There the footballs are stitched and then recollected by the contractors. One contractor can for example have between 200 and 500 households working for him.

At the household level the balls are often stitched by more than one family member, also depending on other sources of family income. Quite often the whole family, including children, is involved.

The NLI report does not mince words in their recommendation on the contractor system: 'The contractor system is not desirable in its present form and needs to be replaced with an altogether progressive system with effective monitoring and regulation by the state, employers and trade unions.'

### **The Sports Goods Foundation of India (SGFI) and its partners**

The Sports Goods Foundation of India (SGFI) is a joint effort of 25 exporters of sports goods. It

is 'an organization committed to the prevention and rehabilitation of child labour in the sports goods industry', but 'the SGFI objective is not only to eradicate child labour but also to phase out the root cause of it - poverty - by creating job opportunities for families.'<sup>15</sup> Chairman of the SGFI is Mr. I.P. Anand, Member of the Governing Board of the ILO. Senior Vice-Chairman is Mr. P. C. Sondhi while Mr. Satish Wasan is Secretary. All are directors of exporting companies as well.

The SGFI aims to remove all children below the age of 14 from work in the sports goods industry, also the children who are now combining work with school. The SGFI as a collective effort of the exporters is responsible for any children found and their rehabilitation, not the individual exporter. An important reason is that both children and contractors might be working for more than one manufacturer/exporter. It is therefore necessary to make the effort a common responsibility. Members can be removed when they do not pay 0.25% of the FOB value of their exports or do not submit their list of stitching centres and units and the results of their internal monitoring. One member has been removed because the company did not give the list.<sup>16</sup>

Recently a Steering Committee has been set up consisting of the SGFI, SGS, Save the Children, UNICEF and the Indian Council of Child Welfare (ICCW). The State Government, through officials from the Labour and/or Education Department, will also be requested to join the Steering Committee. The mandate still has to be decided upon (information from April 2000). Save the Children and UNICEF mainly see themselves as advisors for the social protection programme. The final responsibility for the whole programme, according to both, lies with the SGFI.

Internationally the SGFI works in close collaboration with the World Federation of Sporting Goods Industry (WFSGI), FIFA and with its marketing and licensing organization ISL (International Sports and Leisure). The plan of action for example was approved by the WFSGI in July 1999. FIFA is paying the costs of the external monitoring programme for the coming years amounting to US\$83,200.<sup>17</sup> ISL plays an important role on behalf of FIFA in overseeing if the programme fits into its contractual agreements with football importers (see also Part III of this report).

An agreement for external monitoring has been signed with the Delhi-branch of the well known international auditing company Société General de Surveillance (SGS). The assignment was given to SGS as the outcome of a presentation to the SGFI, ISL, WFSGI and some major sports companies like Adidas, Reebok and Nike. The terms of reference for SGS have been approved by FIFA/ISL.<sup>18</sup> Save the Children has trained the SGS inspectors on child rights issues.

Both internal and external monitoring is one part of SGFI's 'plan of action' for the elimination and rehabilitation of child labour. Internal monitoring consists of identifying and listing all the stitching locations by each of the 25 members of the SGFI. It is done by the contractors. This resulted in a list of 3000 stitching locations, made up of 'units' with between three and eight workers and 'centres' where eight or more persons are working. The list of 3000 stitching locations, which is being updated every week, also includes households where less than three persons are stitching balls. The latter are not considered units now, but the SGFI is proposing to FIFA/ISL to include these as well in the category of units. The monitoring also covers production by the SGFI's members for the domestic market.<sup>19</sup>

According to the plan of action of the SGFI 25% of the annual production should take place in units or centres by July 2000. With an increase of 25% every six months this should by the end of 2001 result in a situation where 100% of the annual production is manufactured in registered

stitching locations. It was also decided that 'stitching units should be restricted to villages in remote areas when easy access to centralized stitching centres is not available'.<sup>20</sup> The SGFI reports that already half of the production is concentrated in forty stitching centres (see below for more information). All stitching locations will have a number plate, a training chart and a first aid kit by July 2000.<sup>21</sup>

SGS is doing the external monitoring on the basis of a random sample of the list of stitching locations provided by the SGFI. They undertake surprise checks to find out whether this information is correct. The focus is on child labour. Re-visits are taking place after six weeks. SGS also collects information on production by visiting exporters and contractors. They expect to have a good insight in production figures related to the number of stitchers by the end of next year.

The other part of the plan of action is the 'social protection programme'. Members of the SGFI have to contribute 0.25% of the FOB value of their exports to the Foundation for this purpose. The SGFI has hired the Indian Council of Child Welfare (ICCW). They have been selected from fifteen applicants. ICCW is already 'in the process of creating awareness in all the villages around Jalandhar where inflatable balls are stitched, developing community groups, involving children, contractors, stitchers etc. setting up self-help groups and social mobilization'.<sup>22</sup> The manager of the SGFI added that the ICCW recruited students of a girls' college to do this work during their vacations. They are joined by the wives of exporters. Where there are no schools, teachers will be paid and books provided or vocational training given.

A substantial programme for education and rehabilitation to prevent and rehabilitate children from stitching has not been started yet. The SGFI has requested Save the Children (UK) and UNICEF India to take the lead in this. Save the Children however feels that it is not clear yet what the magnitude of the child labour problem really is, as thus far only one child was found through inspections by SGS. They feel that more research might be needed, also into the broader context of the child labour and education scenario in the area. Unless this information is available Save the Children cannot assist in setting up a proper rehabilitation programme.<sup>23</sup> UNICEF India holds the view that a more regional community approach, not limiting itself to the sports goods industry, is needed. Also several government departments should be involved. With regard to monitoring a greater level of community involvement is needed.<sup>24</sup>

### **Socio-economic position of stitchers' families**

The NLI research team studied a number of socio-economic characteristics of the households who were engaged in the manufacture of sports goods, mainly football stitchers. Almost three fourths of the households are headed by persons for whom home-based work was their main occupation. The average family size of the households was 5.6. Four out of every ten households producing sports goods are headed by illiterate adults.

Most stitchers are not only illiterate or semi-literate but also very poor. About 58% of urban and 36% of rural households are below the official poverty line, which, in 1998, was around Rs.433 for urban and Rs.300 for rural areas. This is despite the fact that the average per capita income in the families is almost equal to the official poverty line. On average a family earned Rs.413 per month per capita: Rs.443 in urban and Rs.381 in rural areas. The NLI characterizes the living conditions of the families as 'extremely poor'. Almost two-thirds of the families, for example, do not have a separate kitchen and toilet.

More than three-fourths of the surveyed households were Hindus, with a somewhat higher concentration of Hindus in the urban areas. Almost 10% of the households are Sikhs and 5% are Christian. Muslims and others make up the rest.

More than 90% of all households belong to the so-called 'untouchables', presently called 'scheduled castes' or - as they mostly prefer to be called themselves - Dalits. Dalits are discriminated against and their human rights violated by the upper castes in different spheres of life like labour, education, land and access to public places such as wells, temples and eateries. Dalits are frequently the victims of violence like murder, burning of homes and fields and beating and raping of women, especially when they dare to assert and organize themselves. They are usually the victims of bonded labour and child labour.<sup>25</sup>

The level of awareness with regard to the right to a minimum wage is extremely low. Only 15% of the respondents in the NLI study reported awareness on this issue. 'This is especially true for the workers who stay far away from the city. The workers accept any rate that is given to them by the contractors'.<sup>26</sup>

Financial advances given by subcontractors to homeworkers are a widely used tactic to bind people and manipulate piece rates. The stitchers enter 'into some sort of tying arrangements with the contractor whereby the latter supplies the former with advance payments in order to ensure a regular supply of labour'.<sup>27</sup> For the stitchers it is part of their survival strategy.

Surprisingly there is no relation of knowledge about minimum wages and the number of years of education. Of those households which did know about the concept of minimum wages, almost 90% reported that they were aware that they received less than the minimum wage.

