

Chapter 1

Background

1.1 This study focuses on CSR by Small and Medium Enterprises (SMEs). In the Indian context, the literature on CSR is mostly centred on the initiatives of medium and large companies. Informally it has been observed that a large number of SMEs have been engaged in socially relevant activities beyond their business pursuits. In this context it was thus felt important to understand the nature and extent of the CSR endeavours resorted by them.

1.2 SMEs constitute an important segment of the Indian economy. There are over two million registered small scale industries. Together they contribute almost 40% to the manufacturing GDP. Most of the SMEs are in towns and villages or even in the remote areas and have adaptability to local settings and exposure to local problems and also the resources.

1.3 The debate on CSR as well as the policy instruments have somewhat neglected SMEs. The assumption perhaps has been that they do not have resources at their command to pursue socially relevant activities. It is true that their contribution may not be at par with the large companies but there is a definite role for them in CSR. In

their case, there is a greater justification of working together with the government and others to make a meaningful impact of CSR. This study proposes to take into cognizance the above aspects to increase the role of SMEs in CSR.

Objectives

1.4 The overall objective of the study is to examine the best practices of CSR by the SMEs. More specifically, it will have the following objectives:-

- To understand the rationale of the CSR initiatives.

- To examine integration of CSR initiatives with the core activities

- To find out the extent of networking with the governmental organizations, NGOs or other business organizations.

- Analyze the involvement of the community, NGOs, public institutions and others in the design and implementation of CSR activities of business organizations.

- To assess the direct and indirect impacts of CSR initiatives by the SMEs.

- To identify constraints faced by them in their CSR initiatives

- To make suggestions for facilitating the involvement of SMEs in CSR

Methodology & Data Sources

1.5 Based on published literature including from internet sources, an analytical framework for the study was prepared (see Chapter 2). Based on this analytical framework detailed checklists were formulated for collection data/information/views from the units through field visits. (see Para 1.7).

1.6 This study has been conducted in Five SMEs across the country. The five SMEs are

Sports Goods Foundation of India , Jalandhar,
Punjab

S. Kumar's Agri Business Corporation,
Hyderabad, Andhra Pradesh

Shashwat Systems, Ahmedabad, Gujarat

Sohrab Group of Companies, Malerkotla, Punjab

Motif India Infotech Pvt. Ltd, Ahmedabad,
Gujarat

1.7 The SMEs were chosen through a multi-staged selection process. Based on the suggestions by known experts and industry associations a preliminary list of about 35 SMEs was prepared on an all India basis. They were contacted through a mailed brief checklist of pre-requisites for being selected for the detailed inquiry.

These pre-requisites covered a select list of aspects like ‘Implementation of Fair Labour Practices’ (e.g. minimum wages, employee welfare programs etc), ‘Social & Community Initiatives’ (e.g. development of the local poor/ women, environmental protection etc), ‘Good Corporate Citizenship’(e.g. payment of taxes, no cases pending in courts etc), ‘Awards/Commendations Received’ and the like. Based on the responses received the list was reduced to 10 units. Depending up on the willingness to participate in the study five units were finally visited personally by the Research Team with a detailed checklist of information required for the study. The detailed checklist used for collection of data/information covered a wide range of aspects like ‘General Information’ about the company, ‘Employment/Workforce’, ‘Products/Services/ Business Operations’, Workplace CSR Practices’ ‘Governance & Legal Issues’, ‘Employee Welfare/ HR Practices’, ‘Labour Relations’, ‘Health & Safety Measures’, ‘Social &Community Initiatives’, etc. The respondent companies were also requested to give the details of one or two of their successful CSR initiatives. The interviews/ discussions were held with the CEO/ top management of the respective companies. These were followed by interviews/discussions with the leadership of the trade union, if there are any. Local prominent NGOs/ state government officials/elected representatives (e.g.

Sarpanch of the Panchayat), prominent citizens of the area and beneficiaries of the CSR by the company were also interacted with in order to elicit their candid views on the CSR efforts by the company.

