

INDIA COMMITTEE OF THE NETHERLANDS

Final Report

Labour Standards in the Sports Goods Industry in India – with special
reference to Child labour

A Case for Corporate Social Responsibility



TATA

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TABLE OF CONTENTS

1	CSR IN THE SPORTS GOODS INDUSTRY.....	1
1.1	A BACKGROUND	1
1.2	ADOPTION OF STANDARDS – PHILANTHROPY OR COMPLIANCE	2
1.3	CODE OF ETHICS.....	2
2	PROBLEM OF CHILD LABOUR.....	4
2.1	CHILD LABOUR IN THE FOOTBALL INDUSTRY	4
2.2	BRAND VALUE AND CHILD LABOUR.....	5
2.3	RECENT INITIATIVES	5
2.4	THE INDIAN SCENARIO.....	6
2.5	ICN STUDY	8
2.6	THE PRESENT STUDY	8
2.6.1	<i>Objectives.....</i>	<i>8</i>
2.6.2	<i>Methodology.....</i>	<i>9</i>
3	MONITORING AND REHABILITATION IN THE SPORTS GOODS INDUSTRY	13
3.1	BACKGROUND	13
3.2	SGS MONITORING.....	14
3.3	MAGNITUDE OF STITCHING LOCATIONS	15
3.4	FREQUENCY OF AUDITS.....	17
3.5	ISSUES COVERED UNDER INSPECTION AND MONITORING	18
4	EVIDENCE FROM THE STITCHING COMMUNITY	24
4.1	WAGES	24
4.2	GENDER DISCRIMINATION ON WAGES.....	25
4.3	ISSUE OF ADVANCES	25
4.4	AWARENESS ABOUT COMPARATIVE WORKING CONDITIONS.....	26
4.5	BENEFITS TO FOOTBALL STITCHERS.....	26
4.6	EMPLOYMENT RELATIONS	27
4.7	ISSUE OF CHILD LABOUR	28
4.8	REHABILITATION OF THE CHILD STITCHERS.....	30
4.9	ROLE OF INTERNATIONAL DONOR AGENCIES.....	31
5	HOUSEHOLD CHARACTERISTICS: CHALLENGES AND CONCERNS	34
5.1	JALANDHAR 2002	34
5.1.1	<i>Social Composition of Households</i>	<i>34</i>
5.1.2	<i>Educational and Occupational Status</i>	<i>35</i>
5.1.3	<i>Economic Status</i>	<i>35</i>
5.2	JALANDHAR - BETWEEN 1998 AND 2002.....	37
5.3	PRODUCTION OF FOOTBALLS IN JALANDHAR AND BATALA: COMPARATIVE DIAGNOSTICS.....	39
5.3.1	<i>Share in Football Production.....</i>	<i>39</i>
5.3.2	<i>Gender- wise Workforce Participation</i>	<i>39</i>
5.3.3	<i>General Household Characteristics</i>	<i>40</i>
6	ACTIVITY STATUS OF CHILDREN: EVIDENCE FROM JALLANDHAR AND BATALA.....	41

6.1	JALANDHAR 2002	41
6.2	BATALA - 2002	43
7	CONCLUSIONS AND RECOMMENDATIONS	45
7.1	CONCLUSIONS.....	45
7.1.1	<i>Implementation of Labour Standards</i>	<i>45</i>
7.1.2	<i>Quality of the Inspection System</i>	<i>46</i>
7.1.3	<i>Rehabilitation of the Child Stitches</i>	<i>47</i>
7.2	RECOMMENDATIONS.....	48

1 CSR IN THE SPORTS GOODS INDUSTRY

1.1 A Background

There is a growing realisation across the globe that the process of production and the industrial organisation of business has an important bearing on the social welfare. In the past, the realm of social activities was considered to be confined to the welfare state alone. However, the developments during the last two decades have changed the contours of what is acceptable to the society in the context of international trade. Indeed, the framework for international trade has undergone a significant change. The benefit or harm of products and services, their environmental impact and the producers/providers' relationship with the workforce and with local communities - all these aspects of business are now open to scrutiny. The change in attitudes has been most rapid during the last 6-7 years.

The recent revival of interest in improving the lives of the poor working people and encouraging the use of a set of standards or specified code of conduct is a result of the articulation of an evolving global consciousness on ethical and social concerns, particularly among partners engaged in cross-border trade. Traces of this can be seen in the discussions held during various rounds of GATT negotiations. This is also a reflection of the efforts made for providing a competitive environment and conditions of fair play for all the players in international trade. The formation of the World Trade Organisation (WTO) also indicates the commitment for reducing protectionism and tariff barriers to enable the growth of world trade. The proponents of social standards agree that these standards are conducive to national welfare of all trading partners.

It may be recalled that the issue of labour standards was introduced at the instance of USA and France in the final round of the Uruguay conference of GATT. These countries wanted to initiate discussions on the introduction of a "Social clause", specifying minimum standards in this area presumably as a precondition of market access. With the WTO taking over the responsibility of the GATT, the linkage between trade and social development on a sustainable basis has become stronger.

Given that there are costs involved in meeting the standards, the above linkage may reduce the contestability of markets because potential entrants find it less attractive to

compete or enter. The barriers to entry would thus be more and thereby the profit enhancing impact of the standards would be more.

1.2 Adoption of Standards – Philanthropy or Compliance

All potential entrants should adhere to the basic social codes on issues of labour and environment, or at least demonstrate a commitment in this direction. The whole issue of socially responsible business is based on the premise that companies have the right to choose. In this context there is a need to distinguish between philanthropy and compliance to labour and environmental standards. The adoption of standards may be either voluntary or compulsory in a given social, political and economic environment. The codes on labour standards developed by FIFA and the World Federation of Sporting Goods Industries (WFSGI), which are based on the relevant ILO conventions, seek to create a level playing field for all the traders of sporting goods in the international market.

A reflection of adoption of Corporate Social Responsibility (CSR) by companies could be seen in terms of their willingness to do exactly what the consumers pay for - by making the business more successful and more competitive. There is a possibility that through this process, one could boost the organisational goals. All this would be realised by getting the business to do the right thing. That is the opportunity that is at the heart of the new business-led movement for social responsibility. Some of the proponents of CSR have gone to the extent of saying that “you do not have to be an idealist to want to do this. And more importantly, you are dead in the water if you use idealistic arguments to try to move your company forward”. The business case rules - although many of the individual business leaders who have been most effective have also become personally committed to their own positive impact on society.

Trading initiatives in this direction are likely to yield desired results when companies, non-governmental organisations and trade union organisations are in agreement of the economic benefits that may flow as a consequence of adopting the specified standards.

1.3 Code of Ethics

Most of the codes developed by the Ethical Trading Initiative (UK) and those aimed at specific sectors or groups of industries (FIFA, WFSGI) or even some major buyers like

the Manchester United, essentially draw upon the relevant conventions of the ILO.

These are:

- the free choice of employment
- freedom of association and the right to collective bargaining
- safe and hygienic working conditions
- child labour
- a living wage
- working hours
- non-discrimination
- the provision of regular employment
- the absence of harsh or inhumane treatment

2 PROBLEM OF CHILD LABOUR

The term, child labour, has been defined differently by different organisations, agencies and countries and many a time the terms ‘child labour’ and ‘child work’ have been used interchangeably. This has led to lot of confusion and failure to focus and mobilise significant attention on the real priorities. Any activity that leads to “children prematurely leading adult lives, working long hours for low wages under conditions damaging to their health and to their physical and mental development, sometimes separated from their families, frequently deprived of meaningful education and training opportunities that could open up for them a better future” may be defined as child labour (Blanchard F. ILO 1983). Some scholars are of the view that when the business of wage earning or of participation in itself or family support conflicts directly or indirectly with the business of growth and education, the result is child labour. In a nutshell, child labour is any work within or outside the family that involves a time and energy commitment that affects children’s ability to participate in leisure, play and educational activities.

2.1 Child Labour in the Football Industry

Child labour has always been a matter of concern to socially responsive persons the world over. Of late, it has become a burning issue that has drawn attention of all the stakeholders – employers’ groups, trade unions, governments and international bodies. A number of national and international Non-Government Organisations (NGOs) and Human Rights activist groups have been making preparations to voice their concern against the deployment of child labour and the use of sub-standard labour conditions in the football industry. Towards this end, they have been targeting the coming 2002 World Cup as an opportunity for protests on the use of child labour. It may be noted that the football industry has been in the eyes of this global concern for the past six to seven years. Several studies done on this subject have mentioned that many children in developing countries manufacture footballs. Pakistan, India and China are the main exporters of footballs , and all reports point to the use of children in this sector. In this context, ethical trading practice and the FIFA code of conduct would have implied that

efforts are made to improve the working conditions of labour in the industry and stop the use of child labour.

2.2 Brand Value and Child Labour

Amidst the changing awareness levels and global concerns about maintenance of certain basic labour and environmental standards in the process of production, the sports goods and sportswear industry is searching for new value propositions. A football belonging to a brand is not a mere ball; it carries with it a value to the mind of the customer. The value of this image starts right from the factory using manual stitching practices right through complicated distribution channels and finally travels to the retail store, over the shelf to the customer. FIFA recognised its responsibility to its consumers for the quality of products produced under its licensing program and to workers involved in making FIFA licensed products and promotional balls. Therefore, FIFA in its license agreements with companies has included a clause on child labour prohibition, as well as the broader model code of conduct of the WFSGI and the ILO declaration on "Fundamental Principles and Rights at Work". Thus, for all match balls and souvenirs promoted around major tournaments, the licensee must now only source from those local manufacturers who are able to demonstrate that they will follow established labour practices to eliminate child labour. This affects all football manufacturers in India and Pakistan.

2.3 Recent Initiatives

The World Cup Campaign 2002 Secretariat (an initiative of the Global March Against Child Labour) started its efforts in May 2001 to make the FIFA 2002 World Cup free of child labour and fair for adult workers. Civil society organisations and individuals from all around the world have come together to work toward this common goal. Since its launch on 31 May 2001, the World Cup Campaign has been building momentum.

An effort is being made to ensure that before the start of the 2002 World Cup:

- No child is employed in the football industry and for the production of other FIFA-licensed goods
- All children removed from child labour are rehabilitated and given an opportunity to receive education
- Sporting goods workers enjoy decent working conditions and other basic labour rights in the production of FIFA-licensed goods (as per the contract between FIFA and its licensees), including a living wage and the right to organise and collective bargaining

- An independent and transparent inspection system is in place, involving trade unions and civil society organisations, in all the countries where FIFA-licensed goods are manufactured

As a sequel to the efforts by the Campaign (which also recognises positive initiatives of FIFA) FIFA maintains that, “ it is not correct to say that there are no monitoring systems in place, although we have been in talks with our partners in the last two weeks to improve this aspect of the project.” (source: website Global March Against Child labour, World Cup campaign). The Global March does not deny that there are monitoring systems in place, but feels these are not adequate and – contrary to FIFA’s code of conduct - mainly limited to child labour. . The Campaign has launched an online petition to call on FIFA to take action to stop the use of child labour and to provide fair wages and working conditions for adults.