Stitchers are not organized by any trade union. Being totally dependent for work on the subcontractor their position is extremely weak. Any protest or attempt at some form organization on the part of stitchers could be easily punished by subcontractors and/or exporters by withholding work. Starting a court case against an employer, for example for not paying the minimum wage, is practically impossible. It might take ten years before a case will be decided upon and the court decision implemented. In the meantime, it is most likely that the worker will not find any work in the sports goods industry. Labourers cannot afford this and avoid taking action. This is indirectly confirmed by information from the Assistant Labour Commissioner of the Government of Punjab that there are no complaints at all from the stitchers about their wages.

A strong indication of the weak position of the stitchers is that the association of contractors 'bargains' with the employers about the piece rates for the stitchers.<sup>28</sup>

The bargaining position of the contractors is however far from strong. They are agents who can be fired easily if their performance is below the standard of the exporter.<sup>29</sup>

### **Child labour and its impact on education**

The NLI report gives a detailed account of the issue of child labour. Being the most comprehensive survey on the issue thus far, although only limited to the Jalandhar area, the report estimates that about ten thousand children are working in sports goods production. Of these about 1,350 are only working (and not going to school) while the rest are both working and school going. While 92% of the working children are stitching footballs, 8% of the child workers in Jalandhar and its surrounding villages do make other sports goods such as shinpads, cricket balls, rackets and shuttles.<sup>30</sup>

The report makes a distinction between children who are only working (OW) and not going to school, children who are working and school going (WSG), children who are only school going (OSG) - although they might be doing households chores - and 'not working and not school going children' (NWNSG).

It was found in the survey that three out of four families reported children who are either only working or combining education with work.

Footballs are being stitched by children from five years and older. However of all the OW children 'only' 11% are between five and nine, while 26% are between ten and twelve. The rest (63%) is thirteen or fourteen. Of the WSG children two-thirds are between five and twelve, indicating that most children start to stitch footballs when they are quite young. The work participation of boys and girls in stitching balls is almost the same.

The work intensity of the stitching children is high. Even a six year old 'only working child' spends on average seven and a half hours stitching balls while this is nine hours for a thirteen years old child. Children who are both going to school and working have to shoulder a bigger work burden: nine hours when they are six and almost eleven hours when they are thirteen. It is also striking that a quarter of the OW children work at night while 14% of the WSG children are doing that.

Most children leave school from ten years of age onwards. There is a relatively high rate of school attendance of children between five and nine years old. However, with the average number of working hours (besides school work) being more than three hours each day after the age of ten, the pressure builds up to leave school: 'The work pressure finally leads to dropping out of school. The data suggests that 90% of drop-outs have turned into full-time workers'.<sup>31</sup> The NLI reports that more than half of the respondents say that financial problems or the need to assist in family work forced the children to leave school and start working full-time. More than a quarter of the respondents reported lack of interest in school as the main reason for dropping out. The NLI report sums up the impact of child work on education as follows: 'Child work renders school education futile in the perception of both parents and children. Parents do not insist and children loose interest'.<sup>32</sup>

It should be noted however that income is not the only reason why children are working. Even in the lowest income category children are going to school, while at the same time there is a very high incidence (67% or more) of child labour in the households earning more than Rs.600 per capita per month. The NLI report concludes: 'Though income may be an important condition for a household to make the child work, it is not the essential condition for on the part of the family to involve children in wage employment'. We would like to add that the quality of schooling combined with the lack of school-going tradition (especially for girls), the pressure of work once started and the fact that most stitchers are socially discriminated 'Dalits' might ultimately be of more importance than the often, and perhaps more easily voiced, financial reasons to drop out.<sup>33</sup>

According to representatives of the sports goods industry, the problem of child labour has been substantially reduced since the research done by the NLI. Secretary Wasan expects the external monitoring SGS to find only a few working children, because of the increased awareness on the issue.<sup>34</sup> This expectation is not surprising because SGS found only one child after their first round of monitoring almost 200 stitching locations.<sup>35</sup> Also the SGFI manager feels that the problem is now much less compared to two years ago. He particularly expects the number of 'only working children' to be very small now.<sup>36</sup>

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#### **Sangal Sole Colony in Jalandhar**

"A mother and daughter are stitching the 32 separate panels of a football together. For a long working day of twelve hours they earn around Rs.35. Two girls of around 15 or 16 years

together stitch three or four balls a day and earn Rs.15 a ball. 'This is the general picture' according to Mr. Jai Singh, coordinator of the NGO 'Volunteers for Social Justice' based in Punjab. Two young women tell us that they stitch four balls a day and together earn Rs.60. A boy and his father also tell us they earn roughly Rs.30 a day each.

Several children, varying in age from approximately ten to fifteen years, are assembling footballs. At this moment however children are not massively at work. At busy times, when orders pour in, the picture is very different. 'It's off season now, so relatively few children are engaged', tells Jai Singh. Many inhabitants confirm this statement. But apparently also in off season there is something to hide. Just after we have met him a contractor rushes off on his scooter to the next village to warn the people about 'unexpected guests'. Everywhere doors are being closed."

November 1999, Gerard Oonk  
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Visits to the villages around Jalandhar and elsewhere (Batala) does not instill the same kind of optimism as is prevalent with the SGFI. The awareness that child labour is not to be employed in the industry, mostly seems to result in children hiding or running away as soon as they, their family members or their neighbours spot outsiders.

Talking to villagers in April 2000 most adults admit straight away that children also stitch footballs.<sup>37</sup> Some contractors we meet do the same; they feel that little can be done about it because of the poverty of the families concerned. On the question if they received instructions from their company to avoid child labour, they answer no.

Visits to, among other places, Sangal Sole Colony in Jalandhar and Gandhi Camp in Batala further reinforces our impression that the conclusions of the NLI are still valid to a large extent. In fact the number of stitching children in Punjab might be much larger than 10,000 (see under paragraph 'Hiding production and child labour').

Football stitching by children, at whatever age, is not illegal. The Indian Child Labour (Prohibition & Regulation) Act of 1986, which bans child labour in certain hazardous industries or occupations like carpet weaving or matchmaking, does not consider stitching of footballs a hazardous occupation for children. But even if it did, then it still would not affect child labour in the football industry since the law allows homework in all occupations, without any restrictions.

### **Health problems**

Stitching is not an innocuous occupation. Over 42% of the 'only working children' and 29% of the working and school going children report some health problem.<sup>38</sup> The problems are more widespread in urban areas compared to rural areas. Also the incidence is higher among girls than boys, possibly because girls are more burdened than boys, especially with additional household chores.

The most common problems are joint pains and backache, accounting for almost two third of the reported health problems. Children suffer from pains in their knee joints and finger joints, resulting from sitting in a squatting position and using needles for long hours. Headaches is a problem reported by 15% of the children.

Health problems of adults may be the result of stitching for a number of years. These also include of course the problems of (chronic) backache and joint pains. Moreover the fingers of somewhat older stitchers often look very thick. Deformed fingers of stitchers have been reported by the investigators of Volunteers for Social Justice. In addition headache and eye problems are

very common among children (and adults). Apart from these, there are the risks of children working with sharp tools. For girls the sitting position might affect the positioning of their uterus.<sup>39</sup>

Most homeworkers live and work in one room, in which they also have to stitch footballs. There is the risk of children getting ill from the effect of the printing ink used in printing the logo/design on the ball. 'The inks, depending upon the type and colour, may contain a variety of pigments which may be lead, chromium or cadmium-based. A good level of precaution is needed to avoid absorption of these, but the ground reality tells that often the children take food without washing their hands properly and get diarrhoea. This is also applicable to the glue which is used in the process [the thread is rubbed with glue]. Firstly the inhaling of the glue is hazardous for health and secondly, when it goes with the food it works as poison, especially for pregnant women'.<sup>40</sup> Workers are often seen pulling and biting the thread with their teeth.<sup>41</sup> The children and adults inhale and swallow part of these vapours and chemicals. Children are especially vulnerable.