Chapter 3
SME - CSR Case Study 1
‘Necessity is the Mother of Invention’:
The CSR Case of Sports Goods
Foundation of India (SGFI), Jalandhar

3.1 Company Snapshot – Sports Goods Foundation of India (SGFI)

Name of the Organization	Sports Goods Foundation of India(SGFI)
Location	Jalandhar
Year of Inception	1998
Key Management	Ravi Purewal
Key Products and Services	The foundation deals in monitoring the process of production of inflatable balls hand stitched and exported by manufacturing organizations.

CSR Initiative	SGFI organizes campaigns to raise family awareness of the families and local child labour and advantages of educating SGFI also organizes a number of Health check-up campaigns at schools and tuition centres.
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Birth of Sports Goods Foundation of India (SGFI)

3.2 The idea of a foundation for sports goods industry in India was first floated in the latter half of the 1990s when news stories began to surface in the Western media about the widespread use of child labour in stitching footballs in the prosperous Jalandhar sports goods producing belt. Adidas, the principal supplier of World Cup footballs, and major importer from India until then reacted to the news with alacrity and cancelled its orders instantly. Other international majors in sports goods like Nike, Puma soon followed suit. The threat of boycott of Indian made footballs loomed large sending shock waves across the flourishing sports goods industry then. If anything, it was a chilled warning of the industry's bleak prospects, at least in the immediate future. No wonder then, alarm bells began to ring throughout the belt. Adidas had been the principal supplier of footballs for the World Cup since 1970. These footballs were sourced from the Sialkot region in Pakistan and Jalandhar in India (see Appendix 1a for FIFA Match Balls used in Football World Cups).

3.3 As the child labour outcry from influential quarters became louder and shriller under the threat of boycott, captains of the Indian sports goods industry began to scratch their head. How to come out of the mess they were in? At the best, individually they could voluntarily

do away with the practice of child labour. Yet they would be faced with two major challenges: i) who would monitor and enforce the ‘no child labour policy’ in an oligopolistic market characterized by cut throat competition and widespread undercutting of each other, and ii) how to overcome the stigma of child labour arising out of bad publicity, which had already acquired gigantic proportions by then and which could not be successfully addressed at the level of individuals?

3.4 In the mid nineties, there were four major suppliers of footballs in the world – China, Pakistan, Thailand, and India. China and Thailand were recent entrants into the production of footballs and both had a factory model for the production of footballs and, hence, child labour monitoring in these locations was easier. Football production in Pakistan and India was done primarily through hand stitching and, hence, these countries were more vulnerable to child labour exploitation in stitching footballs. The Sialkot cluster was affected more by the episode and suffered a loss of business, since large brands like Adidas and Nike sourced their game balls from there.

3.5 Intense consultations and relentless exchange of views among the world football producers and Western customers led to the signing of the Atlanta Agreement on 14 February, 1997ⁱ (See [Appendix 1b](#) for a copy of the Atlanta Agreement). Pakistan immediately implemented the Atlanta Agreement, and monitoring started in 1998 with the help of international agencies like the International Labour Organization (ILO), United Nations Children's Fund (UNICEF), and Save the Children Foundation-(SCF-UK), in association with the Sialkot Chamber of Commerce.

3.6 Following the serious adverse publicity related to child labour the football manufacturers in Jalandhar sought Government of India's (GOI) intervention in dealing with the menace, which had significant implications for the inflatable balls export sector. Government of India invited ILO to submit a proposal for monitoring child labour use in the football stitching industry. ILO's proposal, however, was not found acceptable to GOI. It was then the sports goods manufacturers in Jalandhar decided to follow the procedures laid down in the Atlanta Agreement. Thus, out of the sheer necessity to survive in a hostile market environment came in to existence the Sports Goods Foundation of India (SGFI) in 1998, when 25 sports goods exporters voluntarily joined hands to fight the

child labour menace in India. A unique venture in co-operation among the competitors, SGFI was registered under the Societies Registration Act XXI of 1860, vide Registration No. 1681 of 1998-99 dated 25 January, 1999. It was established as a non-profit organization committed to the prevention and rehabilitation of child labour in the sport goods industry. SGFI started working towards an agreement with organizations like the World Federation of Sporting Goods Industry (WFSGI), ILO-International Program for Elimination of Child Labour (ILO-IPEC), and Save the Children. Today SGFI consists of 31 sports goods exporters from Jalandhar of which 23 are football manufacturers and 4 are cricket equipment manufacturers.

