

## THE SIALKOT INITIATIVE 2007

Government of Pakistan – ILO Tripartite Workshop  
Islamabad, Pakistan  
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### I. Background

#### The Soccer Ball Industry Programme

In February 1997, the International Labour Organization (ILO), UNICEF and the Sialkot Chamber of Commerce and Industry (SCCI) signed the “Atlanta Agreement” establishing the Project to Eliminate Child Labour in the Soccer Ball Industry in Pakistan (the "Project"), an early example of voluntary industry collaboration with international organizations to address a human rights issue in a global supply chain. A collaborative effort of Sialkot soccer ball manufacturers, the Government of Pakistan, international sporting goods brands, trade associations, international agencies, nongovernmental organizations and governments, the Project sought to remove children from soccer ball production while protecting the welfare of child stitchers and their families.

Through two core components, a Prevention and Monitoring programme and a Social Protection programme, the Project sought to identify and remove children from conditions of child labour; provide displaced children with educational and other opportunities, facilitate changes in community and family attitudes regarding child labour; and encourage other Sialkot business sectors, the Government of Pakistan, and other institutions to collaborate in efforts to effectively address child labour. These programme components were launched and implemented through the active participation and support of a number of Pakistani and international stakeholders beyond the original Project partners, including the Government of Pakistan, the World Federation of Sporting Goods Industries (WFSGI), Save the Children Fund UK, the All Pakistan Federation of Trade Unions (now part of the Pakistan Workers Federation), Bunyad, the Federation Internationale de Football Association (FIFA), the Sporting Goods Manufacturers Association (USA) and the United States Department of Labor. Under the Atlanta Agreement, international sporting goods brands agreed “to source balls made in Pakistan exclusively from manufacturers who indicate their commitment to act responsibly to ensure that children are not utilized to make soccer balls by participating in the voluntary industry programme.”

ILO-IPEC (International Programme on the Elimination of Child Labour) designed and carried out the external monitoring of registered stitching centres under the Project from 1997 to 2003. The Independent Monitoring Association for Child Labour (IMAC) was established by the SCCI with the support of the ILO in May 2002 to assume the monitoring role of ILO-IPEC.<sup>1</sup> IMAC became operational in March 2003.

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<sup>1</sup> SCCI also established the Child and Social Development Organization (CSDO) to continue to address child labour and social development.

In 2004, the ILO-IPEC concluded its formal participation in the Project (also referred to as the Child Labour Elimination Programme, or CLEP (the “Programme”).

Over the past decade, the monitoring and social protection efforts in Sialkot have had a substantial positive impact:

- Building awareness of the problem of child labour.
- Establishing a monitoring programme designed to prevent and eliminate child labour from the soccer ball supply chain.
- Identifying and removing child stitchers from the production of soccer balls.
- Providing for the social protection of former child stitchers and their families through access to education, vocational training and alternative means of income generation.
- Promoting changes in community and family attitudes about child labour;
- Strengthening the public education system;
- Encouraging other sectors of the Sialkot business community, and other national and international organizations to undertake efforts to reduce child labour; and
- Serving as a model for subsequent corporate responsibility efforts and multi-stakeholder partnerships aimed at ensuring minimum labour standards in global supply chains.

### Core Labour Standards

Core labour standards<sup>2</sup> other than the effective abolition of child labour – including freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; and the elimination of discrimination in employment and occupation – were not originally addressed in the Atlanta Agreement.

Since 1997, the Government of Pakistan has ratified each of the eight core, or fundamental rights conventions of the ILO.

### Tripartite and Stakeholder Workshop

Recently, many stakeholders have expressed concerns over the protection of labour rights in Sialkot, prompting IMAC to agree to subject its monitoring system to an independent programme assessment by the ILO.

The Government of Pakistan and the ILO have convened key stakeholders in the Sialkot Programme for a tripartite and stakeholder workshop to review the results of

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<sup>2</sup> The core international labour standards are articulated in the ILO Declaration on Fundamental Principles and Rights at Work (1998) and contained in the following eight ILO Conventions: ILO Forced Labour Convention, 1930 (No. 29); ILO Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87); ILO Right to Organize and Collective Bargaining Convention, 1949 (No. 98); ILO Equal Remuneration Convention, 1951 (No. 100); ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111); ILO Abolition of Forced Labour Convention, 1957 (No. 105); ILO Minimum Age for Admission to Employment Convention, 1973 (No. 138) ; ILO Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor Convention, 1999 (No. 182).