### **Wages below subsistence level**

The State of Punjab has an official minimum wage of Rs.63 a day and Rs.1,753 a month. The Minimum Wage Act clearly states that the Act is also applicable to so-called 'outworkers'.

On the issue of the actual wages paid to football stitchers there is a wide gap between, on the one hand the statements of the Sports Goods Foundation of India (SGFI) and individual exporters and, on the other hand, the results of the study by the NLI and more recent observations.<sup>42</sup>

The SGFI provides information that the piece rates for footballs vary between Rs.21.90 for a cheap ball - of which six or seven can be made in a day, and Rs.29.75 for a top quality ball of which three or four can be made.<sup>43</sup> This would result in a daily income which is far above the official minimum wage. According to Manager Sodhi of Mayor & Company, an average home stitcher earns between Rs.80 and Rs 90 a day. Also exporter and SGFI Secretary Mr. Satish Wasan is explicit in stating that stitchers earn more than the minimum wage. According to him, the results of the NLI study are biased because the study has been done in too short a time: 'In only two months information is collected by 25 researchers.'<sup>44</sup>

The NLI report concludes that real wages are far below minimum level: 'The average daily earning of an adult male in the sports goods industry is estimated to be in the range of Rs.18-Rs.24, much below the prescribed minimum wage.'<sup>45</sup> The report further informs us that: 'The wage rate given per ball to the stitchers varies from Rs.4.75 to Rs.22. The difference in the rates is because of the size and quality of the balls. The average wage rate for stitching an average quality inflatable ball in Jalandhar is Rs.12. On average, an adult is able to stitch four balls per day'. It is therefore impossible to earn the official minimum day wage at the current piece rates. But the real difference between minimum wages and the wages workers earn is even bigger. Contractors use a 'trick' to take away a considerable part of the piece rates for themselves. Most workers are only allowed to stitch two halves of the footballs and are paid half the usual rate by the contractors. The joining of the two halves is usually done by the contractor himself or a stitcher of his choice, for which he takes the other half of the piece rate on top of the commission he already receives from the exporting company. The trick is that stitching the two halves takes two to three hours time, while stitching the two halves together takes only twenty minutes.<sup>46</sup> This robs the stitcher of an important part of his income.

At this point it is relevant to mention that the NLI report had a 25 member Advisory Committee consisting of representatives of the major exporters, employers organizations, the government,

NGOs, international organizations, trade unions and scientists. According to the National Programme Co-ordinator of ILO-IPEC the report was cleared by the Advisory Committee after a number of intensive meetings, in which conclusions which could not be sufficiently substantiated were removed from the report. The Advisory Committee however unanimously accepted the conclusions on the wages.

Furthermore the sports goods industry agreed during a three-day workshop in November 1998 with all the stakeholders present - including ILO India, WFSGI, UNICEF India, FICCI and various senior government officials - to make sure that the full piece rate is paid to the stitchers by the contractors. They also agreed 'to start an internal monitoring system to ensure that stitchers are getting their fair share'. At that time it was also decided 'that the ILO will externally monitor the proper payment of money to the stitchers and ensure that they are getting more than minimum wage.'<sup>47</sup>

After the refusal by the GOI to accept the ILO as the external monitor there is no evidence that the SGFI is indeed making sure that the stitchers get their due wages.

Spokespersons of the SGFI state that the NLI study is almost two years old now and that the situation has changed. Recent observations do not give any support to that statement. During a visit in April 2000 villagers gave information that their daily income from stitching is between Rs.18 and Rs.28. Two men are saying that they know the contractor gets Rs.16 for a particular ball, but they only get Rs.11.<sup>48</sup> During visits in November 1999 many stitchers in Sangal Sole Colony in Jalandhar (see Box) and Gandhi Camp in Batala confirmed that wages are far below the minimum.

In Batala the wages seem to be a bit lower than in Jalandhar, hovering around Rs.20 a day (see 'Hiding production and child labour'). In the recently established stitching centres the wages are somewhat higher, between Rs.30 and Rs.40 a day, but still considerably below the prescribed minimum wage (see section on stitching centres).

The NLI report comes to the following recommendations with regard to wages, which are still very relevant:

- "Piece rates fixed do not seem to be based on any concrete data on production time. A scientific study must be undertaken to fix piece rates.
- The employers' association should be made responsible to ensure that the contractors pay workers the wage rate that is fixed every year'.
- A welfare fund may be created locally at the industry level, wherein a certain percentage of gross value of production could be contributed by the manufacturers."

### **Stitching centres**

Most of the bigger football manufacturers, including Mayor & Co, Soccer International and F.C. Sondhi have started stitching centres. These centres, each with eight stitchers or more, make it easier to avoid child labour and create better working conditions, including paying the full piece rates without possible deductions by the contractor. There are now forty stitching centres in which around half of the production of the SGFI members takes place.<sup>49</sup>

A visit to four centres, two each of Soccer International and F.C. Sondhi, gives an impression of production, wages paid and working conditions.<sup>50</sup> In the first centre of Soccer International (Nr.0275) 72 women are working. According to the supervisor they make around hundred footballs a day (brand: Ullsport 5). For each ball the stitcher gets Rs.19.75 (US\$0.45). Rs 3 per ball goes to the supervisor and two experienced stitchers who do the quality control and repairing job.

In the second centre of Soccer International (Nr.0274) the production is somewhat higher: fifty five women make around 125 balls a day. A number of football stitchers are possibly just above

thirteen, but looking quite young.

The registers in the centres do show the number of balls given to each stitcher as well as the balls stitched and rejected. It however does not show the piece rates and the actual wages paid to each stitcher.

Also in the centres run on behalf of F.C. Sondhi (Nr.0287 and Nr.0280) the stitchers seem to earn considerably less than the official minimum wage of Rs.63 a day. A girl tells us she finished six years of primary school, started working one year ago when her father died. She now makes three balls in a nine-hour working day and earns Rs.1,000 a month. In the 'Training Centre Nangal Fateh Khan' 23 women stitch around 45 balls a day. For the type presently at hand (Sondico 4) they get Rs.17. According to the supervisor an experienced stitcher can make no more than three footballs a day.

The working conditions in the stitching centres visited could be much better. In the centres the women are sitting on the floor or a small piece of wood for hours. They pull and bite the chemically treated thread with their teeth. Backache and swollen fingers are common complaints. In some centres there are no toilets.

India's biggest sports goods exporter, Mayor & Co, has started four stitching centres.<sup>51</sup> Across the road from the modern factory Mayor & Co has a stitching centre where 150 male stitchers are working. They make Mayor's top quality footballs and earn Rs.35 for each ball, of which they can make four a day.<sup>52</sup> The stitching centre looks modern and well-equipped: sitting benches for the stitchers, toilets and a first aid kit. In the centre the code of conduct of Adidas is pasted on the wall in Hindi. The code of conduct states that the employees have the right to organize themselves and bargain collectively with their employer. In fact the stitchers working for Mayor and other exporters are not organized in any way.

According to the Indian labour law every production unit with more than ten (with electrical power) or twenty employees (without power) comes under the provisions of the Factory Act. This act gives employees a number of rights, including a labour contract, an annual bonus, double pay for overtime, etc. The stitching centres however do not fall under the Factory Act as the government gave them a written exemption in December 1999.<sup>53</sup> Mayor & Co is planning to expand the stitching centre in the next two to three years to accommodate around 1,000 stitchers. The stitchers working for Mayor are all men because it is at such a travelling distance from the villages that it is seen as unsuitable for women.<sup>54</sup>

### **Hiding production and child labour**

According to the SGFI the bulk of the production of their members takes place in five bastees (slums) of Jalandhar, seven villages within the Jalandhar town area and ten villages directly around the city. In the (adjoining) district of Hoshiarpur there are few villages with stitchers while there is one in the northern district of Gurdaspur.<sup>55</sup>

Mayor & Co, India's biggest sports goods exporting company, also claims that the company is only producing footballs in Jalandhar and surrounding villages.<sup>56</sup>

Both recent personal observations and research from 1997 gives a very different picture. Batala and some surrounding villages were visited again in November 1999 by representatives of Volunteers for Social Justice (VSJ) and the India Committee of the Netherlands.