Scope & Objectives of SGFI

3.7 The objectives of SGFI are:

To prevent and progressively eliminate child labour in the manufacture or Stitching of footballs.

To ensure that any child labour found in the field is immediately reported and admitted into various schools run by the Foundation.

To facilitate an attitudinal change in the community as well as the worker's families with regard to the importance of education and evils of child labour.

To promote education in the inflatable ball stitching community.

3.8 The scope of operations of SGFI was limited to the activities of organizations that were its registered members. It monitored only the process of production of inflatable balls hand-stitched and exported by these organizations. It did not monitor production of machine-stitched balls, since these were primarily made in factories.

The Vision

3.9 To foster and energize social responsibility initiatives of the Indian sporting goods industry.

Football Stitching Industry in Jalandhar

3.10 The sports goods industry in Jalandhar in Punjab was the product of India's partition in 1947. Post partition, a few families moved from Sialkot in the present-day Pakistan to Jalandhar and started manufacturing sports goods. Eventually Jalandhar became India's largest football-producing and exporting area (Appendix 1c). The area's football manufacturers

were located mainly in the city of Jalandhar and surrounding locations. The sports goods made in Jalandhar include inflatable balls, footballs (or soccer balls), rugby balls (for the UK and Australian markets), footballs (as used in American football), volleyballs, cricket bats, hockey sticks, and protective equipment. The exports of inflatable balls from India have been increasing over the last one decade (Appendix 1d).

3.11 There are two categories of footballs: promotional balls (90-95% of the production) and match balls (5-10% of the production). Till the mid-1980s, all match balls were made of leather. In recent years, match balls were made from PU with a coating of cloth and foam. Most of the promotional balls were made of PVC. Ninety percent of the match balls were made in the Sialkot area in Pakistan.

3.12 Footballs are made of different panels that were stitched together. Match footballs have 32 panels with a total of 910 stitches. Other footballs might have 18 panels or even fewer. Rugby balls have 4 panels, whereas volleyballs might have 32 or even 18. The number of panels and the shape of the panels depend on the requirements and design of the customer sourcing these balls. The balls are also categorized by the quality of PVC used and the number of layers of material (Appendix 1e). Footballs are of different sizes, from size

1 (small) to size 10 (large). Some of the larger balls are used in the medical field in physiotherapy.

3.13 The major steps in the production of inflatable balls are as follows:

1. PVC, foam, and cloth are glued together. Cloth gives strength to the ball. There is a minimum of one layer and a maximum of three layers of cloth. The best footballs contain three layers. As the number of layers increase, it becomes difficult to machine-stitch the ball.
2. The sheet of PVC, cloth, and foam glued together is machine-pressed and dried in heating chambers for 1-2 hours or laid out in the sun to dry, weather permitting.
3. The dried sheets are cut into panels using punching machines. The dies used also make holes for stitching. The shape and number of panels depends on the design of the football.
4. The individual panels are then screen-printed, as many as 2-3 layers of logos and design.
5. The panels are then sorted, and kits made. The kits include the appropriate number of panels and a rubber bladder fixed to one of the panels.

6. Stitching is done by stitchers who work in factories, centres, or units. The entire production process is carried out in factories. In Jalandhar, the actual stitching process is outsourced to centres or to families who work from home. A centre is defined as a location housing more than eight stitchers who come together to stitch balls. Centres are usually managed by contractors. Units are locations housing fewer than 8 stitchers, usually the residences of stitchers, where a number of family members come together and stitch balls. There are usually two mechanisms for the distribution of kits. The kits might be distributed to the contractors who in turn distribute them to various units (home based stitchers) and/or larger stitching centres. The stitched balls are then collected from these units and centres. Alternatively, stitchers pick up the kits directly from the factories and deliver the stitched balls back to the factories.
7. The stitched balls are returned to the factories, and an incoming quality control inspection is done at the time of receipt of the balls. Defective balls are sent back for re-stitching. To deal with defects found at a later stage, the factories employ some stitchers to open the stitches and fix the defects.

