

# Missed the Goal for Workers:

The Reality of Soccer Ball Stitchers in Pakistan, India, China and Thailand

The 2010 World Cup presents a golden business opportunity for soccer ball companies. During the 2006 World Cup, Adidas' revenue in the soccer category increased more than US \$800 million.

However, these business opportunities may come at the expense of workers in factories, stitching centers and homes globally to produce soccer balls. Over a decade ago, the world was shocked by reports that Pakistani children were stitching soccer balls for six cents an hour<sup>1</sup>. In response to the media frenzy and public outrage, companies, governments, and other stakeholders committed to eliminating child labor in the industry by supporting the 1997 Atlanta Agreement which aimed to end child labor within the soccer ball industry<sup>2</sup>.

Thirteen years later, with the 2010 World Cup hosted by South Africa just around the corner, it is time to ask what, if any, improvements have been made for workers that produce the most important symbol of the game: the soccer ball.

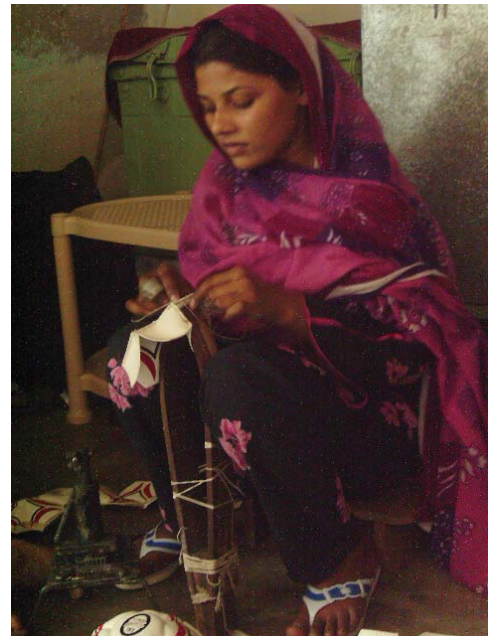
**This report presents the key findings of the International Labor Rights Forum's research in the four largest soccer balls producing countries: Pakistan, India, China and Thailand. This report also highlights the need to rethink the strategies being utilized by companies to encourage suppliers to adhere to strong labor standards.**

## Child Labor:

Since first exposed in the late 1990s in Pakistan<sup>3</sup>, child labor has been the defining labor problem in the soccer ball industry. Among all labor rights violations, child labor attracts the most public attention and has been at the center of many sporting goods industry agreements pertaining to labor standards. Despite multi-stakeholder initiatives and various monitoring programs at the company and country-wide levels, ILRF found that child labor continues to exist.

## Temporary Labor:

ILRF found that non-permanent workers are the standard for the hand-stitched soccer ball industry. In Pakistan, India and China, factories outsource the labor intensive stitching process to workers in stitching centers and in homes who work on a casual or temporary basis. This kind of supply chain segmentation makes it difficult to monitor the production process for labor rights compliance.



Moreover, due to the prevalence of casual or temporary contracts, workers are subject to frequent and serious violations of their labor rights. Workers are often paid below the legal minimum wage and their incomes can barely cover basic needs. While they are vulnerable to occupational health hazards, their part-time status makes them ineligible for many social protections including health care. The rights to organize and bargain collectively are usually legally barred to workers with informal employment status.

At one Pakistani manufacturer, ILRF researchers found that all interviewed stitching center or home-based workers were employed on a casual basis and almost all of them were paid below the legally required minimum wage. In the same manufacturer's supply chain, workers spoke of gender-based discrimination. Female home-based workers were paid the least and faced the possibility of losing their jobs permanently due to pregnancy.



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### Working Conditions:

A decade-long effort which exclusively focused on child labor left fundamental issues such as low wages and unsatisfactory working conditions in the industry almost unaddressed.

In addition, **this report presents an analysis of previous corporate social responsibility initiatives**, namely the Independent Monitoring Association for Child Labor (IMAC) in Pakistan, the Sports Goods Foundation in India (SGFI), SA8000 certification, and the Fairtrade Labeling Organization certification system. ILRF points out that both IMAC and SGFI are facing issues of governance transparency, financial sustainability and human capacity. Their limited capability in terms of finance and human capital makes it questionable whether they are capable of carrying out effective monitoring activities especially beyond basic identification of cases of child labor.

The companies that buy the soccer balls from manufacturers must also identify negative impacts on working conditions resulting from their own purchasing practices. Companies should determine a strategy for developing a new way of business so that workers rights are not adversely impacted by changes in product design, extended terms of payment and other specifications dictated by the buyer.

This report also calls attention to companies that are rarely in the international media spotlight and feel far less pressure, if any, to comply with corporate social responsibility standards. They have not taken the issues faced by workers producing soccer balls seriously and have not taken steps to address them. Furthermore, there is a need to determine the ways in which sourcing practices of the buyers have adverse impacts on workers and what steps must be taken by the buyers and industry associations to send a clear signal to all suppliers that labor rights in the production of soccer balls must be respected.

Industry associations such as FIFA and the World Federation of the Sporting Goods Industry (WFSGI) need to utilize their common platform to focus on improving wages, transitioning to permanent jobs, protecting the rights of workers to form unions and

most importantly providing incentives for “approved” and “inspected” manufacturers by prioritizing sourcing to those that have strong labor standards in place.

To conclude, ILRF calls on the soccer ball industry, in coordination with trade unions and civil society, to take immediate action to address the issues of extremely low wages, proliferation of temporary workers, and a lack of civil society engagement in order to improve conditions for the workers that produce the ball at the center of the World Cup 2010 games. The continued use of a multi-stakeholder process which includes trade unions, industry, local manufacturers, civil society, and monitoring entities is essential in order for workers rights to be protected in the production of soccer balls.

June 7, 2010

### Credits:

This report would not have been possible without the many hours of research and editing done by a dedicated cadre of interns especially Brett Eisenbrown and Dingxiaozi Ding. Design for this report is credited to Hanh Nguyen and Jessica Laney. ILRF is also very appreciative of the support for this report from the Clean Clothes Campaign and the Play Fair Alliance. All images used in this report were provided to ILRF with permission for use in this report. The worker images originated from Pakistan and India. ILRF recognizes the research performed by NGOs in India, China, Pakistan and Thailand as a key component of this report.

### Endnotes:

1. “Six Cents an Hour”, Life Magazine, 1996.
2. “Atlanta Agreement”, <http://www.imacpak.org/atlanta.htm> (accessed on 06/04/2010).
3. “Six Cents an Hour”, Life Magazine, 1996.