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### **Gandhi Camp, Batala (Gurdaspur district)**

According to our informant, at least 10% of the population is involved in stitching balls.

According to him Mayor & Co is by far the biggest producer of inflatable balls in and around Batala. He would have around 25 contractors working for him in this area. Soccer International also produces inflatable balls in the area, but on a much smaller scale. In the Gandhi Camp area of Batala nearly all adults and also many children seem to be stitching footballs. According to our informant 75% of the families in Gandhi Camp are involved in football stitching.

We mainly see women and girls stitching footballs. A few girls tell us that they are getting Rs.2 for half a ball. In a long day of twelve hours they make about Rs.15 to Rs.20 each. Another girl is stitching footballs for Globe Sports on which is printed: 'No child labour used'. She says that in school she is in seventh grade. She receives about Rs.40 for making five balls in two days.

According to an old woman 'everybody joins hands when enough work is available'. Demonstrating the height of a child with her arm she indicates that even small children do work then. But it is off-season now in Gandhi Camp; in most houses only loose parts of footballs and the jams that hold the panels together during stitching are to be seen.

Three women we speak with get Rs.10 for a stitched ball and together they make four or five a day, resulting in an income of not even Rs.20 a day each. The contractors sometimes give advance payments of Rs.1,000 to Rs.3,000 to the stitchers who are in need of money. This gives them a strong position to pay less than the official piece rate per ball.

Some women are complaining that there is not much work available. Therefore few children are working now. If there is enough work also more children are stitching because the rates are so low. Another problem is that the contractors sometimes pay very late, from two to six months later. In some cases they don't pay at all. Other women tell us that they left stitching because the wages were too low. Brands being stitched in Batala which we saw are Eurostar, Eurosport, Mambo, Florida Beach and Globe Sports.

November 1999, Jai Singh and Gerard Oonk

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In 1997 Volunteers for Social Justice (VSJ) did a study on the sports goods industry. In a period of six months two investigators completed a survey of the districts Batala (Gurdaspur) and Jalandhar in Punjab as well as Meerut in Uttar Pradesh. In and around Batala the villages surveyed were: Alsi Dassbazar, Camp, Malave Di Kothi, Dhalam Pura, Hathi Gate, Navi Awadi, Murgo Mohalla, Shakapura, Phajpur, Sherawala Darwaja. In total 111 families were interviewed and 141 child stitchers below fourteen years were found. Of the child stitchers 98 were both working and school going and 43 were 'only working'.

The rate for stitching half a ball is Rs.2. Two to three balls are stitched by one person each day. It was estimated that 7,000 to 8,000 families in Batala are engaged as full-time stitchers. Among the names of the brands stitched were Mitre and Mundo. In 1997 Mayor was the supplier of inflatable balls for Mitre, as there still are at present. Mitre is Britain's leading football maker, commanding 60 per cent of the UK's 40 million pound football market and is the official supplier to most of the important clubs in English football.<sup>57</sup>

Mundo footballs are at present also being produced by Mayor & Co. The company is the Indian supplier of Adidas and also supplies footballs with a Euro 2000 design for the European market, imported under FIFA/ISL-license by 'Mookie Toys' (see photos).



**PART III**

## **The FIFA Code of Labour Practice in the sports goods industry and its follow-up**

### **Short history of international involvement**

In 1995 the first reports appeared in the newspapers about the large-scale use of child labour in the football industry of Sialkot in Pakistan. In November 1995 the World Federation of Sporting Goods Industry (WFSGI) started discussing this issue.<sup>58</sup> The International Confederation of Free Trade Unions (ICFTU) approached the international federation of football associations (FIFA) and the World Federation of Sporting Goods Industry (WFSGI) to take common action against this. In several countries unions and non-governmental organizations started to demand from their national football associations action against this through FIFA. Initially FIFA was not very eager to take up the issue. A documentary about child labour the Pakistani football industry expedited the matter. The Dutch football association (KNVB) for example wrote in a letter to the Dutch Federation of Trade Unions (FNV) that it is 'absolutely impermissible to make use of child labour' if companies use the logo of FIFA, UEFA (European Football Association) or a related event. The KNVB promised to lobby that this becomes part of the production conditions.<sup>59</sup>

In September 1996 FIFA announced in a press report that they had reached an agreement (Annex I) with the ICFTU, ITGLWF (International Textile, Garment and Leather Workers Federation) and FIET (International Federation of Commercial, Clerical, Professional and Technical Employees) on a Code of Labour Practice for the production of footballs and other FIFA-licensed products "in a continuing effort to eliminate the use of child labour and other exploitative practices".<sup>60</sup> According to this agreement there shall be no use of forced, bonded or child labour and no discrimination in employment practices on the basis of race, colour, sex, religion etc. The workers have the right to form and join trade unions and to bargain collectively. In addition - and this is lacking in many other codes of conduct - fair wages should be paid which "should be sufficient to meet basic need and provide some discretionary income". The code further stipulates that workers shall normally not be required to work more than 48 hours a week, that a safe and healthy working environment shall be provided and that employers should endeavour to provide regular and secure employment.

Licensees under the FIFA Code "further agree to ensure that these conditions and standards are observed by each contractor and subcontractor". This is important because footballs (and many other products) are largely being produced, through intermediary contractors and subcontractors, in homes and other small production units of workers.

In addition to the agreement reached on the text of the Code of Labour Practice, FIFA and the Unions also "concurred on the necessity for effective monitoring". Furthermore there was also "discussion of the introduction of alternative education and training for children removed from the football producing industry". With regard to monitoring the Code of Labour Practice already obliges licensees and their (sub) contractors to permit inspection by approved inspectors, maintain records on the name, age, hours worked and wages paid to the workers, provide this information to inspectors and refrain from any disciplinary action against workers providing information concerning observance of the Code.

The meeting in Zurich where the agreement was reached was also attended by the Deputy Director of the ILO. According to FIFA media information "the meeting recognized the importance of the continuing support of the ILO in achieving, as rapidly as possible in view of the complex difficulties involved, the objective of putting a stop to the exploitation of children and their replacement in the workforce by unemployed adults."

### **Atlanta Agreement**

The agreement between FIFA and the Unions probably was too good to be true. The sports goods industry did not particularly like the agreement. Under pressure from the WFSGI and a number of large companies, quite often also sponsors of FIFA and their football tournaments, FIFA decided not to sign the agreement.

Nevertheless a sense of urgency developed within the sports goods industry to do something because companies were under increasing pressure from campaigning organizations and negative publicity, especially in the USA. In November 1996 the Pentland Conference Centre in the U.K. hosted a conference in which the sports goods industry, FIFA, ILO and UNICEF, the Governments of Pakistan and the UK, as well as NGOs like Anti-Slavery International, Save the Children and Oxfam participated. The conference 'diverted' the attention from the FIFA Code to an initiative to end child labour in football stitching in Pakistan and to the development of a voluntary model code of conduct for the production of all sporting goods.

In February 1997 an agreement was signed in Atlanta (USA) - also called the Atlanta Agreement - to ban child labour from the football industry in Pakistan. The following organizations were involved in the agreement: the WFSGI, the International Labour Organization (ILO), UNICEF, the American Government and the Sialkot Chamber of Commerce. The ICFTU was not a partner in the Atlanta Agreement. In addition the WFSGI presented a Model Code of Conduct in July 1997 (Annex II). This is in fact a weaker version of the original FIFA Code of Labour Practice. The FIFA Code was effectively side-lined by this move and never signed, although the press report announcing the code can still be found on the website of FIFA ([www.fifa.com](http://www.fifa.com)) and in the book 'Action against child labour', very recently published book by the ILO.