8. The balls are inflated to make sure that there are no leaks. Sometimes, the bladders turn out to be punctured and air escapes from the ball. In such cases as well, the stitches have to be opened, the bladder changed, and then the ball re-stitched.
9. Next, the balls are cleaned and deflated.
10. The balls are packed in clear plastic bags and then in cardboard boxes for supply to the buyers.

Football Stitching

3.14 Stitchers formed the backbone of the industry. Stitching is a skill that requires excellent hand-eye coordination. Balls are traditionally hand-stitched. As it evolved in Jalandhar, most of the hand-stitched footballs were produced as home-based work. Stitchers are of two kinds: Some work from homes. Typically, these are members of a household. The two prominent implications of the home-based stitching are: 1) this sort of work organization enables the industry to overcome the impacts of seasonal variations in demand for stitchers arising out of demand fluctuations for the product from international markets, and 2) a large number of women attend their domestic work and also stitch footballs in their spare time. Thus, their extra hours are utilized in productive activities which would have been idle otherwise. There is also a stitcher community who

assembles in multiple numbers and work in a common area. This is generally an informal setting, and the number of workers is often fewer than twenty.

3.15 Some stitchers, who could mobilize other stitchers to deliver their output, had become contractors over a period of time. Several of these contractors had managed to assemble large numbers of stitchers under one roof and formed the centres. The contractors also gave out work to home-based stitchers. Some home-based stitchers would directly pick up kits for stitching from the contractors. Over a period of time, some of the contractors expanded their operations to do contract manufacturing for large exporters. They quoted prices for end-to-end contract. A contractor could work for a number of exporters.

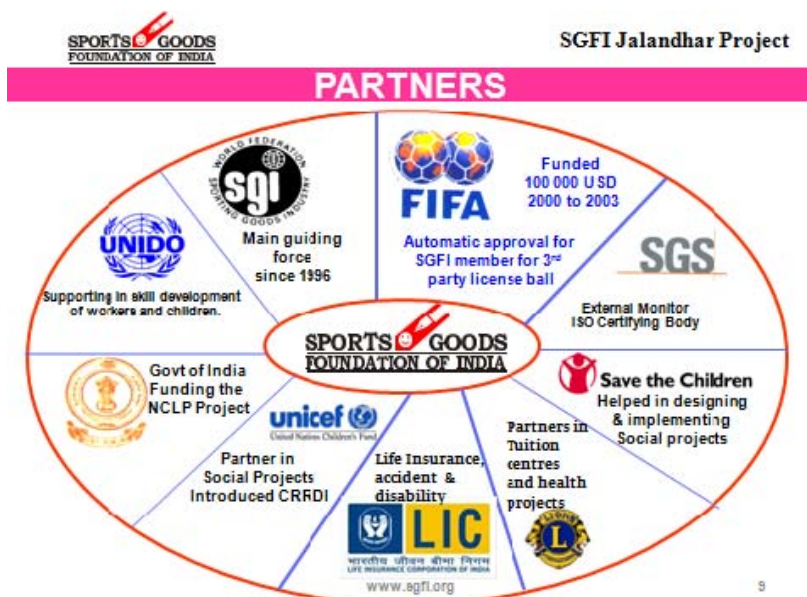
3.16 In recent years, stitching machines were introduced for the purpose of stitching balls. However, even with this mode of production, the last panel has to be stitched only by hand. With machine stitching productivity was much higher than with the hand-stitching process. One machine could make approximately 110 balls per day. Jalandhar had about 30 factories with 15,000 workers stitching 45,000 balls per day. One person could make only about five balls per day. In comparison, one factory in China using the machine stitching process had 6,000 workers under one roof stitching over 60,000 balls per day.

3.17 As of 2009, SGFI monitored production in 3,300 different locations involving 15,000 stitchers. Out of these, 40 were centres at which more than eight stitchers came together under a single roof to work and 3,260 were units that had fewer than eight stitchers working on footballs.