UNICEF and FIFA joined in a partnership to promote the rights of the child in November 2001 and dedicated the 2002 FIFA World Cup to Children. In reacting to this, the World Cup Campaign submitted a letter to UNICEF asking them to use their position to the best effect in order to pressurise FIFA to implement a transparent monitoring system. UNICEF responded to this letter inquiring about their partnership with FIFA and the details of their agreement and indicated that it will “support FIFA's current efforts and its pledged support to the World Federation of the Sporting Goods Industry's Code of Conduct”. UNICEF has gone on record in saying that that it will follow up on the promise and that it will support efforts to implement the FIFA code of labour practice.

Reports from concerned partners around the world also indicate the seriousness with which the issue of child labour in the sports goods industry is being taken up. In The Netherlands - The Federation of Trade Unions, the India Committee of the Netherlands and the Clean Clothes Campaign sent a letter to the Government asking them to set up a purchasing policy with all the (subsidised) sports clubs for child labour-free and fairly-produced sporting goods. In India, a team from the Global March went on an investigative trip to Punjab to find out the current labour conditions in sporting goods industry. (*Source: Newsletter, WORLD CUP CAMPAIGN 2002, 5 February 2002 -Volume I, Edition 1*)

2.4 The Indian Scenario

With a view to eliminating child labour from hazardous occupations and processes (as per the provisions of Child Labour (Prohibition & Regulation) Act 1986) National Child

Labour Projects (under the aegis of Ministry of Labour, Government of India) are currently being run in more than 100 districts of the country. Jalandhar is one of such districts, where schools have been opened since 2000, as part of the above project.

In 1995 the first reports appeared in 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.

The employment of children in the sports goods industry in India came to the fore after the US Department of Labour in its document 'By the Sweat and Toil of Children' highlighted the problems of children working in this industry. As a sequel to this, a UK based NGO 'Christian Aid Society', in collaboration with South Asian Coalition Against Child Servitude (SACCS) made the first attempt to highlight the situation of working children in the sporting goods industry in the cities of Jalandhar and Meerut in 1997. The result of the survey, which estimated that 25,000 – 30,000 children were working in the sports goods industry, evoked strong objections from the manufacturers.

This report however did prompt an independent research study funded by ILO-IPEC and FICCI in 1998. The research carried out by V. V. Giri National Labour Institute (NLI) concluded that around 10,000 children were stitching footballs in the district of Jalandhar (other producing areas were not included). Nearly 1350 of these were reported to be working full time in the home based production of sports goods. As a sequel to this, a monitoring program was proposed by the ILO-IPEC, which failed to see the light of the day. The Sports Goods Foundation of India (SGFI) then initiated the monitoring and rehabilitation program on its own and the Societe General de Surveillance (SGS) was appointed as the external monitor for the action program. The SGFI is committed to the elimination of child labour from the industry and the elimination of poverty among the stitching community.

2.5 ICN Study

The study conducted in 2000 by the ICN brings to fore that the problem of child labour still exists in the Indian sports goods industry. The study also brought out that there is a violation of other labour standards in the industry on a large scale. The report also mentions that monitoring has some gaps in it. The ICN study also brought out that there are other production centres in places such as Batala in Punjab, apart from Jalandhar.

In addition, it also mentioned that the successful elimination of child labour crucially depends on an effective ‘Social Protection Program’. The need to involve the community and local NGOs in the effort towards a participatory mechanism of monitoring is also one of the highlights of the recommendations of the ICN study.

2.6 The Present Study

2.6.1 Objectives

The labour-intensive sports goods industry in India has emerged not only as significant foreign exchange earner, but also as an important provider of employment. However, the industry has been troubled by widespread reports in the media within and outside the country about the exploitation of children in the production of sports goods in India, which, understandably, evoked strong concern and anguish. The image of the industry, as a result, took a beating and the industry itself feared a setback in exports due to this adverse publicity. Thereafter, a monitoring program by SGS was directed towards ending the problem of child labour in the production of sports goods in India.

There is need to examine whether such monitoring mechanisms, with large administrative expenses can deliver the desired result.

This study thus seeks to find an answer to the question whether the present monitoring system has been effective in eliminating almost all child labour from the football industry in India. It looks at its working mechanism and highlights its major strengths and weaknesses. This study is broad based as both the quantitative and the qualitative information have been collated and analysed. Besides interviewing a cross-section of people/organisations connected with the trade, it also covers various locations within

Jalandhar and Batala to realise its objectives. The broad objectives of the study are to examine the:

- Working conditions and the labour standards in the football industry
- Impact of the monitoring on the status of the workers and children in particular
- Level of compliance to contractual arrangement between FIFA and all licensed football importing companies
- Role of contractors and sub-contractors
- Household characteristics such as: Socio-economic profile, Demographics, Activity status of children, etc.
- The perception of the exporters, members of the SGFI, UNICEF, SGS, Save the Children Fund (SCF), officials of the Labour Department and other stakeholders, including the parents and workers in the sports goods industry

2.6.2 Methodology

The study seeks to examine the above aspects by documenting and analysing the perceptions of important stakeholders. A combination of qualitative and quantitative methods was adopted to collect the data required for the study.

Design

- A survey of 500 households in Jalandhar (300 households) and Batala (200 households) was planned to be undertaken initially.
- Altogether 261 households have been surveyed in Jalandhar, including 54 households that had been surveyed earlier in 1998.
- **Jalandhar survey.**
 - The sample from Jalandhar was to contain approximately 5-7 per cent (nearly 65) of the 1292 households covered under the earlier study done by NLI in 1998 and remaining households were to be drawn on the basis of stratified sampling with random start. These 65 households from the earlier survey were designed to be those households in that had at-least one child below 10 years of age in 1998 (at the time when earlier study was conducted) so that the child, if still employed in the industry, would still be below the employment age of 14 years. This was expected to help in analysing the impact of the monitoring system enforced after the earlier study and also in assessing the dynamics in the incidence of child labour in the industry between 1998 and 2002. A total of 736 (Rural: 47.83 per cent and Urban: 52.17 per cent) households were filtered out from the 1998 survey data as the sampling frame for households having at least one child below the age of 10 years.
 - For purposes of nomenclature only, these are termed as **'eligible households'** from the 1998 study. The percentage break up of households across different areas (rural and

urban) as per 1998 data suggested that about 54 and 46 per cent households would have to be sampled out of the above total from rural and urban areas, respectively.

- In the next stage, the gender dimension in the selection of the households was introduced. It was found from the earlier study (VVG NLI 1998) that 53 per cent of the children were boys. This implied that corresponding percentages of households from each of the areas need to be selected, where at least one of the child belonged to either sex. Effectively, the sample includes:

Table 1: Procedure for Selection of Households from the 1998 survey

<i>Area</i>	<i>Total households in the sampling frame from 1998 study</i>	<i>Number of households selected having at least one male child</i>	<i>Number of households selected having at least one girl child</i>	<i>Total households selected</i>
Rural	348	16 (every 6 th household)	14 (every 8 th household)	30
Urban	388	13 (every 6 th household)	11 (every 10 th household)	24
Total	736			54

- The sample of old households for the 2002 survey thus includes 7.33 per cent of the ‘eligible’ households from the 1998 survey.
 - The list of households along with the names of the heads of the households and their address was given to the investigators. (List enclosed in the Annexure - 3). In order to meet eventualities of absence of some of these households during the course of the survey, a list of another 32 households (16 each from rural and urban areas) was also sampled out. The investigators were advised to use this list to meet any shortfalls in the above list. The same procedure has been followed as mentioned above to select the additional households.
- Altogether 261 households have been included in sample [Old (from 1998 survey): 54 households and New: 207 households] for the survey conducted in Jalandhar.
- The rest of the sample (189 households in Batala) was picked up from different localities in the district. All the households in Batala and the new households from Jalandhar were selected through multi-stratified sampling with random start procedure. For this cluster sampling procedure was followed to divide the concentration areas into High, Medium and Low and then proportionate number of households were selected from each concentration zone. The next stage involved the selection of households in each area. The Consultants relied on their discussions with local informants/workers to decide on classifying the

households into different zones of concentration and the methodology for introducing the randomness in the selection of household.

- The survey broadly covers aspects related to demographics, Socio-economic condition, health and education.
- The household survey also captures the time disposition of children in the age group of 5-14 years. The one-day recall method was used for data collection. It may be mentioned that not many studies at the micro level have been carried out in India by adopting the time use survey method. Time use surveys have acquired a new focus in the present dispensation. The results of the survey could be effectively utilised to net the economic work of the children and improving thereby on the estimates of child labour in the industry. In India, the first such survey at the macro level was conducted under the aegis of Department of Statistics during July 1998-June 1999 in six states. The methodology for the time use survey in the present study will largely draw upon the methodology adopted by the CSO.
- It is hoped that the results of the Time Use survey will help in arriving at the children's contribution to economic work in terms of time spent on economic activities and activities such as unpaid household work, education and learning, play and rest, etc.
- A survey of the stitchers at the registered stitching units has also been carried out. The proposed sample size for this was 10. However, this was finally increased to 17. The earlier assumption was that each registered unit would be employing about 20 workers and therefore, a sample size of 10 units would have given a sample of 200 stitchers.
- However, during the field survey it was found that access to stitching centres was rather difficult. The survey team decided in favour of increasing the sample size from 10 centres to 20 stitching units (units generally employ two to seven workers). Finally 17 such units were surveyed, as mentioned earlier. Information about the working conditions at the stitching centres were obtained through interviews with the workers, the This has helped the Consultants to highlight the working conditions and standards provided to the workers and the extent of involvement of the child labour.
- Interviews/Focussed group discussions were carried out with the following
 - Parents of the child labour/Children/Heads of schools/Teachers/Heads of rehabilitation Centres
 - Workers employed in the industry/ executive members of the workers' organisations
 - Exporters
 - Officials of SGS, SGFI, UNICEF, ILO and Government officials

3 MONITORING AND REHABILITATION IN THE SPORTS GOODS INDUSTRY

3.1 Background

The formation of the SGFI is portrayed by the exporters in Jalandhar as a significant development in the history of the Indian Sports Goods industry. After having received criticisms from NGOs, Trade Unions, Workers' Organisations and the international buying community, the exporters got together and tried to give a facelift to the industry. Both FIFA and the WFSGI offered their support, as they earlier did in Pakistan, on the basis of the so-called Atlanta Agreement. For FIFA, this was also the outcome of its obligations resulting from the licensing agreements with football companies which included, besides other labour standards, a provision on the non-deployment of child labour in football production. In this context it becomes important that ethical buying is also adhered to. The Consultants feel that efforts to raise labour standards should also be taken up with same vigour at the buyers' end. The relative price inelasticities have to be overcome through initiatives of the WFSGI and its members, so that adequate prices are paid to the seller to put standards in place.