The ICFTU initially more or less accepted the Atlanta Agreement. They considered it an important step forward that the US Government and a number of multinationals - normally not great supporters of the ILO - now needed the same ILO to tackle the sensitive child labour issue. The whole discussion on child labour had given the ILO more status and support than it has had in a long time. Furthermore the ICFTU expected that the Atlanta Agreement would also be implemented in India. The 'only child labour' approach was accepted for the moment, hoping that the labour conditions of adults could be tackled in due time.

### **From code to contract**

In 1998 the ICFTU started negotiating with FIFA and its marketing and licensing organization ISL (International Sports and Leisure) about including the original FIFA Code of Labour Practice in the contracts of the ISL with their licensees. The licensees are companies who use the logo or name of FIFA, UEFA or one of their football events - like the European Championship 2000 - on their products.

One sort of contract only pertains to footballs. This contract comes under the so-called 'FIFA Denominations Programme' which certifies the quality of footballs. According to a letter of the ISL to ICFTU of November 1998<sup>61</sup> "the following has been put in place and is being applied for contract renewals and new agreements:

- Model Code of Conduct [of the WFSGI] has been integrated into the standard agreement;
- compulsory participation by manufacturers in the 'Sialkot Project' or similar projects in other countries which provides monitoring of the manufacturing process by independent inspectors;
- provision of respective confirmation by Sialkot Chamber of Commerce;
- provision of evidence that manufacturer does not avail itself of child labour at any stage of the production process;
- provision that in certain cases ISL may request evidence of compliance with the Code;

- Letter of Undertaking to be signed by the manufacturers which includes specific reference to the Code, to sub-contracting and compulsory participation in the 'Sialkot Project' or similar project".

The same conditions apply for 'football event related licensing agreements' like Euro 2000.

In a letter of FIFA to the ICFTU, it was added in March 1999 that "future licensing agreements will contain a reference to the 'ILO Declaration on Fundamental Principles and Rights at Work of June 18, 1998".<sup>62</sup>

These principles and rights are:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation.

### **Unresolved issues**

In the note 'FIFA's Anti-Child Labour Programme' of March 2000 FIFA's Director of Communications Mr. Keith Cooper states that there is still a problem "with regard to the cheap give-away balls ('premiums') ordered at low cost by sponsors who have the right to put the World Cup or Euro logo on these balls, thus giving the impression to the uninformed that they are in some way 'official'". He further states that "unfortunately these balls are ordered from uncontrolled producers outside the programme, from the toy end of the market".

The Managing Director Licensing of ISL, Gerhard Prochaska, however, states in a letter to the ICFTU of 27 November 1998 that "football premiums (balls featuring the company brand and event mark) must be sourced from licensee(s) only".<sup>63</sup> He added very recently that 'sponsors of Euro 2000 wishing to use footballs as premiums MUST source these balls from the appointed licensee only'.<sup>64</sup>

The problem still is, however, that FIFA/ISL sponsors or licensees who order balls which do not use the design, logo or name of FIFA, UEFA (European Football Association) or one of their events or tournaments, like Euro 2000, do not come under the conditions of FIFA/ISL contractual agreements. This often relates to cheap balls and other products with logos, words, names etc. evoking associations with tournaments like the Euro 2000.

In these cases, where the commercial partner of ISL decides to order 'non-event-branded footballs for sales promotion purposes', the ISL, according to Gerhard Prochaska, 'does not have the possibility to intervene other than to make clear to them that going through our approved source provides for a sort of guarantee that the manufacturing rules are respected'.<sup>65</sup>

The ICFTU is of the opinion that the incorporation of labour standards in the contracts of the ISL is an important step forwards. Its principle concern however is that the WFSGI Model Code of Conduct "is inferior to what is now widely recognised as a credible code of labour practice and the agreement reached between our organisations on 3 September 1996 (referred to as the 'FIFA Code')".<sup>66</sup> The ICFTU made a reasoned comparison of the provisions of the 'FIFA Code of Labour Practice' and the 'WFSGI Model Code of Conduct.(Annex III).

A further unresolved problem is that the WFSGI Model Code of Conduct does not have a provision for independent monitoring and verification of the contractual obligations.

The ICFTU is therefore urging FIFA to submit a formal request to the ILO to take up a role in monitoring and verification. FIFA however thinks that "it is quite unrealistic to envisage a world wide monitoring of the Code of Conduct by the ILO".<sup>67</sup> It is also of the opinion that the Governing Body of the ILO has to discuss the issue as it would "create a whole new perspective of the mission statement of the ILO". FIFA further states that "to start successful monitoring, we

would need the agreement of all governments concerned" and concludes: "We must acknowledge that we are a long way from achieving this objective".<sup>68</sup> The ICFTU however is more optimistic: "We believe that, by continuing dialogue with the ILO, it will be possible to develop an ILO role in monitoring and verification and we would be prepared to support a formal request by FIFA to the ILO for such assistance".<sup>69</sup>

Another big problem remains the absence of a provision in the FIFA/ISL contracts on a 'living wage' for workers, which was part of the original agreement between FIFA and the ICFTU. In Pakistan and India the wages are very low, often below the prescribed minimum wage.

Finally, but not the least important, the present programmes in Sialkot (Pakistan) and Jalandhar (India) which are 'off-shoots' of the original 'FIFA Code of Labour Practice', are limiting themselves to the issue of child labour. Whatever can be said about these programmes - the programme in Pakistan is not evaluated in this report on its own merits - it can be concluded that these programmes are not (yet) tackling the working conditions of adults which - taking the issue of living wages - could also have a very positive effect on the elimination of child labour.

### **Further developments**

A positive aspect of the present contractual agreements between FIFA/ISL and its licensees, is that it gives labour unions and NGOs a formal reference to bring in complaints. The 'All Pakistan Federation of Labour' has for example recently published a report about the bad labour conditions in Sialkot.<sup>70</sup> Publicity is another proven instrument to remind companies who violate their contracts of their obligations.

The ICFTU is very positive about the content of the Code of Labour Practice that has been agreed between the Sydney Organising Committee for the Olympic Games (SOCOG), the Sydney Paralympic Organising Committee (SPOC) and the Australian Council of Trade Unions (ACTU) and the Labour Council of New South Wales (*Annex IV*). Wages 'sufficient to meet basic needs and some discretionary income' are part of the agreement.

Independent monitoring is still lacking. The licensees are, however, obliged to provide a written confirmation, maintain relevant records and make these available to approved inspectors on request and permit inspection by approved SOCOG/SPOC personnel.

A recent complaint on the basis of the Code against a producer of sports clothes in Fiji, has led to the improvement of labour conditions at the production sites.

## **ANNEX I**

[Agreed between the Fédération Internationale de Football Association (FIFA), and the International Confederation of Free Trade Unions (ICFTU), International Textile, Garment and Leather Workers' Federation (ITGLWF) and International Federation of Commercial, Clerical, Professional and Technical Employees (FIET). Having concurred on the necessity for effective independent monitoring to ensure that the Code is respected at all levels, and on the need for education and training for children removed from the football producing industry, the above organisations are continuing discussions on practical measures to achieve these objectives.]

### **CODE OF LABOUR PRACTICE FOR PRODUCTION OF GOODS LICENSED BY THE FEDERATION INTERNATIONALE DE FOOTBALL ASSOCIATION (FIFA)**

#### **Preamble**

In line with its guiding principles of fair play and ethical conduct, the Fédération Internationale de Football Association (FIFA), recognises its responsibilities to consumers for the quality of products produced under its licensing arrangements, and to workers involved in the making of FIFA licensed products for the conditions under which these products are made.