Partners

3.18 SGFI realized that in order to meet their objectives within a reasonable period of time, it would serve the best to involve other partners either for technical support or as donors. The list of partners has evolved over a period of time. Some of the key partners in the history of SGFI are: FIFA Marketing was a key supporter of the Foundation. FIFA had agreed to support the SGFI monitoring program for four years during the first phase of the project, between January 2000 and December 2003, with funding of US \$ 400,000. FIFA Marketing permitted its licensees to produce footballs in India only with manufacturers who were members of SGFI and compliant with the SGFI rules. At FIFA's insistence to hire an external and independent consultant for monitoring, SGS India Pvt. Ltd. was appointed for the purpose. The World Federation of Sporting Goods Industries, Switzerland, was involved with SGFI right from the latter's inception. WFSGI was very concerned about the use of child labour and had coordinated efforts

of the major international brands and manufacturers of footballs. The organization was also been extremely active in helping SGFI at every stage.



3.19 SCF-UK: Save the Children’s Fund-UK (SCF-UK) was involved in this program even before SGFI was officially started. Its active participation in SGFI programs, along with UNICEF, was the key factor in initiating the social protection program. SCF-UK suggested the formation of a steering committee comprising the Foundation and its partners so that the monitoring and social protection program could constantly be reviewed.

3.20 UNICEF brought to the Foundation their enormous wealth of knowledge on issues related to the exploitation

of children and social awareness. While not a financial contributor to the Foundation, their advice and guidance was found valuable to the social protection program. SGS India Pvt. Ltd was the external consultant appointed to monitor the Jalandhar cluster. The organization set up an office in Jalandhar dedicated to the SGFI program. They hired local people, trained them, and started the monitoring process towards the end of 1999. SGS charged US \$ 80,000 for the monitoring activities. They monitored all stitching locations, and if any children were found stitching footballs, SGFI was immediately informed so that these children could be weaned away from child labour and involved in the social protection programs. The monitoring process was as specified in the Atlanta Agreement.

Monitoring Process

3.21 As per the monitoring process, manufacturers of inflatable balls were required to formally register all the contractors, stitchers, stitching facilities, and locations to which work was contracted out. This was done to ensure that all stitching locations were clearly identifiable and open to inspections. Each manufacturer would establish an internal monitoring department with a specified process. The manufacturers would train their inspectors in monitoring the locations and age of all stitchers. To ensure that all the required data was captured and

recorded, formal reporting formats were designed. The manufacturers were required to provide their internal monitoring reports to independent third parties who would in turn monitor and validate the internal monitoring reports provided by the manufacturers. The independent monitoring agencies (SGS in Jalandhar) also provided periodic reports to the Coordinating Committee and to the World Federation of Sporting Goods Industry, which disseminated these reports to customers and consumers in Europe, the Americas, and Asia. These reports were also available in the public domain. When SGS left, SGFI continued with the process specified by SGS.

Major Challenge

3.22 The major challenge was to identify home-based locations and register them for the monitoring program. Contractors gave lists of families to factories – name, location, age of workers. For easy identification, SGFI places a plate with a unique location number on the doors of all families who stitch for SGFI members. These locations are visited by the internal monitoring teams who report back to the factories. The factories generate an internal monitoring report that is given to SGFI. Based on these reports, SGFI conducts another independent external monitoring exercise on a random basis. SGFI has a software program that selects the centres and

locations based on inspections already done during the year. This database is used for regular external monitoring on a random and unannounced basis. SGFI teams monitor 50 locations per day. This ensures that each location is visited at least four times in a year. There are a lot of households in which women work at home and men outside. To avoid any inconvenience to the families, a mixed gender team visits the home locations.

3.23 SGFI now has an internal 9-member team which monitors 3300 units with 15000 workers. The role of the monitors is to conduct unannounced random visits to these 3300 stitching units and identify that no child labour is being used for football stitching. On its first visit to the unit, if a child is found stitching footballs, the unit members are encouraged to send the child to SGFI sponsored schools to rehabilitate him. If this effort does not work, SGFI issues a warning to deregister the unit. The third time, if the child is still found stitching the unit is deregistered.

3.24 To ensure monitoring of inflatable balls only for SGFI members, each manufacturer is assigned a unique ID code. This ID code is printed on the back panels of the balls. By examining the panels in the kit, the SGFI team can easily identify the member for whom the ball is being stitched. Besides ensuring that there is no child labour being utilized, this process also helps in identifying

counterfeit balls being made. The impact has been tremendous. The number of cases of child labour in football stitching has been on the decline ever since commencement of the inspection program.