Financially supported by FIFA, the SGFI, SCF, UNICEF and the Centre for Research in Rural and Industrial Development (CRRID) have jointly taken on the responsibility of initiating a Social Protection Program, including monitoring of football production. The Social Protection Program has been put into place with the support of UNICEF and SCF, UK. SGFI has appointed CRRID for self help groups, social mobilisation and finally, to phase children out of football stitching.

Though the initial activities of the SGFI were limited to countering the claims about employment of children in factories and workshops, these have now expanded in scope. The pace of this expansion has been rather gradual. With the combined efforts of the agencies mentioned above, the Geneva-based certification company, SGS was roped in as the external monitoring agency in January 2000.

3.2 SGS Monitoring

Although FIFA has adopted a code on labour practices that contains a whole range of labour standards, SGS' mandate from SGFI and FIFA is mainly to monitor the existence of child labour.

The matrix given below lists the FIFA Code of Labour Practices for production of goods licensed by FIFA.

Table 2: Labour Standards and Provisions in the FIFA code

S. No.	Standard	Provisions in FIFA Code
1.	Freedom of Employment	No Bonded labour or forced labour (ILO Conventions 29 & 105)
2.	Non-Discrimination in Employment	Equal opportunity for employment , regardless of sex, religion, nationality, social origin and other distinguishing characteristics
3.	Non-Use of Child Labour	In accordance with ILO Convention 138- no person below the age of 15 to be employed
4.	Freedom of Association and Right to collective Bargaining	In accordance with ILO Conventions 87 & 98
5.	Fair Wages	Payment of at least legal or industry minimum and should be sufficient to meet basic needs and provide some discretionary income.
6.	Hours of Work	48 hours of work per week a maximum of 12 hours of overtime and at least one day off in the week
7.	Decent Working Conditions	Safe and Hygienic working environment, promote best occupational health and safety practices
8.	Establish Employment Relationship	Endeavour to provide regular and secure employment; Avoid labour-only sub-contracting arrangements or apprenticeship schemes; Provide younger workers the opportunity to participate in education and training programs

(Source: The Dark Side of Football, ICN, 2000)

The SGS program for the sports goods industry in India works through a mechanism of internal and external monitoring. A review of some related documents of SGS (available in the public domain) on this subject indicates that the manufacturers are gradually beginning to realise the economic gains of a no-child labour situation in the sports goods industry. The SGS acknowledges that as manufacturing and assembling a football

involves a series of complex operations and manual stitching practices, monitoring such a program in an integrated manner is a complex task.

The modus operandi for the program has been:

- Creation of a Database by identification of all stitching locations, registration of all the stitchers in these locations along with the vendors they work for, by individual members. These locations were given a unique number by SGFI. The database was then submitted to the external monitoring agency, SGS, who used the information to put these stitching locations under observation.
- Internal Monitoring is carried out by various members of SGFI through their own internal monitoring team. The team prepare a report called the Internal Monitoring Report (IMR).
- External Monitoring is conducted by SGS based on the Internal Monitoring Report to validate and verify the information submitted. Each stitching location is monitored at random almost every six weeks. Area wide monitoring is also carried out. Incidence of Child Labour and sub-contracting of work to unregistered stitching locations is reported within 24 hours to SGFI.
- A Monthly Consolidated Report is submitted by SGS to the Steering Committee and SGFI. The Steering Committee constitutes of members of the SGFI, SGS, UNICEF, SCF and CRRID. The details of the children found stitching is also submitted. (*Source: Mutreja N., 2001 in Sporting Goods Industry, Official International Handbook, 2001*)

3.3 Magnitude of Stitching Locations

It was found that when the program was conceived, it was designed to provide details of at least 50 per cent of all stitching units to SGS by the end of 2000, and the remaining by the end of 2001. The Consultants gathered that at present there are approximately 2900 stitching units that are being monitored by the SGS.

The SGFI informed the Consultants that its monitoring is restricted to its members (32 exporters at present). It also claims that the internal monitoring process is able to cover almost 90 per cent of the exporters. However, the SGFI has also to deal with the potential discontent among its exporters/members as there are occasions when some of the members of the Foundation are forced to compete with non-SGFI exporters and non-members (who may not even be registered with the Sports Goods Export Promotion Council).

The Consultants learnt that the figure of registering at least 50 per cent units by the end of 2000 was apparently based upon the assumption of SGFI that there would be a total

of 1500 stitching units that would require to be registered with SGS (for coverage under the inspection and monitoring mechanism). However, SGS officials found that by the end of 2000, SGFI came up with a list of another 1500 units, apart from the original list of 1500 units. The SGFI has thus been gradually expanding the list of the units, which it would wish to get registered with SGS. The figure of 100 per cent registration of stitching units however, has not been achieved by far. No census of the total units that could be brought under the ambit of registration has been taken up so far by SGFI itself or by any other agency.

The focus group discussions with villagers and stitchers in the sample villages reveal that the number plates indicating the SGFI registration number are generally fixed on those households which are completely dependent on the sports goods industry for their livelihoods. In villages such as Chougitti and Nalhan, the adult members of the community expressed that these number plates have been put on houses that do not involve children in stitching of footballs or where all stitchers are above the age of 14 years. It is clear that there is a possibility of missing out on a large number of unregistered units. The focus group discussions in the sample localities and villages indicate that of the total households that may be involved in the stitching of footballs, about one-third would have been possibly brought under the umbrella of registered stitching units. The existence of a relatively large proportion of unregistered home-based stitching units reflects the limited penetration of the monitoring of soccer ball production in Jalandhar.

The discussions with stitchers and other senior members of the community in the relatively high concentration zones of football stitching such as Basti Danishmanda and Nalhan indicate that there is a possibility of manipulation in the inspection process. The initial rigour in the inspection is gradually waning. Some adult members informed the survey team that sometimes the inspections are even reduced to casual visits to the contractor and information being collated from the latter only.

Reach of Registration: Evidence from Nalhan

There are two stitching centres in this village. Of the 300 families associated with the football industry, about 10-20 are working as contractors in the industry. The rate at the stitching centres is Rs. 25 per ball and at homes it is Rs. 20 per ball.

One of the stitching centres in the village has about 55 workers. Almost all the stitchers have developed major backaches and myopia. None of them have received any medical help whatsoever from the SGFI. It is interesting to note that a centre that currently employs 55 workers (which is eligible to attract the enforcement of a number of protective provisions as per the Indian law) has never been visited by either the Labour Department officials, the monitors of the exporter/s or the SGS monitors. In fact, the contractor was not even aware whether the centre was registered with SGFI or not. On issues of registration, the survey team was advised to speak to the owners of the above company for detailed information.

3.4 Frequency of Audits

As mentioned earlier, the Internal Monitors (who, in about 20 per cent of the cases, are the Contractors working for specific exporters) submit the Internal Monitoring Report (IMR). This report forms the basis for inspections and monitoring by the SGS. The Consultants learnt from the SGS officials that the frequency of the audits is every six weeks. Essentially it means that the possibility for visiting a particular stitching unit/centre comes after every 42 days. The list of the units/centres to be visited on a particular day is drawn randomly on the basis of an in-house developed software. To retain the secrecy in the plan of visits, a list is drawn everyday in the morning. The SGS has a total of 8 to 10 teams comprising of two members each. Gender dimension is equally balanced in each team, as male inspectors might find it difficult to enter units where all the stitchers are female. The above mentioned software generates a list of units that are to be visited by different teams. On a normal day, every team visits approximately 4-6 units, which may be located in different localities or villages.

Taking an average value of five stitching units/centres visited by every team, it may be safely inferred that on a given day approximately 40-50 stitching units/locations are inspected. Assuming that randomness is maintained in the software and the next day a list of other units is drawn, it is estimated that the possibility of visiting the same unit would come only after 60 days, rather than six weeks (or 42 days). SGS maintains that ever since the project on social protection was launched and they entered as the monitoring agents, the frequency of inspections has been lowered from three weeks to four weeks, to the current six weeks.

While these figures on the frequency of inspection visits may be contested on the basis of the rigidity of assumptions, the focus group discussions held with adult stitchers in the

sample areas indicate that inspections take place once in six months. With such a mismatch regarding the frequency of inspections, it is difficult to arrive at a fixed number. However, it is clear that the frequency of visits to the same unit/centre is rather low.

This has a significant finding on the compliance to various labour standards. With such a low frequency of audits, it is likely that the standards that are put in place after an inspection may relapse by the time the next audit is conducted.

The magnitude of funds that are likely to spent for monitoring of labour standards in the sporting goods industry in Jalandhar (US\$ 400,000 for a period of five years) has thus to be weighed with respect to the benefits that are reaching the intended beneficiaries. The Consultants feel that to enable effective and smarter monitoring, elements of participative monitoring systems may be built in the exiting system. This would ensure that benefits accrue in terms of a substantial rise in other labour standards, apart from withdrawal of child labour from the industry.

3.5 Issues Covered under Inspection and Monitoring

A review of the newsletters of the SGFI and a handbook on the sporting goods industry indicates the realisation by the SGS that issues of child labour, dynamic management of supply chain and monitoring of ethical practices are an integral part of brand building and doing international business. Like any other normal part of the contracting process this monitoring and adherence to guidelines must be commercially viable. The SGS feels that expenditure on such initiatives is not an expense, but an investment. In addition, it also feels that social programs aimed at responsibilities of business need to be broad based and should promote the use of network-marketing approaches involving international organisations, NGOs and manufacturers.

One would expect the FIFA code of conduct (in its contracts with companies) to be the basis of inspections done by the SGS Auditors. However FIFA, WFSGI AND SGFI have agreed to limit the monitoring of the stitching locations mainly to the issue of child labour.

The Consultants have tried to map the variables covered in the IMR against the FIFA Code. The format of the Internal Monitoring was provided by the SGFI. A similar

mapping was not possible for the External Monitoring Report (i.e. the report of the SGS) as the format of the audit form for this was not available with the Consultants.