Each licensee participating in the FIFA Denominations Programme must agree, as a condition of the license agreement, to ensure that the workers producing these products are provided with fair wages and decent working conditions, and that the international labour standards established by Conventions 29, 87, 98, 100, 105, 111 and 138 of the International Labour Organization are observed.

Licensees further agree to ensure that these conditions and standards are observed by each contractor and subcontractor in the production and distribution of FIFA-licensed products or components of these products. Licensees should, prior to placing orders with suppliers or engaging contractors and subcontractors, assess whether the provisions of this Code can be met. Each licensee licensed by FIFA under the FIFA Denominations Programme, and each contractor and subcontractor engaged by the Licensee, shall compulsorily implement and respect the following principles in the production and/or distribution of products bearing the FIFA name and/or FIFA authorised marks. Further more, each Licensee shall warrant that these principles shall be equally imposed upon all those employed or delegated by such Licensee.

#### **Employment is freely chosen**

There shall be no use of forced or bonded labour (ILO Conventions 29 and 105).

#### **There is no discrimination in employment**

Equality of opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or other distinguishing characteristic shall be provided (ILO Conventions 100 and 111).

#### **Child labour is not used**

There shall be no use of child labour. Only workers above the age of 15 years shall be engaged (ILO Convention 138).

#### **Freedom of association and the right to collective bargaining are respected**

The right of workers to form and join trade unions and to bargain collectively shall be recognized (ILO Conventions 87 and 98). Employers should recognize the constructive

contribution of trade unions to preventing exploitation and adopt a positive approach towards the activities of trade unions and an open attitude towards their organisational activities.

**Fair wages are paid**

Wages and benefits paid shall meet at least legal or industry minimum standards and should be sufficient to meet basic needs and provide some discretionary income.

**Hours of work are not excessive**

Hours of work shall comply with applicable laws and industry standards. Workers shall not on a regular basis be required to work in excess of 48 hours per week nor more than 12 hours overtime, and shall be provided with at least one day off for every 7 day period.

**Working conditions are decent**

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind licensees, contractors and subcontractors' knowledge of the industry and of any specific hazards.

**The employment relationship is established**

Employers should endeavor to provide regular and secure employment and refrain from the excessive use of temporary or casual labour. Obligations to employees arising from the regular employment relationship should not be avoided through the use of labour-only subcontracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers should be provided the opportunity to participate in education and training programmes.

\*\*\*\*\*

**Implementation and monitoring**

Licensees, their contractors and subcontractors shall undertake to support and cooperate in the implementation and monitoring of this code by:

- providing FIFA or its agent with relevant information concerning their operations;
- permitting inspection at any time of their workplaces and operations by approved inspectors;
- maintaining records of the name, age, hours worked and wages paid for each worker and making these available to approved inspectors on request;
- informing, verbally and in writing, the workers concerned of the provisions of this code; and,
- refraining from disciplinary action, dismissal or otherwise discriminating against any worker for providing information concerning observance of this Code.

\*\*\*\*\*

Any licensee, contractor or subcontractor found to be in breach of one or more terms of this Code of Labour Practice shall thus be subject to a range of sanctions up to and including withdrawal of the right to produce or organise production of FIFA-licensed goods. Furthermore, licensees who fail to ensure that their contractors or subcontractors abide by the Code of Labour Practice shall be subject to the same range of sanctions.

Questions as to the interpretation of the meaning of the provisions of this Code shall be resolved according to the procedure outlined in the Memorandum of Understanding on the Code of Labour Practice between FIFA and the ICFTU/ITGLWF/FIET.

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## **ANNEX II**

### **World Federation of the Sporting Goods Industry**

#### **MODEL CODE OF CONDUCT**

##### **Introduction**

The World Federation of the Sporting Goods Industry was formed in 1978 to promote the world's sporting activities, to standardize the size of equipment and the rules of sport, to improve the standards of quality for sporting goods and to promote fair trade in sporting goods in the international marketplace. WFSGI currently consists of a diverse membership from over 50 countries in Europe, America, and Asia. WFSGI members include large multinational corporations and small national firms, companies that serve as suppliers to other companies and companies that market directly to consumers. Perhaps most importantly, WFSGI members include federations representing the domestic sporting goods industry of individual nations. Including the members of national federations, over 12,000 enterprises - employing many hundreds of thousands of people - are affiliated in some way with WFSGI.

The WFSGI established its Committee on Ethics and Fair Trade (CEFT) in 1995 to advance the WFSGI mission of promoting fair trade in sporting goods. CEFT convened two international conferences to bring together members of the industry with leading non-governmental organizations, representatives of UN agencies and government officials to explore how to respond to the problem of child labor. Out of those efforts, the CEFT spearheaded the historic partnership among the global sporting goods industry, the International Labour Organization, UNICEF, and the Save the Children Fund (UK) to combat child labor in the production of soccer balls.

CEFT's concern for ethics and fair trade has not been limited to its program to combat child labor. After close consultation with its constituent federations and other members, and ongoing dialogue with representatives of non-governmental organizations and international agencies, CEFT has developed a Model Code of Conduct to assist companies in the sporting goods industry. The Code has been designed to serve as a model for companies committed to ensuring that their operations satisfy the highest ethical standards in the global marketplace.

##### **Preamble**

WFSGI members recognize the important role they play in the global economy and their influence on the social and economic conditions under which sporting goods are manufactured and produced. That influence is exercised both through their actions as employers and far more profoundly through their decisions as customers of companies that serve as suppliers of goods and services.

The relationship between WFSGI member companies and their suppliers must be based on trust, mutual respect and common values. WFSGI is committed to fostering a sporting goods industry in which member companies actively seek business partners who share these goals and values and who accept the responsibility.

At the same time, WFSGI acknowledges that companies operate under different legal, economic, social and cultural environments and these differences merit understanding and respect. Recognizing that its membership is diverse, WFSGI has adopted this Model Code of Conduct to assist individual companies in ensuring ethical business practices. The following Code is intended to highlight and reinforce fundamental principles of business ethics held by WFSGI's individual member companies:

## **Legal compliance**

Member companies and the companies that produce goods for them ("employers") should operate in full compliance with national and local laws, rules and regulations relevant to their business operations.

## **Working conditions**

Where local industry standards are higher than the legal requirements then these should apply. In some countries the legal requirements fall short of international legal standards and members should apply the following minimum criteria:

### \* **Forced labour**

Employers shall not employ involuntary prison, indentured or forced labour in their operations.

### \* **Discrimination**

Employers should endeavour to recruit, train, promote, retire and terminate workers on equal terms on the basis of suitability for the job and without discrimination.

### \* **Right of Association**

The right of workers to join and organize associations of their own choosing should be respected.

### \* **Wages**

- Workers should be paid at least the minimum legal wage or a wage that is consistent with local industry standards, whichever is greater.
- Wages should be paid direct to the worker in cash or cheque or equivalent; information relating to wages should be available to workers in an understandable form.
- Wage rates for overtime should be higher than the rates for regular hours.
- Advances on and deductions from wages should be carefully monitored.

### \* **Hours of work, days off, holidays**

- Employers should not require a work week in excess of 60 hours, including overtime, on a regular basis.
- Workers should have at least 24 hours consecutive hours rest per week on a regular basis.
- Workers should have paid annual leave.

### \* **Child labour**

- Employers shall not employ children who are less than 15 years old (or 14 years old in countries with insufficiently developed economies and educational facilities) or younger than the age for completing compulsory education if that age is higher than 15, if such employment jeopardizes educational, social or cultural development.
- No persons shall be employed in conditions of forced or bonded child labour.

### \* **Health and safety**

- Employers must treat all workers with respect and dignity and provide them with a safe and healthy working environment. Factories shall comply with all applicable laws and regulations regarding working conditions.
- Standards and procedures should be elaborated to protect workers from fire, accidents and toxic substances. Lighting, heating and ventilation systems should be adequate. Workers should have access at all times to sanitary facilities, which should be adequate and clean. Where residential facilities are provided for workers similar standards should apply.