3.25 Violations generally are found to occur on weekends and during school vacations. Parents might induce their children to stitch in order to keep them occupied and to earn extra money. Since SGFI monitors stitching only for its members, there may be child labour violations in stitching of balls produced for non-members. As on December 2009, SGFI membership consisted of 32 manufacturers and exporters of footballs/volleyballs /rugby balls. These members were responsible for approximately 95% of the total exports of footballs from Jalandhar.

CSR Initiatives

3.26 SGFI organized campaigns to raise awareness of the families and local community on issues related to child labour and the advantages of educating children. Due to the pressure exerted by the manufacturers and monitoring and counselling by SGFI, there is now growing awareness among the community in Jalandhar about the positive impacts of educating the children and not making them work in stitching.

3.27 SGFI organized in all football stitching areas in Jalandhar and Batala free medical camps, magic shows, and street plays involving child labour issues. In 2000, UNICEF initiated the Centre for Research in Rural and Industrial Development (CRRID) to build the credibility of the SGFI initiatives among the stitching community, local youth clubs, Mahila Mandals (women's groups), and local leaders. In 2009, SGFI had a regular campaign targeting areas with lower awareness. The families were profiled in order to understand the reasons for engaging children in labour activities. Based on the feedback, a plan was developed for the rehabilitation of the children.

3.28 SGFI noticed a dramatic change in the attitude and awareness of the community with regard to child labour. The village leaders (Panchayat & Sarpanch) also started working in partnership with SGFI. This partnership was a breakthrough in accessing the community in a credible and trust-building manner. This further spread awareness and built up the community's understanding of the importance of education for the children's future.

3.29 Due to lack of resources, SGFI has not been able to enhance the effectiveness and reach of the pilot project. FIFA funding ended towards the end of 2003. Since SGFI could not afford to pay for SGS, they too withdrew from monitoring. Since then all its activities were funded through voluntary donations from SGFI members.

3.30 The major CSR initiatives by SGFI are given in the following:

1. National Child Labour Project Schools (NCLP)

Funded by the Ministry of Labour, Government of India, this initiative is designed to bring children into the formal education system. Funds for the project are routed through the Deputy Commissioner of Jalandhar, who is also the Chairman of the project. The objective of this initiative is to take children up to a level from where they can transition into mainstream schools. Each school has a capacity of 50 children. There are four educational instructors, one vocational instructor and one helper in each school. Children found to be working full-time, are placed into special schools based on non-formal education principles. Schools that operate under this project are government schools and afternoon schools working on a part-time basis.

Government of India established 27 such transitional schools in Jalandhar in September 2000 under the National Child Labour Project. SGFI initially adopted four schools. After seeing the excellent results of these four schools, the government entrusted the management of four more schools to SGFI. Now SGFI is running eight schools under this scheme, covering a total of 400 children. The children in these schools between the ages of 8 and 14 and who were previously either not going to

school or dropouts. Some of the facilities provided at the NCLP Schools are mid-day meals, free books, Rs.150/- as monthly stipend to the family of each student, free uniforms, free medical and dental check-up camps, competitions (in painting, sports, cultural activities, etc.), vocational training (in stitching of garments, for instance), pot making, etc.

After passing class 5th from the NCLP schools, the students get admission in the senior government schools with the help of their teachers. Some of the students who have passed out from the NCLP schools are now in class 12th and are motivated enough to study further. The biggest challenge is to convince the parents the benefits of sending their children to school because the family has to sacrifice the income which he or she is able to earn otherwise, in some instances as high as Rs. 100 per day.