S. No.	Standard	Provisions in FIFA Code	Aspects Covered in Internal Audit
1	Freedom of Employment	No Bonded labour or forced labour (ILO Conventions 29 & 105)	
2	Non-Discrimination in Employment	Equal opportunity for employment, regardless of sex, religion, nationality, social origin and other distinguishing characteristics	Age, sex of the adult stitchers
3	Non-Use of Child Labour	In accordance with ILO Convention 138- no person below the age of 15 to be employed	No. of children in the location; age and information on their educational status
4	Freedom of Association and Right to collective Bargaining	In accordance with ILO Conventions 87 & 98	----
5	Fair Wages	Payment of at least legal or industry minimum and should be sufficient to meet basic needs and provide some discretionary income.	Piece Rate and ball Type
6	Hours of Work	48 hours of work per week a maximum of 12 hours of overtime and at least one day off in the week	----
7	Decent Working Conditions	Safe and Hygienic working environment, promote best occupational health and safety practices	Availability of First Aid Box
8	Establish Employment Relationship	Endeavour to provide regular and secure employment; Avoid labour-only sub-contracting arrangements or apprenticeship schemes; Provide younger workers the opportunity to participate in education and training programs	Whether the work has been further sub-contracted (If yes, to whom) Training Chart of the Stitcher

As noted earlier, the external monitoring is based on the report of internal monitoring submitted by the SGFI to the SGS. It may not be very off the mark to consider the format of the internal audits as a close proxy of the external audits by the SGS. With this assumption, the following observations are made by the Consultants regarding the issues looked at during the monitoring (both by the internal as well as the external auditors):

- The figures on wages act as an indicator of the system of forced or **bonded labour**. This could be derived from the information supplied in the audit formats. On an average a stitcher makes four balls per day. Given the piece rate wages for stitching as fixed by the

concerned exporter, the daily earning of the stitcher may be calculated. This may be then compared with the prevailing minimum wage (for an unskilled labour in agriculture) in Punjab, i.e. Rs. 82.08 at present. Any daily earning lower than the prescribed minimum would be construed as a case of bonded labour as per the Bonded Labour Abolition Act 1976 of the Government of India. However, the Consultants feel that there is an inherent limitation to the approach of SGFI/SGS in this respect. The notion of the wages received with respect to a man-day is not evident from the IMR. Therefore good calculations or even estimates of under-payment or denial of payment of minimum wages to the stitchers and *inter alia* the estimates of bonded labour are possible..

- The details on age, sex and wages for each stitcher at the stitching location could be jointly used to monitor the aspects of **equal opportunity of employment and equal remuneration**.
- Details regarding the children found stitching footballs at the stitching locations help to get an idea of the intensity of **child labour**. In addition, this could be a direct quantitative indicator for the impact of the rehabilitation programs run by the SGFI and other civil society organisations working in the areas of concentration of sports goods manufacturing. A gradual decline in the detection of child labour during repeat audits by the SGS could also be indicative of a rising level of awareness among the parents and community at large, on the issue of child labour.
- There are no direct indicators or evidences to suggest that the **right to freedom to form association and the right to collective bargaining** have been promoted among the stitchers in the registered units/centres. The inspection formats do not give any idea whether the management has made any effort to honour these rights. However, interviews and discussions with SGS officials and the focus group discussions with stitchers' community in the sample areas do indicate that there is an association of stitchers in urban pockets. This association is assumed to negotiate for a revision in the piece rate wages with the contractors at the beginning of the financial year. Normally the wage rates are increased by Re. 1-1.50 per ball every year. Surprisingly, the officials of the Labour Department, Jalandhar are not a part of the process of wage negotiations. There are no rates fixed by the government for football stitching. The prescribed **minimum wage** for agricultural labour (at present fixed at Rs. 82.08) is generally taken as the reference point. Sources in the labour department in Jalandhar said that the piece rate wages that have been fixed by the exporters, if translated in monthly income (for working 26 days) for an average stitcher, would be equal to Rs. 2080/-. This has been in effect since September 1, 2001. According to some of the contractors whom the survey team met, it is assumed that an average stitcher is able to stitch four balls in a day and this implies the rationale for fixing the wage rate at Rs. 20.50 in

the revised set up. It may be noted here that no time duration is attached to the rate fixed for stitching.

Thus the monitoring by SGS on the issue of wages is confined only to verification of wage rates fixed by the exporters with the workers associations in different localities. The Consultants found that of the fifteen sample areas covered in the study, only about one-third showed evidence of any association. Discussions with workers in a few survey areas indicate that they are not satisfied with the style of functioning of the workers associations. Their main grudge is that the executive members of the associations do not fight for a substantial wage increment. They also informed the Consultants that the manufacturers come up to the ‘negotiating table’ to merely announce the revised wages in the name of bipartite negotiations. Though in contractual forms of work, it is difficult to establish the principal employer, it is important to note the main responsibility for adherence to labour standards such as payment of wages, etc. lies with the principal employer – in the present case the manufacturer/exporter.

Interestingly, the Labour Department of Jalandhar held the view that presence of Trade Unions may at times deter the growth of industries. In this context the decline in the fortunes of the textile industry of Amritsar was cited as a case in point. The Consultants were informed that the businessmen in Amritsar basically attribute this decline to the strong trade unionism within the textile industry. A weak and ineffective Trade Union or Workers Organisation is viewed by the senior functionaries of the Labour Department to be a blessing in disguise for the industry and the large number of stitchers who are dependent on it for their livelihoods.

- On the issue of **contracting and sub-contracting**, the inspectors have been trained to look for the exporter code on the stitching kit supplied to the stitchers by the exporters and delivered through the contractor. If there is a difference between the code mentioned in the IMR and what the SGS monitors find during their inspection, this is treated as violation of the code relating to established employment relationship. This indicates that:
 1. The stitcher under consideration has further sub-contracted the work to a unit that is not registered and thus earning a commission out of this process.
 2. The worker has taken stitching work from other contractor/s, for which the SGS does not have complete information.
- As regards the **hours of work**, it is a big lacuna that the IMR has no mechanism in place to report on the matter. On probing the SGS officials, the Consultants were informed that even though report on the hours of work done by the stitchers at the units/centres is

missing from the IMR, these aspects are covered during the discussion with the stitchers. On the question on what could be average number of hours of work an adult stitcher would be working, the usual answer is a standard man-day of eight hours.

In the light of the above observations it becomes clear that

- The State Labour Department does not consider the home based stitching units (employing less than seven labourers) to be covered under the jurisdiction of Child Labour (Prohibition & Regulation) Act 1986. However, it may be noted that the State is statutorily obliged to enforce the relevant Acts relating to payment of minimum wages and provisions regarding deployment of contract labour. The Consultants feel that while the home based units are out of the purview of the above Act, inspections may be carried out under the provisions of several other protective legal provisions, particularly the Minimum Wages Act. Even this is not found to be done for the unregistered home based stitching units involved in the production of soccer balls. On the issue of enforcement of minimum wages the labour Department plainly abdicates itself by suggesting that as there are no complaints, it is difficult for the department to initiate any prosecution. The officials of the Labour Department felt that this problem is not unique to the sports goods industry.
- The home based workers that are not a part of the registered stitching units or centres are thus left out of any protective provisions. On the basis of the PRA exercises conducted in the sample villages, it may be concluded that apart from the high concentration areas such as Basti Danishmanda (Jalandhar) and those that are close to the offices of the exporters, not all households or stitching units have been registered. A rough approximation (based upon PRA discussions in the survey areas) suggests that the proportion of units registered under SGFI to the total units or households (i.e. including where stitching is done for SGFI members and non-members as well) in the area would be about one-third. It may be mentioned at this stage that registration of units can only take place for member companies of SGFI. The SGFI cannot be held responsible for non-registration of non-members. Owing to the limited information collected as part of the study, it is also not possible to indicate the proportion of the registered units of their members.

Registered Units: A Case from Nalhan

Nalhan is a rural area located on the western side of Jalandhar city. There are about 500 households in the village. The population of this village is about 3200, with an average family size of six. On an average every household has three children.

Of the 500 households, there are 200 *Jat* families, whose primary occupation is agriculture and only five percent of *Jat* women pursue football stitching as the secondary occupation of the family. The remaining 300 households constitute of Backwards and SCs (belonging to *Ramdasi*, *Chamaar*, and *Adharmi* Sikh Communities). Nearly 90 per cent of these households are primarily dependent on football stitching as their means of livelihood. About five per cent of these households are registered as stitching units under SGFI. There is however, not enough information with the survey team to infer the relative proportion of households involved in stitching for SGFI members/non-members.

4 EVIDENCE FROM THE STITCHING COMMUNITY

The compliance to the FIFA code of conduct by the suppliers of footballs is expected to meet the various labour standards. As has been mentioned earlier, the present study seeks to look into the issue of labour standards within the larger context of corporate social responsibility. As far as the sporting goods industry is concerned, a look at the FIFA code suggests that these reflect the spirit of various ILO Conventions and international human rights instruments.

The present section deals with the perceptions of the stitching community regarding the various labour standards with the FIFA code on labour practice taken as the benchmark.

4.1 Wages

There are large differences between the wages received by workers in the stitching centres, registered units and the unregistered units for the same work.

The wages of stitchers at the centres range between Rs. 22-28 per ball. Registered stitching units pay around Rs. 14 - 20 per ball of an average quality. However, the workers in the unregistered home-based stitching units only get a wage rate of Rs. 11 per ball. Field discussions indicate that on an average a stitcher is able to stitch four balls per day (of quality II) in the registered/unregistered units.

The sports goods industry is marked with seasonal variation in the wage rates. In the peak season, it is estimated that the average earnings per day for a stitcher in the peak season are: Rs. 88-112 at the stitching centres (>7 workers); Rs. 56-80 at the registered stitching units (<7 workers); and Rs. 44 at the unregistered home-based stitching units. The average earning for stitchers in the registered stitching units would be Rs.58 per day (based on sample data that on an average a stitcher earns Rs. 14.50 per ball and is able to stitch four balls per day). During the slack season the stitching rates generally come down to 50-60 per cent of the peak season wage rates in both registered and unregistered units. Considering the current minimum daily wage of Rs. 82.08 in Punjab for unskilled (agricultural) labour as a benchmark (as there are no official minimum wage rates for stitching of footballs), stitchers at both, registered and unregistered stitching units, still earn an income which, on an average, is far below the official minimum wage.

The study done by VVGNI in 1998, brought to the fore that not more than 15 per cent of the stitching households were able to assess their situation in terms of payment of minimum wages (which was Rs. 60.95 as on May 1, 1998). The household survey

conducted, as part of the present study indicates that not much has changed during the last four years in terms of awareness levels of households regarding the concept of minimum wage. However, this statement may be read with certain qualifiers:

- The present study covered households (i) registered as stitching units (only 17) and (ii) those that were not registered as stitching units (450).
- The wage rates for football stitching varies according to the size and quality of balls.
- The wage rates in stitching units/centres are generally higher than those received by unregistered home based stitching units.