### \* **Discipline**

Every employee should be treated with respect and dignity. No employee should be subject to any physical, sexual, psychological or verbal harassment or abuse.

## **Environmental protections**

Member companies shall comply with all relevant laws and regulations regarding the protection and preservation of the environment. In particular, members should carefully monitor discharges and waste which could pollute the local environment.

**Community involvement**

Employers recognise the economic and social impact of their work and are committed to improving conditions in the wider community.

**Compliance**

Members should take steps to ensure compliance with these standards in their own operations and those who supply them.

Members should consider requiring suppliers to provide legally binding contractual assurances of their compliance with these standards and develop mechanisms to monitor their own performance and that of their suppliers.

**Company specific standards**

Members are encouraged to draw up their own specific code of ethical conduct, if they have not already done so, building on the above standards.

July 1997

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## ANNEX III

ICFTU/ITGLWF/FIET 25 August 1999

### **Comparison of the provisions of the "FIFA Code of Labour Practice" and the "WFSGI Model Code of Conduct"**

While the agreed text of 3 September 1996 establishes a binding policy on suppliers at all levels and establishes compulsory minimum standards, the WFSGI Code is presented as being only a recommendation to member companies (who are encouraged to draw up their own codes building on the contents of the WFSGI code). Further, the WFSGI Code tends to diminish to importance of internationally accepted standards by referring to "different legal, economic, social and cultural environments".

The FIFA code indicates a specific scope of application, specific expectations concerning implementation and monitoring, explicitly mentions sanctions and provides a means of interpretation. These aspects are necessary for any code to be credible.

With respect to the specific provisions, the most striking difference between the FIFA and WFSGI codes is in the area of the fundamental ILO standards - the FIFA code explicitly cites the relevant ILO Conventions concerning discrimination, forced labour, child labour, freedom of association and collective bargaining.

This concern is partially addressed in FIFA's licensing agreements by incorporating a reference to the ILO Declaration on Fundamental Rights and Principles at Work and its Follow-up. Because the ILO Conventions are accompanied by jurisprudence, their meaning, and hence the meaning of the FIFA code with respect to these provisions, is clear. The wording chosen by the WFSGI for these provisions is not always clear. For instance, the provision on forced labour uses the word "employ" and not "use". This could be taken to mean that if a company does not directly employ forced labour, but does source goods from suppliers which do employ forced labour, the WFSGI Code would appear to permit this. Given the high prevalence of multi-level subcontracting in the sporting goods industry, this issue is of particular relevance.

The section on discrimination does not cover the kind of discrimination (race, religion etc.) but only areas (recruiting, training etc.) where there should be no discrimination.

In the WFSGI code, freedom of association refers only to joining associations (trade unions are not mentioned) and the right to collective bargaining is not a provision. It should be noted that, by virtue of their membership of the International Labour Organisation, all member states are deemed to be bound to respect the ILO standards concerning freedom of association and collective bargaining. The section on child labour provides a definition similar to convention 138 but, because it does not cite this convention, there is potential for misunderstanding the intent, and hence the situations where the provision applies. Once again the word "employ" rather than "use" is chosen.

With respect to wages, the WFSGI code contains some provisions that are not found in the FIFA code (method of payment, overtime, deductions). Nevertheless, the FIFA code includes the concept that, regardless of the law or of industry practice, wages must meet basic needs. The WFSGI code does not include this concept.

With respect to hours of work, the WFSGI code provides for paid annual leave and the FIFA code does not. On the other hand, the FIFA code includes the concept of "industry standards" and the WFSGI code does not.

With respect to health and safety, the WFSGI code has more details but the FIFA code is far better because it obliges the company to promote "the best occupational health and safety practice bearing in mind ... knowledge of the industry and of any specific hazards."

Importantly, the WFSGI code has a provision concerning physical, sexual, psychological and verbal abuse and the FIFA code does not. The WFSGI code also has vague provisions concerning the environment and community involvement and the FIFA code does not.

Finally, the WFSGI code does not address the abuses and exploitation arising in situations where there is no established employment relationship. This is a critical element in the exploitation and abuses that have given rise to codes of labour practice in the first place. The FIFA code specifically addresses this issue. The incorporation of specific language in FIFA's licensing agreements to "subcontracting .... at any stage of the production process" goes some way towards addressing this issue with respect to FIFA's Denominations programme.

## ANNEX IV

**Code of Labour Practice for  
PRODUCTION OF GOODS LICENSED  
by the  
SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES  
and the  
SYDNEY PARALYMPIC ORGANISING COMMITTEE**

Agreed between the Sydney Organising Committee for the Olympic Games (SOCOG), the Sydney Paralympic Organising Committee (SPOC), the Australian Council of Trade Unions (ACTU) and the Labor Council of New South Wales. Having concurred on the necessity for effective monitoring to ensure that the Code is respected at all levels, the above organisations are continuing discussions on practical measures to achieve these objectives.

### **Preamble**

In accordance with the goal of the Olympic Movement to contribute to building a peaceful and better world by educating youth through sport practised without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship, solidarity and fair play, SOCOG/SPOC recognises its responsibilities to consumers for the quality of products under its licensing arrangements, and workers involved in the making of SOCOG/SPOC licensed products and the conditions under which these products are made.

Each licensee awarded the right to use the SOCOG/SPOC name or logo in the manufacture and/or supply of licensed product to SOCOG/SPOC have been audited to ensure that they have appropriate standards of operation and have, as a condition of license agreement, confirmed in writing that employee conditions meet the relevant industrial regulations.

Licensees further agree to ensure that these conditions and standards are observed by each contractor and subcontractor in the production and distribution of SOCOG/SPOC licensed products. Licensees should, prior to placing orders with suppliers or engaging contractors and subcontractors, assess whether the provisions of this Code can be met.

Each SOCOG/SPOC licensee, and each contractor and subcontractor engaged by the Licensee, shall compulsorily implement and respect the following principles in the production and/or distribution of products bearing the SOCOG/SPOC name and/or SOCOG/SPOC authorised marks. Furthermore, each licensee shall warrant that these principles shall be equally imposed upon all those employed or delegated by such Licensee.

### **Employment is freely chosen**

There shall be no use of forced or bonded labour (ILO Conventions 29 and 105).

### **There is no discrimination in employment**

Equality of opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or other distinguishing characteristics shall be provided (ILO Conventions 100 and 111).

### **Child labour is not used**

There shall be no exploitation of child labour. Workers shall only be employed in accordance with relevant State and Federal legislation, in line with appropriate ILO standards.

**Freedom of association and the right to collective bargaining are respected**

The right of workers to form and join trade unions and to bargain collectively shall be recognised and respected (ILO Conventions 87 and 98).

**Fair wages are paid**

Wages and benefits paid shall meet at least legal or industry minimum standards and should be sufficient to meet basic needs and provide some discretionary income.

**Hours of work are not excessive**

Hours of work shall comply with applicable laws and industry standards.

**Working conditions are decent**

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the knowledge of the industry and of any specific hazards held by licensees, contractors and subcontractors.

**The employment relationship is established and training provided**

Employers should endeavour to provide regular and secure employment. Appropriate training should be available for all employees.

**Implementation and monitoring**

Licensees, their contractors and subcontractors shall undertake to support and cooperate in the implementation and monitoring of this Code by:

- prior to engagement, the Licensee shall provide SOCOG/SPOC with written confirmation that the Licensee, as a minimum, adheres to relevant international labour force standards;
- providing SOCOG/SPOC or its agent with relevant information concerning their operations;
- permitting inspection at any time of their workplaces and operations by approved SOCOG/SPOC personnel;
- maintaining records of the name, age, hours worked and wages paid for each worker and making these available to approved inspectors on request;
- refraining from disciplinary action, dismissal or otherwise discriminating against any worker for providing information concerning observance of this Code.