the independent assessment and to identify ways to develop an effective strategy to promote decent work in Sialkot, within the framework of the Pakistan Decent Work Country Programme, labour protection policy and labour inspection policy.<sup>3</sup>

Workshop Participants include government, employer and labour representatives, as well as other international and local stakeholders. (See attached **List of Workshop Participants**)

## II. Promoting Decent Work in Sialkot

An effective strategy to promote decent work in Sialkot for women and men will require an integrated policy and implementation approach aimed at revisiting the business model presently dominant in the industry. Specifically, Sialkot should emerge as a centre of excellence in sporting goods manufacturing based on leadership in production and social standards. This calls for focussed investment to upgrade production capacity to comply with the standards required in global markets. Specifically, it requires a gradual transition from home-based work, the formalization of contracting and subcontracting by law, and the formalization of stitching centres.

Participants have identified the following six **Priorities** for further strengthening the protection of labour rights in Sialkot industry generally, and in the Sialkot sporting goods industry specifically:

### 1. **Expand the scope of the soccer ball Programme beyond the prevention and elimination of child labour to address all core international labour standards.**

The Government of Pakistan has ratified each of the eight ILO fundamental rights conventions.

An expanded Programme scope will be developed within the framework of the Pakistan Decent Work Country Programme.

An expanded Programme scope will also take into account the ILO Tripartite Declaration on Multinational Enterprises and Social Policy (1977), the WFSGI Code of Conduct, brand and other multi-stakeholder codes of conduct, which include minimum standards for core labour rights, as well as for other labour standards on freedom from harassment or abuse, health and safety, wages and benefits, and hours of work.

#### *Actions*

- Through a process of stakeholder consultation and negotiation, conclude a “Sialkot Compact” governing minimum standards for soccer ball production in Sialkot.
- Support the equal application of a global standard to sporting goods, particularly soccer ball manufacture, in all sourcing markets.
- Address the issue of home-based work.

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<sup>3</sup> The Pakistan Decent Work Country Programme was signed on September 7, 2005 by the Government of Pakistan, the Employers Federation of Pakistan, the Pakistan Workers Federation, and the ILO Office in Pakistan.

- Define the rights and responsibilities of each of the stakeholders under any new agreement.
- Reaffirm brand commitments to source only from participating manufacturers under any new agreement.
- Bring contractors and subcontractors under national law

## **2. Strengthen government labour inspections.**

The monitoring component of the Programme is intended to supplement, not replace, government labour inspections.

### *Actions*

- Advance the development of a professional, well-trained, and adequately resourced government labour inspection system with a significantly increased number of women inspectors.
- Provide specific training for child-sensitive labour inspection.
- Subject the soccer ball industry to labour inspections under national law.
- Seek the technical and financial support of the ILO and donors for capacity-building projects for labour inspection.

## **3. Promote effective social dialogue.**

### *Actions*

- Ensure full respect for freedom of association leading to mature systems of industrial relations, including non-interference in the internal activities of unions and effective mechanisms to prevent impediments in the formation of unions, consistent with the provisions of ILO Conventions 87 and 98 as ratified by the Government of Pakistan.
- Build the capacity of the social partners to develop collective bargaining and social dialogue.

## **4. Help manufacturers meet broader social compliance standards.**

### *Actions*

- Seek assistance for investments to help the industry to transform itself from a cottage industry base to a formal industry which is viable, profitable and internationally competitive.
- Establish programmes aimed at improving productivity and enhancing quality.
- Develop training programmes for women and men for skills enhancement at every level.
- Encourage factory level responsibility for compliance based on mature systems of industrial relations and social dialogue in order to reduce reliance on external monitoring.
- Encourage long-term buyer relationships that enhance the security of the soccer ball industry.
- Call for a needs analysis of the capacity-building required by manufacturers.
- Undertake an evaluation and assessment of production technology.

**5. For each of these priorities, pursue approaches that take into account the importance of sustaining family incomes, including employment opportunities for women.**

*Actions*

- Ensure that women achieve at least the same level of participation in the formal workforce as they currently represent in the soccer ball industry.
- Provide skills, training, facilities and other services to assist women to move from home-based to formal production units.
- Provide opportunities for more diversified employment of women in the soccer ball industry.
- Ensure the full participation of women in all elements of social dialogue.

**6. Once established for the soccer ball industry, progressively expand the Programme to other Sialkot industries.**

A comprehensive rather than a sectoral approach is the most likely to strengthen successfully the protection of labour rights in Sialkot and to provide sustainable provision of decent work for men and women.