4.2 Gender Discrimination on Wages

There are vast gender-wise wage differences. This issue does not arise at the stitching centres as no women are employed at these centres. However, it is relevant to the stitching units (which are essentially home-based) and to the unregistered units. In both types of units women get about Rs. 5 to 6 for stitching half of a football (known as *Khokha*). The discussions with women indicate that the wages received by female stitchers is generally Rs. 5 less per ball than what men get at the stitching units. On an average, a women stitcher at such units is able to earn two-thirds of her male counterparts working in the centres.

The stitchers at the stitching centres are not required to provide any stitching material, while the home-based workers are. They get a piece rate of Rs. 10-11 per ball. The cost of the stitching material is around Rs. 2 per ball. The net piece rate for the female workers is thus only Rs. 8-9 per ball.

The wage gap between male and female stitchers further widens during peak seasons. The wages for the same work during the peak season goes up to Rs. 20 per ball at the stitching units from an average of Rs.14. However, discussions with female workers at these unregistered stitching units indicate that the increase in wages for them does not exceed Re.1 per ball. Thus, even though the wages are paid on a piece rate basis, equal remuneration for the same work does not seem to be the practice in production of footballs.

4.3 Issue of Advances

In case the stitcher has taken an advance from the contractors, they get lower wages than other stitchers doing the same work in the given locality. The system of advances keeps the workers tied to the same contractor and they are forced at work at lower wages. The difference is deducted by the contractor, as payment towards interest for the advances.

The system of advances is still not construed by the stitchers as loans from the contractor, as has been found in the earlier study (VVGNLI 1998).

4.4 Awareness about Comparative Working Conditions

One of the findings of the present study is that there is a wide awareness among the stitchers of registered and unregistered units about the better wages and working conditions provided to their counterparts working in the stitching centres. Almost all the FGDs in the various sample areas categorically indicate that workers would be willing to work at the stitching centres. They felt that more of such centres should be opened in all areas of football stitching. The workers are fully aware that in areas such as Basti Danishmanda, the stitchers get full wage rates at the stitching centres. The willingness to work at the stitching centres is thus primarily governed by two factors: the hope to get fair wages and secondly that it would take away the incentive to put children to work, as the work would no more be home based. At this juncture, it would be useful to remind of a relevant recommendation by the 1998 study, which said that taking away the work from homes to stitching centres would serve as a major dis-incentive for deployment of children in stitching of footballs. The fact that some stitching centres have been opened up in a few of the concentration areas of football stitching and fair wages are being paid at these centres is a step towards achieving the spirit of the above recommendation. Its impact on child labour shall be looked in a later section.

4.5 Benefits to Football Stitchers

Benefits such as bonus and overtime time rates are known and given to a limited number of stitchers in the stitching centres. There are certain companies that give a monthly salary and a guaranteed bonus as well as overtime rates to its stitchers. However, such companies are generally found to fix the number of balls that require to be stitched per day per stitcher. Among the limited numbers of such centres, the piece rates are fixed in a manner so that the stitchers are able to earn an amount equal to the legally prescribed minimum wage per day. By fixing the number of balls to be stitched per day, these centres are able to minimise the seasonal fluctuations in the wage rates and thus the daily earnings of the stitchers.

Encouraging evidences of monthly salary to stitchers – a move towards risk minimisation

During one of the discussions at a registered stitching centre in Basti Danishmanda (Location Code 271), the survey team was reported that Freewill Sports Company gives a

fixed monthly salary of Rs. 2000/- to its workers. Guaranteed bonuses of 20 per cent with 36 leaves per year are some of the other benefits that workers receive from this company. It was found that every stitcher is required to stitch only three balls per day and for working for eight hours the stitcher is able to earn Rs. 25/- per ball. The overtime rates are 20 per cent higher. The Consultants feel that there might be several other companies, which must be following the same pattern of wages. It may be noted that Freewill Sports Co. is a member of the SGFI.

However, there are no fixed **hours for work** at the stitching units or the unregistered home based football stitching. In some areas such as Dheena, Nalhan and Sangal Sohal, the survey team was informed that women do the stitching working only after they have finished the daily household chores. The concept of overtime wage rate is thus non-existent for football stitching at such units.

4.6 Employment Relations

As far as the employee- employer relations are concerned, the following was observed:

- In the stitching centres, it is easier to establish employee- employer relation.
- In the stitching units it is a half-way house kind of a set up. While the stitchers in these units get a better wage than their counterparts in the unregistered home based units, the stitching rates generally come down to 50-60 per cent of the peak season wage rates during the slack season. These stitchers owe their allegiance to the contractors. The survey team reported that in most cases, the stitchers are aware about the company/exporter for which they are stitching. However, in terms of accrual of other benefits such as overtime, bonus, regular health check ups and other medical facilities, the principal employer, i.e. the exporter does not seem to be providing these in any significant measure.
- In the case of unregistered home based units, about 40 per cent of the stitchers are aware about the names of the main contractor. Of these , a very insignificant percentage happen to know about the names of their principal employer, i.e. the exporter. Thus, it is clear that the presence of an established employer-employee relations in the sporting goods industry is a function of the type of stitching unit the workers are engaged in.
- (If work orders have been received by a particular unit after several levels of contracting and sub-contracting, it is likely that the lesser would be the degree of established employment relations. This feature is however not specific to the football industry alone. There are a number of other industries. Some of the national level estimates (NSS) indicate that nearly 93 per cent of the work force in India is in the informal sector (i.e. where no formal employer-employee relations exist)).
- As far as the provision of medical and health facilities are concerned, the Consultants have information based on household survey, the discussions with stitchers at stitching

units/centres. In the case of the stitching centres, working conditions have been maintained at fairly decent standards. However, in case of stitching units that registered with SGFI, a variegated picture emerges.

- The IMR mentions about the availability of first aid kits at the units. The discussions with the stitchers indicate that first aid kits are replaced once in six months. The tool kit contains a bottle of antiseptic liquid, some medicated cotton and a tube of antiseptic ointment. The SGS maintains that it is not mandated to supply or replenish the first aid kits. These are supplied by the monitors of the SGFI during the process of internal monitoring. However, it is found that the SGS monitors attach adequate importance in checking for the availability of the first aid kits during their inspection.

The intended beneficiaries (i.e. the stitchers) are of the view that provision of first aid kits is a welcome measure, particularly when the nature of the work requires switching of the sewing needle about 350-400 times for stitching one ball. The SGS and SGFI jointly feel that the provision and inspection of first aid kits are also a mechanism to increase the awareness levels in the community that stitching of footballs is hazardous for the children and, therefore, serve as a message against the employment of children.

It is felt by the Consultants that in a framework where efforts are being made to ensure compliance of formal employer-employee relationship, one would expect that the scope of medical facilities should also be expanded. The stitchers at the registered units felt that in deserving cases, the exporter should come forward for bearing the burden for advanced medical treatments.

The SGS says that it is difficult to distinguish an ailment on account of the nature of stitching related work done by the workers from a general ailment. As such, the SGS finds the demands of the stitchers related to more health facilities as unjustified, for the fact that the ailment may not be necessarily due to the stitching related work. The activity of replacement of first aid kits by the SGFI once in every three months, though done in the right earnest, needs to be expanded, both in terms of scope, form and content.

4.7 Issue of Child Labour

Coming to the issue of standards related to **non-deployment of children**, it is interesting to note that there is a high level of awareness among the members of the stitching community about the laws prohibiting the employment of children, even though the Child Labour (Prohibition & Regulation) Act 1986 does not prohibit employment of children in home based activities. The efforts of the State Labour Department, and the NGOs including the SGFI have at least been able to create a

constituency among the parents of the children that employment of children is legally banned. In addition, the parents are apprehensive about losing orders if they are caught putting their children to work.

Almost all the adult members reported that as children they were involved in gainful economic activity in the football industry. It should be mentioned that in areas of high concentration falling in the urban pockets of Jalandhar, the incidence of child labour has declined. There is a perceptible rise in the number of only school going children which is matched by decline in the proportion of children belonging to the working and school going category. In the urban pockets if at all the children are reported as working, it is mainly on a part time basis. On weekly holidays from schools the children may sometimes work for one to two hours in football stitching. The proportion of full time children working full time would be less than 10 per cent of the total children in the age group of 5-14 years.

Two steps forward and one-step backward in Dheena- A case of Neglected Village

There are however a few areas such as Dheena, that have experienced a decline in the share of full time school going children. The supply side factors appear to have worked to push the children out of the school. The Consultants observed that the lack of efficient government primary schools has forced the parents to withdraw their children from schools in this village. In addition, though the adult members of the community are aware of the ills of child labour, the parents feel that the poverty factor continues to govern the decisions regarding the employment of children.

In the Indira Awas Colony of Dheena village there are about 350 families. The number of children per family is 3-4. Assuming a lower limit of three children per family, the total number of children in the 5-14 years age cohort would be about 1000-1050 as per the present survey, of which nearly 700 would be in the age group of 5-10 years. As per the 1998 survey, 138 households were included in the sample from the same village. The proportion of children in the 5-10 years age group who reported as going to school (Only school going and Working and School Going categories) was 85 per cent.

Assuming that the picture is representative for the year 2002, it implies that 600 children (who would today be in the age group of 11-14 years) were reportedly going to school. Based upon the findings from the PRA and FGD held with the elders from the village community, it may be concluded that 300 of these children have pulled out of school and are supporting their mothers/adult women folk of their families to earn additional income.

While in the aggregate, there are evidences to show an overall increase in the school-going children, this village presents a contradiction to the general trend. The wage rates

in the village have not been improved, as compared to other areas. Dheena is conspicuous by the absence of any intervention to prevent and eliminate child labour – either by the government or NGOs or SGFI .

Broadly it may be inferred (based on the discussions with the stitching community) that in Jalandhar, the proportion of working and school going (WSG) children has declined by 15-20 per cent in both rural and urban areas. As has been mentioned above, this decline in the share of Working and School Going (WSG) children appears to have been matched by a commensurate rise in the share of Only School Going (OSG) Children. Details on this aspect will be taken up in later section on the ‘Activity Status of Children’. The decline in the WSG category of children is mainly on account of the increased awareness levels among the parents about the legal prohibition on child employment, even though home-based employment of children is beyond the purview of the Child Labour Act 1986. In addition, the awareness programs conducted by the members of the SGFI have also contributed to the above change. As far as Batala is concerned, majority of the children are reportedly going to school (OSG and WSG combined) and only about seven per cent are working as full time workers.