Any licensee, contractor or subcontractor found to be in breach of one or more terms of this Code of Labour Practice shall be subject to a range of sanctions up to and including withdrawal of the right to produce or organise production of SOCOG licensed goods as per the contractual provisions. Furthermore, licensees who fail to ensure that their contractors or subcontractors abide by the Code of Labour Practice shall be subject to the same range of sanctions.

A joint Committee comprising Representatives of the ACTU; Labor Council of NSW; SOCOG staff and the SOCOG Board shall meet as required to review reported breaches of this code and make recommendations to the SOCOG Board for action as appropriate.

## NOTES

1. All the contractual provisions referred to under this point are quoted from the Model Code of Conduct of the WFSGI (see Annex II) which was included in the contracts between ISL and their licensees under the 'Football Quality Programme'
2. Letter by Gerhard Prochaska, Managing director Licensing of the ISL, 27 November 1998, to the ICFTU, ITGLWF and FIET
3. National Consultation on Child Labour in Sports Goods Industry, New Delhi, 10th April 1997 - A Report
4. The above description of events is mainly based upon various documents from SACCS, including a 'Diary of Developments' (up to August 1998) of the Fair Play Campaign
5. Report on Workshop on Developing a Programme to Prevent and Rehabilitate Child Labour in the Sporting Goods Industry (held on 22, 23 and 24 November 1998)
6. Interview with Mr. S. Wasan in magazine India Nu, May 2000
7. Interview with Mr. M.P. Joseph, ILO-IPEC, April 2000
8. Interview with Mr. Kailash Satyarthi, chairperson SACCS
9. 'Child labour in the sports goods industry; Jalandhar - A Case Study, V.V. Giri National Labour Institute, September 1998, Noida, India. A report sponsored by FICCI and ILO-IPEC.
10. Survey and report on sports goods industry in Jalandhar, Volunteers for Social Justice, Phillaur (Punjab), India, 1997
11. Figures from the Sport Goods Export Promotion Council, New Delhi. Other important importers of Indian inflatable balls, mainly footballs, are Australia (Rs. 98 million), France (52 million), South Africa (51 million), Germany (43 million), Italy 38 million), USA (41 million), New Zealand (24 million), Spain (21 million) and The Netherlands (20 million)
12. 'A sporting chance - Tackling child labour in India's sports goods industry', Christian Aid, May 1997, page 3
13. This paragraph is based on 'Child labour in the sports goods industry', page 13-17
14. Child labour in the sports goods industry, page 15
15. Status Paper On The Working Of The Sports Goods Foundation of India, SGFI
16. Interview with Mr. R. Purewal, manager SGFI, April 2000
17. The Realistic Approach, Sports Goods Foundation of India
18. From an interview with SGS, New Delhi, April 2000

19. Interview with Mr. R. Purewal, manager SGFI, April 2000
20. The Sporting Goods Industry Responsive Approach to Child Labour, The Jalandhar Programme
21. Interview with Mr. Purewal, manager SGFI, April 2000
22. Status Paper On The Working Of the Sports Goods Foundation of India, SGFI
23. Interview with Shikha Ghildyal, Save the Children (UK), April 2000
24. Interview with Mr. Gerry Pinto, UNICEF New Delhi, April 2000
25. Black Paper - Broken Promises & Dalits Betrayed; National Campaign on Dalit Human Rights, 1999
26. Child labour in the sports goods industry, page 16
27. Child labour in the sports goods industry, page 33
28. Information given to Gerard Oonk by contractors as well as by Mr. Sodhi and Mr. Purewal
29. Mayor & Co for example has a 'vendor rating system' based on timely delivery, quality of the stitching and working conditions of the homebased stitchers. According to Sodhi it is a question of 'survival of the fittest'.  
Interview with Mr. J.S. Sodhi, manager Mayor & Co, April 2000
30. The discussions of the researchers with trade unions led to the identification of 21 areas with concentrations of child labour in the sports goods industry. It was assumed that these areas constituted roughly 75% of 'child labour' areas. The sample comprised of 10 areas out of these 21, five urban and five rural, where a total of 2,993 households were engaged in production of sports goods. Of these households 1,292 were interviewed intensively. In total 225 full-time and 1,492 part-time working children were found. Multiplying these figures by six brings the number of working children to 10,000.  
It can of course be questioned whether not more than 30 villages and urban localities are involved in producing sports goods, also keeping in mind production in and around Batala.
31. Child labour in the sports goods industry, page xi
32. Child labour in the sports goods industry, page 42
33. This is supported by the experiences of MV Foundation in Andhra Pradesh which mainstreamed more than 100.000 poor rural children, including formally bonded children and girls, into formal education. See website India Committee of the Netherlands: [www.antenna.nl/liw/index\\_e.html](http://www.antenna.nl/liw/index_e.html)
34. Interview with Mr. S. Wasan in magazine India Nu, May 2000

35. The Realistic Approach (Part 2), SGFI
36. Interview with Mr. Purewal, manager SGFI, April 2000
37. Visits by Mr. Jai Singh, Volunteers for Social Justice, and Gerard Oonk, India Committee of the Netherlands, April 2000
38. Child labour in the sport goods industry, page 46
39. Survey and report on sports goods industry in Jalandhar, VSJ, 1997
40. Idem note 38
41. Personal observation by Mr. Jai Singh and Mr. Gerard Oonk
42. Visits to Jalandhar and Batala and some surrounding villages in November 1999 and April 2000 by Mr. Gerard Oonk and Mr. Jai Singh
43. Interview with Mr. R. Purewal, manager SGFI, April 2000
44. From interview with Mr. Wasan in magazine India Nu, May 2000
45. Child labour in the sports goods industry, page 30
46. Child labour in the sports goods industry, pages 16 and 30
47. Report on Workshop on Developing a Programme to Prevent and Rehabilitate Child Labour in the Sporting Goods Industry (22, 23 and 24 November 1998), page 20
48. Visits to villages around Jalandhar by Gerard Oonk and Jai Singh, April 2000
49. Interview with Mr. Purewal, manager SGFI, April 2000
50. Visits made by Mr. Jai Singh, Volunteers for Social Justice, and Mr. Gerard Oonk, India Committee of the Netherlands
51. Visit of Gerard Oonk to stitching centre of Mayor & Co, April 2000
52. Information by Mr. J.S. Sodhi, manager Mayor & Co, April 2000
53. Idem note 50
54. Idem note 50
55. Interview with Mr. R. Purewal, manager SGFI, April 2000
56. Interview with Mr. J.S. Sodhi, manager Mayor & Co, April 2000
57. 'A sporting chance', May 1997
58. Child Labor, World Federation of Sporting Goods Industry, 1998

59. Letter of the KNVB to the Netherlands Federation of Trade Unions, 21 May 1996
60. Media Information FIFA - Labour Codes for Footballs, Zurich, 3 September 1996
61. Letter by Gerhard Prochaska, Managing Director Licensing of the ISL, 27 November 1998, to Tim Noonan (ICFTU), Neal Kearney (ITGLWF) and Philip Jennings (FIET)
62. Letter of FIFA's General Secretary Mr. Michel Zen-Ruffinen to Bill Jordan, Neil Kearny and Philip Jennings; Zurich, 17 March 1999
63. Idem note 61
64. From e-mail by Mr. Gerhard Prochaska, 31 May 2000
65. From e-mail by Mr. Gerhard Prochaska, 31 May 2000
66. Letter of ICFTU, ITGLWF and FIET to Mr. Michel Zen-Ruffinen, General Secretary of the FIFA, 8 October 1999
67. Idem note 62
68. Idem note 62
69. Idem note 65
70. 'Workers Behind The Label - A study of Working Conditions in Sialkot', All Pakistan Federation of Labour (APFOL), Rawalpindi, Pakistan, September 1999