2. Muskan

Muskan was designed to ensure that children went to school. During one of their visits, the monitoring teams found out that many children did not go to school because they had not done their homework since there was no one at home to help them. They were afraid of being punished by the teacher. The idea of starting tuition centres that would help children do their homework after school thus took birth. This was the beginning of Muskan. In 2009, SGFI had a team of 30 members who were operating 30 free tuition centres to rehabilitate

children previously involved in labour activities. Each tuition centre looked after approximately 25-30 children with a total enrolment of 950 children. These tuition centres were tutoring children who were going to school in the morning. Most of their parents were busy at work or not sufficiently educated to teach their children at home after school. The children visited the tuition centres from 3:00 PM to 5:00 PM to get help with their school work. The time spent by these children at these centres meant time away from any form of child labour. One major achievement of these free tuition centres was their success in inculcating a sense of responsibility on the part of the parents, who now prefer to send their children to these centres rather than force them to work.

3. Regular Health Check-ups at the Schools & Tuition Centres

SGFI's scheme of socially responsible initiatives always gave health significant importance. Thus health check-ups for all children studying in schools as well as in free tuition centres are organized on a regular basis. A dental check-up, eye check-up, and general health check-ups are conducted by qualified doctors. Impressed with the activities and services rendered by SGFI, some doctors have volunteered their services to the SGFI project on a long-term basis.

4. Reach

Wives of the members of SGFI wanted to get involved in the CSR effort. An idea that they came up with was to collect unutilized materials and distribute it to the poorer families of the region. SGFI held a grand event where all the social elite of Jalandhar were invited, and the project was proposed to the audience, which was enthusiastic about it. Items like Clothes, books, household items, etc., were collected through regular collection drives at the collection centres. Volunteers were organized into groups and the collected materials were distributed among the poor and the needy people. While some of the initial enthusiasts dropped out, the remaining continued the effort and it has become a regular event. Currently the coordinators and workers at REACH collect clothes, old toys, stationery and other cloth material by setting up collection camps at places in Jalandhar, Jammu, Punjab, Attari, Amritsar and elsewhere. Reach has now been registered as a separate NGO, and has been affiliated to the Delhi based *Goonj*

5. Micro Insurance in Partnership with LIC (Life Insurance Corporation)

SGFI partnered with LIC to launch a micro insurance scheme called Jeevan Madhur. This policy could be sold only by NGOs. As of December 2009, around 800 policies had been sold. SGFI has set itself a target to cover all the 15,000 workers who are part of either

centres or units and monitored by SGFI. This is a simple savings related life insurance plan, under which premiums may be paid regularly at weekly, fortnightly, monthly, quarterly, half-yearly, or yearly intervals over the term of the policy. Further, the premiums chosen are subject to the minimum and maximum sum assured of Rs. 5,000/-and Rs. 30,000/-respectively payable on death and maturity under this plan.

The minimum instalment premiums for different modes of premium payment are:

Weekly:	Rs. 25/
Fortnightly:	Rs. 50/
Monthly:	Rs. 100/
Quarterly/Half-yearly/Yearly:	Rs. 250/

There have already been two cases of workers paying only one or two premiums before their deaths. LIC has settled the consequent claims in full. To make this scheme self-sustaining, there is an incentive scheme for people involved. SGFI gets a commission of 10% on all the money collected. The money collected thus, is distributed among various SGFI staff and local people who are involved in implementing the scheme.

6. *Self Help Groups (SHG)*

SGFI found that the member families were under

constant debt. Lower income families need Rs. 500 -1000 to help them with their immediate financial needs or cash flow problems. Money lenders might charge 10-12% interest per month. SHGs are able to get loans from the bank at about 1% interest per month and lend to their members at 2% per month. SGFI has formed over 52 SHGs with 15-20 women in each group, covering about 1000 families. SGFI has also formed SHGs for young girls pooling money for higher education or marriage of family members. Each member contributes Rs. 100/-per month towards the SHG. This money is accumulated for a period of six months. After six months, the SHG members are eligible to take loans from the SHG. Many SHGs have availed bank loans and successfully repaid them. SGFI is currently in the process of linking these 600 families with health insurance and pension benefits. These SHGs might also be helpful in other ways. If the manufacturers in Jalandhar move towards machine stitching, the number of stitchers required would come down significantly. SHGs would help the women to build capital so that they can take up alternate employment opportunities or re-skill themselves for other sources of earnings.