4.8 Rehabilitation of the Child Stitchers

Supported by UNICEF and Save the Children as members of the SGFI Steering Committee, SGFI has appointed CRRID to organise self help groups, to focus on social mobilisation and finally, to phase children out of football stitching. The SGFI has adopted 4 out of 27 National Child Labour Project (NCLP) schools, run with financial support from the Ministry of Labour, Government of India. The funds are provided by the Government of India and the SGFI manages them.

The rehabilitation activities of SGFI are centred around the urban areas. Though there is a high enrolment rate, there is a problem of retention of children. The attendance was high at 75 to 80 per cent. The drop in the attendance rates generally occurs when the children are asked to join hands with their parents/adult members of the family in stitching footballs. The SGFI takes a serious note if the children are reporting long/continued absence. This issue is then taken up with the parents of the concerned children and efforts are made to prevent conditions that may allow the relapse of the concerned children into child labour once again. The poverty factor continues to be cited as one of the difficulties faced by the SGFI in convincing the parents to send their children to schools. There have been very few drop-outs from these centres.

The four NCLP schools run by the SGFI operate from a government run primary school building. The classes are held from 3 p.m. to 6 p.m., after the morning session concludes for the students of the government primary school. In terms of basic infrastructure - pucca (cemented) classrooms, a common courtyard like space (of about 50 feet x 35 feet size – based upon visual observation of the survey team) for the children to play blackboards and drinking water, these centres appear to be better placed. The school has a clear demarcated campus boundary wall, with an entrance gate made of iron. There is however no functioning toilet in this school. The uniforms have been provided by the SGFI. Some supporting organisations have also come forward by providing leather shoes to all children.

On the other hand, nutritional support, provision of teaching and learning aids and vocational training at these schools are inadequate. Efforts towards institutionalising the process of awareness generation, parent-teacher interaction, convergence with health care service providers (both public and private), holding eye check up and dental care health camps etc. are some of the laudable initiatives by the SGFI.

The SGFI has also recently started three tuition centres for the adopted children. More are planned in the near future. In March 2002, an adult education centre for females was started in an urban area Basti Mithu. Even members who are not involved in stitching of sports goods are allowed to join the centre.

On the other hand, lack of efficient government educational facilities in rural areas in terms of availability of good schools do not leave any option with the parents but to put the children at work.

Overall, the NCLP schools managed by SGFI are covering about 50 per cent of the children withdrawn from the sports goods industry. Thus, of the strength of 200 children in the four centres NCLP centres adopted by the SGFI, about 100 children would have been withdrawn from work in the sports goods industry, the rest comprising of children of other poor stitchers.

4.9 Role of International Donor Agencies

A number of international donor agencies such as the Save the Children fund (SCF), UNICEF have been making interventions in the sports goods industry in India for prevention and elimination of child labour. These are also supported by local organisations such as the SGFI and CRRID.

The role of the UNICEF in the Social Protection Program is limited to advising and providing a general direction to the program, as part of their overall efforts aimed at

elimination of child labour within their child protection program. Apart from this, UNICEF has no significant role to play in the entire state of Punjab in the context of elimination of child labour from the sports goods industry. On the issue of global tie up of UNICEF with FIFA for the World Cup 2002 (under the slogan “Say Yes to Children”), the consultants learnt that it is more of the nature of an awareness generation strategy with a view to building a wider constituency against the employment of children and particularly targeted at children in the sports goods industry.

The Consultants also met some officials of the ILO-IPEC. It may be recalled that the 1998 study was sponsored by ILO-IPEC and after the findings were made public, ILO-IPEC had also come up with its own Social protection Program. Their version of the program had a mix of features of the SCF program in the soccer ball industry in Sialkot (in Pakistan) and the ILO’s program in the garment industry in Bangladesh. However, the Government of India did not approve the proposal. As ILO-IPEC had been closely associated with initial efforts in terms of the 1998 study and coming with a social protection program for elimination of child labour in the sports goods industry, before the current program was initiated, the Consultants also tried to seek their opinion on the current program. Discussions with some of the officials indicate that the issue of Corporate Social Responsibility (CSR) on the part of employers in all sectors (wherever children are working) can yield positive results if the working definition of the target group is widened. The ILO officials feel that as the SGS is only concentrating on the only working category of children, these efforts are not likely to make a significant dent on the problem of child labour in the industry’. The Consultants understand that now the ILO is of the view that all children out of school (in the school going age) should form the target of any child labour elimination strategy. As such, the ILO feels that the current social protection program in the sports goods industry is adopting a narrow approach.

Discussions with some of the officials from ILO also indicate a view that monitoring and rehabilitation program should be done by the same agency. However, in the sports goods industry, while monitoring is done by SGS, the responsibility of rehabilitation is on the other agency i.e. the SGFI. The ILO feels that the onus for both have to be on the same agency and this is what they claim to have adopted on a pilot basis in their Integrated Area Specific Projects (IASP) currently in its mid-course in five districts in the country (Mirzapur, Tirrupur, Jaipur and two others). The Consultants feel that while a shift to area-based approach for elimination of child labour may widen the target group for

interventions, it does not reduce the need for continued interventions at the sectoral level. The ILO feels that if at all any rehabilitation program has to be there and if ILO is to be involved, then a re-survey is required. It is hoped that the findings of the present study show adequate pointers for ILO to re-think on its intervention program for elimination of child labour from the sports goods industry in Jalandhar.

5 HOUSEHOLD CHARACTERISTICS: CHALLENGES AND CONCERNS

Survey of select households was an important component of the present study. As has been mentioned in the section on methodology, a total of 261 households were included in the sample from Jalandhar and 189 households from Batala. Information on the household profile mentioned in Section 5.1 is only based on the results from the survey conducted in Jalandhar. In Section 5.2, the key changes observed at the sample household level during 1998 and 2002 have been analysed. The results from Batala have been put in Section 5.3 to provide an overall comparative picture.

5.1 Jalandhar 2002

5.1.1 Social Composition of Households

The football stitching areas are comprised mainly of people belonging to Hindu religion (93.13 per cent) and more than 90 per cent of them being SCs. As is known, the city of Jalandhar is one of the areas that had experienced large-scale migration of schedule caste Hindus from Pakistan during 1947. In fact most of the football-stitching households are reported to be attached to this profession for the last three generations. Muslims constitute an insignificant proportion of the stitching community. Apart from Sikhs who constitute less than three per cent of the stitchers, it is the Christians who form a small minority of the stitching households (4.58 per cent). The survey team gathered that these families originally belonged to the Dalit and SC community and a failure to get any substantial economic benefit from the government run programs on poverty alleviation, they resorted to conversion of their religion. There has been however, no concomitant change in the occupational profile of the households that converted into Christianity. There is a small rural-urban gap in the composition of households in Jalandhar. It is significant to note that conversions to Christianity are mainly in the rural hinterland of the city. The lack of access to economic opportunities to poor households more so in the rural areas is thus borne out to be a matter of concern even in a state like Punjab, which is low on the poverty ratio ladder.

5.1.2 Educational and Occupational Status

It is well known that the **educational status** of the head of the household is a critical factor in determining its occupational profile and economic status. In the present study too, it was found that illiterates head 40 per cent of the households. A lack of basic illiteracy would most expectedly result in poor perceptions regarding the rate of returns from education. In turn this would have an important bearing on the activity status of the children of the household. These aspects shall be looked at in a later section.

A break up of the households in terms of the **primary occupation** pursued by the heads of the households indicates that 50 per cent of them are engaged in home based work related to stitching of footballs. Another 10 per cent are engaged in the same work but in the factories, which in the present scheme of things would connote the stitching centres run by the different manufacturers/exporters of sporting goods in Jalandhar. Apart from these, almost one-third of the total sample households depends on the income of their main earners who work as daily casual labour. The proportion of families involved in daily casual labour is slightly higher in the rural areas. It may be mentioned that this appears to be a result of distress-related occupational diversification in these areas. A decline in the demand for footballs exported from India during 1998 and 2002 apparently had its first casualty in fewer work orders being given to contractors in the rural areas. This in turn had its impact in terms of (i) lower piece rate wages for same work to rural stitchers working in unregistered home based stitching units and (ii) the adult members adopting other occupations as a primary source of income to cope with the developments in the industry.

5.1.3 Economic Status

The survey team attempted to examine the income profile of the households through the expenditure method. All the sample households were asked to give details of their expenditure on different heads such as food, medical, education of children, clothing, transport and communication, repayment of loan, recreation etc. Information on the amount of savings was also obtained from the surveyed households. Assuming that the identity of income and expenditure (including savings) holds, the per-capita monthly expenditure was calculated for each of the households. The approach of calculating the

per capita Monthly expenditure was adopted mainly on account of the national figures on poverty line being defined in terms of this variable.

Results show that the median **Per-Capita Monthly Expenditure** (PCME) or income for the distribution of the sample households is in the range of Rs. 500-600, with not much variation across rural and urban areas. The poverty line for the state of Punjab was defined at Rs. 362.68 for rural areas and Rs.388.15 for urban areas as per the latest poverty figures available for 1999-2000 (Planning Commission, Govt. of India). Adjusting this for the year 2002 (assuming that there has been an inflation of 3.7 per cent), the poverty line for rural Punjab may be around Rs. 376/- and for urban areas it would be around Rs. 403/- as measured in per capita monthly expenditure. Even if the adjusted poverty line for rural Punjab is considered, it is found that nearly 24 per cent of the households belonging to football stitching areas are below the poverty line. For purposes of comparison, it may be noted that in 1999-2000, about 26 per cent of the Indian population was living the poverty line.

In terms of **per capita asset** held by the sample households, survey data from Jalandhar indicates that the modal class is Rs. 10000 – 20000. A disaggregated look indicates that the major part of the asset value of the households comprises of the current value of the residential accommodation owned. However most of these are assets of fixed nature. Most of these households lack productive assets.

The level of **indebtedness** is an important indicator of the economic status of a household. Among the households surveyed in Jalandhar, nearly 87 per cent reported zero debt. Of those who did report of having incurred some debt, more than three – fourths had incurred debt to the tune of Rs. 20000/-. In terms of indebtedness, another aspect that needs to be looked at closely, is the linkage between the various factor (labour and capital) markets. Both theoretical and empirical evidences from the Indian subcontinent show that in rural India, land, labour and capital markets are intricately linked to each other, much to the disadvantage of labour. The reason for invoking this argument at this juncture is because a very lower percentage of the sample households responded of having incurred some debt. The facts that:

1. the general wage conditions in the industry are low (as mentioned in an earlier section on monitoring, that apart from the workers at the stitching centres, on an average most of the workers at the registered as well as unregistered stitching units receive less than daily minimum wage for an unskilled labour in agriculture) &
 2. nearly 24 per cent of the sample households were living below the poverty line
- raise questions on the validity of the responses for indebtedness at the household level. The inability to construe advances from the contractors as a form of debt is one of the reasons for low number of households reporting indebtedness. In this context it is important to note that when the stitchers take advances from the contractors, they receive lower piece rate wages. The difference between the wage that others get and the wage rate received by the stitchers who has incurred loan is still not perceived as an interest on the advances taken from the contractor. Poor educational status of the heads of the households and lack of better employment opportunities strengthens the tying arrangements and the linkage between labour and capital.