### **III. Independent Monitoring Association for Child Labour (IMAC)**

Participants have identified the following five **Priorities** for strengthening the Independent Monitoring Association for Child Labour (IMAC), consistent with the findings of the independent programme assessment by the ILO. These priorities are without prejudice to decisions that may be taken later on the scope of IMAC's activities.

**1. Increase and diversify multi-stakeholder representation on the IMAC Governing Board, and clearly define the Board's responsibilities.**

*Actions*

- Ensure that manufacturers or industry-affiliated organizations do not hold a majority of seats on the Governing Board or on the Management Committee through the establishment of a tripartite structure.
- Set term limits on individual Governing Board members and a rotating Chair.
- Clearly define the roles and responsibilities of the Governing Board, the Management Committee, the Chief Executive and the IMAC staff.
- Ensure the membership of the Management Committee has similar proportional representation to the Governing Board.
- Ensure that the Board makes policy decisions, such as any changes in the scope of monitoring and in manufacturer undertakings.
- Clarify the monitoring and categorization functions of IMAC, and consider whether these functions should be separated.

- Ensure that the Board approves budget and salaries and hires the Chief Executive.
- Ensure that monitoring procedures and the criteria and procedures for category determinations are transparent.

## **2. Strengthen IMAC's monitoring.**

### *Actions*

- Avoid single monitor visits.
- Increase the number of monitors while maintaining gender balance.
- Adjust the schedule of monitoring visits according to the compliance category of the manufacturer.
- Intensify monitoring during peak periods.
- Consider a complaint mechanism for workers.

## **3. Make IMAC's governance, monitoring and reporting more transparent.**

### *Actions*

- Participating manufacturers are required to pay their dues in full and on time.
- Clarify the criteria for categorizing participating manufacturers.
- Create mechanisms that would make the information collected by IMAC available to brands.
- Create a mechanism for brands to have access to IMAC data, monitoring results and observations, and for IMAC to benchmark against brand internal and external monitoring.
- Publish the number of stitching centres and associated stitchers registered by each participating manufacturer, and for each brand.
- Strengthen IMAC's public reporting via [www.imacpak.org](http://www.imacpak.org), particularly with respect to its area-based monitoring, findings, manufacturer responses, other qualitative information and trends.
- Make IMAC's periodic reporting more easily understandable for all audiences.

## **4. Ensure that IMAC has the technical capacity to execute its mandate.**

## **5. Seek to make IMAC financially sustainable.**

### *Actions*

- Diversify IMAC's funding sources.
- Find ways, including incentives, to increase the number of participating manufacturers.
- Review the amount of manufacturers' required contributions.
- Consider an IMAC endowment.
- Seek the financial and other support of stakeholders for social development projects for workers in Sialkot.

#### **IV. Next Steps**

This Sialkot Initiative reflects the consensus of Workshop Participants on a platform for action.

A strength of the Programme since its inception has been the collaboration, participation and support of multiple stakeholders advancing a shared objective: preventing and eliminating child labour.

The common goals shared by the Workshop Participants drafting this initiative include:

- Investing in the long-term economic development of Sialkot, its workers and communities;
- Promoting opportunities for women and men to obtain decent and productive work;
- Promoting universal education for children and training opportunities for workers;
- Ensuring adherence to fundamental principles and rights at work consistent with the laws of Pakistan and with international labour standards; and
- Utilizing social dialogue and mature industrial relations systems for this purpose.

Strengthening the protection of labour rights in Sialkot can best be achieved by the collective and collaborative action of multiple stakeholders.

The Workshop Participants have undertaken to continue to work to identify and reach consensus on the full range of actions necessary to achieve the consensus Priorities identified above, as well as on appropriate tripartite vehicles for implementation.

Tripartite cooperation at the national level for advancing this Sialkot Initiative will be supported by the Pakistan Decent Work Country Programme and other activities, with the Ministry of Labour as the focal point. This will involve cooperation by other authorities.

Tripartite cooperation in Sialkot will be strengthened by setting up a Committee to focus on the implementation of programmes and action, including IMAC. In addition to local government and employers' and workers' organizations, relevant non-governmental organizations and other members will be included in this work as deemed necessary and agreed. The ILO will serve in an advisory capacity.

The Government of Pakistan and the ILO will jointly convene a stakeholder's forum at the earliest convenient date to review steps taken by all stakeholders and to advance the priorities of this Initiative.

***Islamabad, Pakistan  
22 February 2007***