The economic status of the households may also be looked in terms of the wages received. The earlier section has dealt with this aspect in detail. At this stage, the Consultants would like to point out that a very insignificant proportion of the households are aware of the concept of **minimum wages**. In such a situation it would be difficult to assess the proportion of people who perceive the denial of the prescribed minimum. Among the very few who were aware about the existence of a minimum wage, majority of them reported to be receiving less than the minimum. Measures aimed at enhancing labour standards in the industry should also aim at increasing the awareness levels about the standards among the stitching community.

5.2 Jalandhar - Between 1998 and 2002

Inter-temporal analyses of data collected for a small sample of 54 households surveyed in 1998 as well as part of the present survey in 2002 indicates the following dynamics at the household level:

- There is a 22-percentage point decline in households engaged in home based stitching of footballs as their primary occupation (1998 – 72.22 per cent, 2002 – 50 per cent). About one- third of this decline has been compensated by an increase in the share of factory workers (those working at stitching centres). The share of households engaged in self-

employed activities (mainly petty vending) has registered a 10-percentage point increase; thereby compensating for the share of households involved in home based stitching of footballs.

- It is the urban households that mainly contribute to the decline in the home based football stitching. This is further corroborated by a steep rise in the share of urban households dependent upon stitching of footballs at factories (read stitching centres). These observations jointly indicate that (i) as the wages are better for the stitching centres, there is a tendency for the stitchers to move to get jobs at these centres; (ii) stitching centres are mainly an urban phenomenon; (iii) in the relative absence of the above two, distress factors have forced households to adopt self employment, mainly in the form of small vending activities.
- There is a general decline in the proportion of the households earning a PCMI of Rs. 400/- (1998 – 70 per cent of the 54 sample households earned a PCMI of less than Rs. 400/-; in 2002, the corresponding figure is 35 per cent). Diversification of economic activities and a shift to employment at the stitching centres appear to be the proximate determinants for the above.
- There is no significant change in the awareness about the concept of minimum wage among the households dependent on the sports goods industry.
- Fewer households are now reporting any indebtedness (1998 – 37 per cent; 2002 – 17 per cent). Even though the above noted occupational diversification is distress related, it has been able to ensure an assured level of income, whereby the households have adjusted their general consumption requirements. On the other hand, lesser dependence on the sports goods industry implies a lesser dependence on the contractors for payments, (which in the normal case is on a fortnightly basis). However, it may be noted that there is a rise in the reporting of indebtedness among the rural households. It may be recalled at this juncture that the wage increases for football stitching have not been commensurate to those witnessed in the urban areas.
- Among the 54 sample households surveyed (which were drawn from the earlier survey of 1998), the proportion of households reporting at least one full time (Only Working – OW) or part time (Working and School Going – WSG) child has come down from three-fourths to one-sixths between 1998 and 2002. Among these 54 households, at present the proportion of households reporting an OW or a WSG child is almost equally distributed across rural and urban pockets of football stitching in and around Jalandhar.

5.3 Production of Footballs in Jalandhar and Batala: Comparative Diagnostics

Jalandhar and Batala are major production centres of sports goods in India. The soccer balls produced in Punjab cater to the international market. Based upon focus group discussions with stitchers, other elder members and contractors in the sample areas, the present section gives a comparative picture of the labour standards in these production centres.

5.3.1 Share in Football Production

As far as the volume of production of soccer balls in Punjab is concerned, Jalandhar contributes nearly 80 per cent and the rest comes from Batala. It is interesting to note that Batala had been the major centre till the 1984 riots when its share in the total football production in India for the international market fell down to five per cent. During the 1998 World Cup, it went up to 12 per cent and during the present World Cup, the share of Batala is estimated to be in the order of 20-22 per cent of the total exports of footballs.

5.3.2 Gender- wise Workforce Participation

While stitching of footballs is a major primary occupation in the concentration zones in the two centres, it is evident that workforce participation rate (WFPR) in this occupation is tilted in favour of women.

Production centre	WFPR (Men) in Football stitching	WFPR (Women) in Football stitching
Jalandhar	40 per cent	60 per cent
Batala.	12 per cent	88 per cent

The relatively lower participation of men in football stitching in Batala is mainly because of their preference to work within a factory environment. As most of the stitching in Batala is home based, with no stitching centres, the adult male stitchers have started diversifying into other occupations, working as daily casual labour. Moreover, the average rate of stitching an inferior quality of football is lower than that offered in Jalandhar (Rs. 8-9 per ball). It is interesting to note that the rates received by the stitchers from Batala are equivalent to those given to stitchers of unregistered units in Jalandhar. The case of labour standards in terms of equal remuneration is also violated across space in the sports goods industry in India. The discussions with female stitchers indicate a trend towards diversifying their source of income. The major reason is the lack of sustained work orders in football stitching. Sporadic nature of work orders and lower rates appear

to be the push factors for diversification of economic activities from the present one related to football stitching. Some recent surveys by human rights activist groups in the production areas in and around Batala are said to have sent the contractors in hiding. This could have also constrained a higher increase in the production orders in Batala.

5.3.3 General Household Characteristics

The social composition of households involved in football stitching is similar in the two production centres. While SCs dominate the stitching workforce in both the centres, a significant percentage of stitchers from the backward castes are also found in Batala (20.86 per cent) compared to a paltry 6.64 per cent in Jalandhar.

Football stitching (home based and at factories) account for the primary source of earning for only 37 per cent households in Batala, compared to 60 per cent in Jalandhar. The economic condition as measured in terms of per capita monthly income of sample households is similar in both centres. With Rs. 400/- of PCMI as the cut off mark, it is found that just about one-tenth of the sample households were below this limit in Batala as against nearly one-fourth of the households reporting PCMI less than Rs. 400/- in Jalandhar. Moreover, the proportion of households reporting indebtedness is almost equivalent in the two study areas (approximately 10 per cent).

More than 50 per cent of the child workers (OW and /or WSG) are found to belong to households reporting a monthly per capita income of less than Rs. 500/-. This holds for both the study areas. Poverty at the household level thus continues to be an important factor for the incidence of households reporting either a OW or a WSG child.

6 ACTIVITY STATUS OF CHILDREN: EVIDENCE FROM JALLANDHAR AND BATALA

This section seeks to examine the activity status of children in households earning their primary or secondary income from the sports goods industry in Jalandhar and Batala. A separate sub-section has been devoted to comparative analysis of the results from the household survey regarding the changes that have taken place in Jalandhar in the activity status of the children

6.1 Jalandhar 2002

Of the total households surveyed complete information on the activity status is available for only 218 children. The overall picture suggests that 57 per cent of these children were from the rural areas and the rest from the urban areas. Nearly 60 per cent of these children are boys and the rest are girls. An analysis of the **activity status** of the children indicates that the proportion of school going children is close to 90 per cent. A little less than 10 per cent of the children were found to be working full time in football stitching. A very small proportion of children has been found to belong to the neither working nor school going children (NWNISG).

If the activity status is looked across sex and area, one finds that there is a gender and spatial divide. While the proportion of Working and School Going (WSG) and the Only School Going (OSG) children among boys is equal (about 45 per cent each), the corresponding ratios for girls is 47 and 38 per cent respectively. This indicates that the preference for girl children to schools is lower compared to boys and also that even if they are put in schools, the burden of gainful economic activity is above than the boys. Incidentally, it is also borne out that in Jalandhar more girls from the total girls in the 5-14 years are working full time (Only Working) than their male counterparts.

In terms of the **spatial dimension** of the activity status of children, the findings of the survey indicate that there are fewer OW children in urban areas (six per cent) than rural areas (about 11 per cent). While the proportion of school going children (WSG and OSG categories combined) is also higher in urban areas (more than 90 per cent) than rural areas (86 per cent), a disaggregated look indicates that compared to the urban areas fewer children in rural areas belong to the WSG category. There is a difference of nine percentage points between the corresponding figures for rural and urban areas (Rural-42.74 per cent; Urban – 51.06 per cent). In fact, the availability of fewer opportunities in

general and in the rural areas in particular, gets translated into a household strategy wherein, if a child in the rural areas has to work, then it is better to engage him/her as full time workers. The need to generate a few extra rupees appears to have a lower opportunity cost as compared to making them work and also sending them to school.

A decomposition of the **activity status of children across age cohorts** suggests the obvious. Majority of the full time workers is concentrated in the upper age bracket of 13-14 years. In terms of WSG and OSG some distinct patterns emerge:

- The distribution of WSG children rises from 25 per cent in the below 10 years age group to nearly 45 per cent in the age group of 10-13 and then declines to below 30 per cent in the upper most age bracket i.e. 13-14 years.
- The distribution pattern for the OSG children is a close corollary of the above. While 57 per cent of the children in the below 10 age group were reported to be only school going, this proportion drastically declines by more than 20 percentage points in the middle age cohort and reduces to as low as 7 per cent in the 13-14 age group.
- The pressure to supplement family income pushes children to take up work along with schooling by the time they reach the age of 10-12. By the time they cross the age of 12, the pressure is so much that parents find it a viable survival strategy to withdraw children completely from the schools and put them at work on a full-time basis. In this context it is significant to note that the decline (across age cohorts) in the OSG category of girl children is more than the boys, both in rural and urban areas.
- Majority of the child workers (84 per cent) in the sports goods industry today had been to school in the past. Apart from the income factor, this also reflects on the quality of schools in the area. For those who were able to ascribe a reason for their dropping out from school, lack of facilities in school along with lack of interest in schools were the second most important reasons. Some of the drop out children indicated that the pattern of teaching imparted in the schools were unattractive.
- As regards the **type of work** done by children, the Consultants have separately looked into the distribution of OW and WSG categories. In the aggregate, a little over 50 per cent of the OW children are involved in stitching of footballs. The rest are engaged in other types of work not related to the sports goods industry. However, in case of the working and school going category of children, the dominant economic activity is related to stitching of footballs.

There have been numerous attempts to locate the **causal factors** of the incidence of child labour. Both empirical and theoretical explanations indicate that poverty of the families is a factor for this problem, though it certainly does not explain the entire problem. As indicated, an inadequate schooling system is also an important cause of child

labour, while it also has been shown that mobilisation against child labour combined with an improved schooling system can even overcome the ‘poverty constraint’. References of such studies are easily available in the public domain. In the recent study, the Consultants have tried to map the income status (measured in terms of Per-Capita Monthly expenditure) of the households that have at least one child working (as OW or WSG). The results show that little less than a quarter of the households in Jalandhar (compared to 36.50 per cent households in Batala), showed evidence of a working child (either OW or WSG). Across the income ladder, more than two-thirds of such households were found to be earning less than Rs. 500/- per month. The households reporting incomes lower than the state poverty line (approximately Rs. 400/- per month) account for 37 per cent of all households reporting a working child. In the rural areas, the proportion of households reporting child labour is less (about 22 per cent) compared to the urban areas (about 27 per cent).

6.2 Batala - 2002

As regards the activity status of children in Batala, it is found that most of the children in the 5-14 years age group belong to the Working and School Going (WSG) category (approximately 64 per cent). A little less than 30 per cent were reported to be going to school full time. The proportion of full time workers is relatively less in Batala (7.32 per cent) as compared to Jalandhar (9.17 per cent). Gender-wise decomposition indicates that among the girls, more than three fourths are working as well as school going in Batala, as compared to the boys (53.19 per cent). The natural corollary of this is also empirically verified, as the proportion of girls in the OSG category is found to be nearly half (17.14 per cent) of the boys in the OSG category (38.30 per cent). The burden of work to earn an additional income for the family is found to be more on the girl children. The evidence from Batala regarding the activity status of children also indicates that the full time working children are essentially dropouts from the school. While the majority of the children go to schools, they normally work for three to four hours on a daily basis and fetch an income of Rs. 10-12 per day for their families. The average family income for football stitching households is Rs. 1800 in Batala. Information based on the basis of focus group discussions that work is available for only 15 days in a month, the monthly earning of a child would be about Rs. 150-180. Essentially it would imply that, if there is a single child worker in the family, then his/her contribution to the family income would be at most be of the order of 10 per cent. The discussions with the adult members of the

stitching community also inform that children are put to work only in case where the men folk of the family are not able to earn a minimum monthly income of Rs. 2000.

The focus group discussions in the sample areas in Batala indicate that the average incidence of child labour has witnessed a long-term decline (compared to 1994) in the stitching of footballs in Batala. However, it may be noted that dropouts from the school do not necessarily translate in an increase in the number of child labour in the sports goods industry alone. As work orders for football stitching are generally available for four to five months in a year, there is no ready work order for the fresh entrants to the labour force. Thus a majority of children who drop out of the schools start working at hotels, local road side restaurants (known as *dhabas*), collecting waste from iron rolling mills and factories and at times even rag picking. In fact the entire football stitching in Batala appears to be a female domain. More than 70 per cent of the total stitchers in Batala comprise of women. The remaining part of the workforce comprises of adult men and children (approximately 15 per cent each). In the slack season even women stitchers take up embroidery work for woollen shawls, which fetches them relatively more income per day (on an average Rs. 40/- compared to Rs. 24 per day in football stitching). Discussions with some of the women stitchers indicate their growing inclination to take up shawl embroidery work, as there is at least some surety of availability of work orders throughout the year in this activity.

7 CONCLUSIONS AND RECOMMENDATIONS

The observations made in the earlier sections lead to the following conclusions: regarding labour standards in the stitching of footballs:

7.1 Conclusions

7.1.1 Implementation of Labour Standards

- Around 30 per cent of all football-stitching households are found to employ at least one child in football stitching (either full time or part time) .
- There has been a marginal change (during 1998-2002) in the proportion of only working children in the sports goods industry (it remains around 10 percent). It may be recalled that this conclusion is based on the comparison of survey results of 1998 and the present one. In 1998, the estimated proportion of OW children was approximately 13.5 per cent. In 2002 it has declined by almost four percentage points to 9.7 per cent. Significantly, there has been a sharp decline in the share of Working and School Going children, which has been almost compensated by a rise in the proportion of Only School Going children. This observation largely holds for Jalandhar, (more so for its urban pockets). In Batala, most of the children belong to the WSG category.
- The problem of full time workers is found to be more of a rural phenomenon in Jalandhar and urban in case of Batala.
- Gender dimensions of the problem of child labour reveal that while 17 per cent of all girl children in Batala belong to the OSG category, the corresponding figure for Jalandhar is more than double (38.64 per cent).
- There are large differences between the wages received by workers in the stitching centres, registered units and the unregistered units for the same work. The wages of stitchers at the centres range between Rs. 22-28 per ball. Registered stitching units pay around Rs. 14 - 20 per ball of an average quality. However, the workers in the unregistered home-based stitching units only get a wage rate of Rs. 11 per ball.
- The sports goods industry is marked with seasonal variation in the wage rates. It is estimated that the average earnings per day for a stitcher in the peak season are: Rs. 88-112 at the stitching centres, Rs. 56-80 at the registered stitching units and Rs. 44 at the unregistered home-based stitching units. During the slack season the stitching rates generally come down to 50-60 per cent of the peak season wage rates in both registered and unregistered units.
- Considering the current minimum daily wage of Rs. 82.08 in Punjab for unskilled (agricultural) labour as a benchmark (as there are no official minimum wage rates for

stitching of footballs), stitchers at both, registered and unregistered stitching units, still earn an income which, on an average, is far below the official minimum wage.

- There are vast gender-wise wage differences. It is relevant to the stitching units (which are essentially home-based) and to the unregistered units. The wages received by female stitchers is generally Rs. 5 less per ball than what men get at the stitching units. On an average, a women stitcher at such units is able to earn two-thirds of her male counterparts working in the centres. The wage gap between male and female stitchers further widens during peak seasons. Thus, equal remuneration for the same work does not seem to be the practice in production of footballs.
- There are associations of stitchers in nearly one-third of the football stitching areas. The workers are not satisfied with the style of functioning of these associations, as the associations do not negotiate for a wage increment. The other main complaint is that manufacturers merely announce the revised wages in the name of bipartite negotiations. Effective collective bargaining does not take place in the industry.
- Benefits such as bonus, overtime and regular health check-ups are only given to a limited number of stitchers in the stitching centres; in the registered and unregistered units, these benefits are hardly ever provided. Some companies do give a monthly salary and a guaranteed bonus, as well as overtime rates.
- A number of adult stitchers complained of backache and eye-related problems. There is no public primary health care system and there is a complete lack of support for advanced medical treatment from the contractors and exporters.

7.1.2 Quality of the Inspection System

- The monitoring program runs through a mechanism of internal and external audits. The monitoring is restricted to the members of the SGFI (32 exporters at present). The membership of SGFI covers 95 per cent of all exporters of sports goods.
- It was found that at present there are approximately 2900 stitching units being monitored by the SGS. However, many units are yet to be brought under the inspection and monitoring umbrella of SGS. The home-based workers who are not a part of the registered stitching units or centres are left out of any protective provisions.
- The number plates indicating the SGFI registration number are generally fixed on those households which are completely dependent on the sports goods industry for their livelihoods and which are not involving children in stitching of footballs or where all stitchers are above the age of 14 years. Thus, there is a possibility of missing out on a large number of unregistered units. Of the total households that are involved in the stitching of footballs, roughly one third are registered.

- The existence of a relatively large proportion of unregistered home-based stitching units reflects the still rather limited penetration of SGFI's inspection and monitoring system of football production in Jalandhar and Batala.
- The frequency of visits by the SGS to the same unit/centre is rather low. With such a low frequency, it is likely that the standards reinforced by inspection might be have relapsed by the time of the next audit.
- The initial rigour in the inspection is gradually waning. Sometimes the inspections are reduced to casual visits to the contractor and the information is taken from them rather than from the stitchers.
- The SGS inspection does not cover a number of labour standards that are part of the contracts between FIFA and sporting goods companies. The issue of child labour is the focus of this inspection. A systematic attempt to monitor and verify other labour standards is missing.

7.1.3 Rehabilitation of the Child Stitchers

- The SGFI has adopted 4 out of 27 National Child Labour Project (NCLP) schools, run with financial support from the Ministry of Labour, Government of India. The Government of India provides the funds and the SGFI manages them. The rehabilitation activities of SGFI are centred on the urban areas.
- In terms of basic infrastructure and drinking water facility, these centres appear to be better placed than usual. On the other hand, nutritional support, provision of teaching and learning aids and vocational training at these schools are inadequate.
- Efforts towards institutionalising the process of awareness generation, parent-teacher interaction, convergence with health care service providers (both public and private) are some of the good initiatives by the SGFI.
- Overall, the NCLP schools managed by SGFI are covering only 50 per cent of the children from the sports goods industry., the rest being children of some needy adult stitchers.
- Although progress has been made with regard to elimination of child labour and provision of better wages through monitoring and setting up of stitching centres and units, the actual labour conditions do not yet reflect the FIFA agreement with sporting goods companies. The inspection system not only shows shortcomings with regard to its present mandate (elimination of child labour), but also apparently lacks the mandate from SGFI to monitor all rights at work that are part of the present contract between FIFA and the sporting goods companies. The presence of UNICEF and Save the Children in the Steering Committee of the Social Protection Program does not seem to make a difference in this respect.

7.2 Recommendations

- The Indian sporting goods industry, together with FIFA and the World Federation of Sporting Goods Industry (WFSGI) should set up a monitoring and verification system that covers all the labour standards that are part of the contracts between FIFA and its licensed companies. FIFA and WFSGI should ensure that prices are being paid to Indian exporters that enable them to implement the respective standards. This mechanism of ethical production and ethical buying would ensure that the stitchers interests are also taken into account by the buyers.
- The pace of Social Protection program should increase and the inspection mechanism should be made more vigorous. For this to come about more input from present stakeholders like UNICEF and SCF-UK and possibly new stakeholders like ILO and local NGO's would be important.
- SGFI should try to bring all exporters under its banner, as well as those manufacturers producing for the home market.
- Monitoring mechanism should be made more participative in nature through equal involvement of communities, workers and other stakeholders.
- The Internal Monitoring Report as prepared by SGFI should also include the number of hours a stitcher works in a day.
- There is a need to further encourage the freedom of association of stitchers and right to collective bargaining. This should be the direct responsibility of the exporters/manufacturers.
- Stitching units that are not registered should be strictly brought under the purview of State Labour Department.
- The State Education Department should strengthen the existing primary schools infrastructure, while at the same time there should be more convergence with the NLCP schools in order to mainstream the students in NLCP schools to regular primary schools.
- Adult Literacy Program should be more strengthened so as to make adults more aware about labour standards.
- Government should diversify employment opportunities in rural areas so that the people there become self sufficient in exploring other avenues for income generation. For e.g. in Batala shawl embroidery could be promoted.
- Government should facilitate easy access to loans for stitchers, for the generation of assets and productive capital for enabling diversification of livelihoods among football stitching households.