7. Adult Education Centres

Many women who stitch footballs were interested in SGFI's efforts to promote education in Jalandhar. At their instance SGFI started some basic classes so that

they could at least sign their names and be able to learn to read and write over a period of time. The first Adult Education Centre was in Mithu Basti with 12 women. One woman, a mother of two children, passed the 5 standard examinations from this centre. In 2009, she was preparing to appear for her 8 standard examinations. Education of women is very significant since it impacts the family positively and ends up ensuring that their children also go to school.

8. Free Computer Education

SGFI runs a free computer training centre in collaboration with Punjab Rural Information Technology Management Agency (PRITMA) at village Tajpur, Jalandhar. This is a mobile centre intended to give free computer literacy training to all children of this village and then move on to the next village. This centre covers approximately 300 children. Two instructors were hired to provide training. The Village Panchayat provided a room in the community centre building. During the first phase, children were given basic training on computers. In the second phase, they will be given specialized training in collaboration with professional institutes like NIIT or APTECH.

9. Free Mobile Sewing School

The Miss India title holder for the year, Ms. Simran Kaur Mundi, visited SGFI in May 2008 to observe SGFI

activities and interact with the SHGs. She donated six sewing machines with which SGFI started a mobile sewing school at village Tajpur. Currently, free training is being provided to young girls of this village.

10. Common Facility Centre (CFC)

Under this project SGFI is collaborating with its members on ways to improve their production process. SGFI members are experimenting with the use of machine stitching for football manufacturing, multiple die cutting of material, single roll lamination machines, and multiple screen printing of panels. Training is being provided to workers from SGFI members factories. Some members have also started procuring machines for installation in their factories. Ten members of SGFI separately contributed Rs. 65,000 each for this purpose.

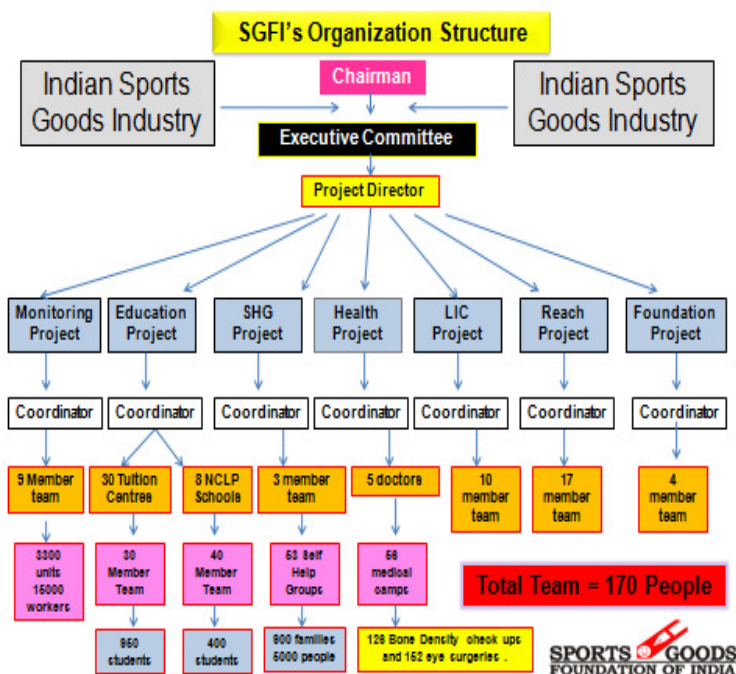
11. Swasth Man Swasth Tan (SMST) – Healthy Mind Healthy Body

Under this project, SGFI conducts one medical camp each week at 2-3 of its tuition centres / NCLP schools. It also conducts a major camp every two months outside the factory for the benefit of workers of the factory. Awareness camps on health related issues are held within the factory premises. The monitoring teams distribute 70 first aid kits daily to the units that they visit. These kits are replaced every three months. SGFI also recently held a medical camp at which over 150 cataract surgeries were

performed. SGFI has partnered with Lions Club Jalandhar East to support its activities in many different ways. Lions Club provided a team of doctors for the health camps conducted by SGFI. Five of the tuition centres run by SGFI have been adopted by Lions Club. Under the aegis of Lions Club, 152 eye surgeries have been performed during the 2008-09 period.

Future Outlook

5.31 In December 2009, SGFI had 170 employees in its roster among whom 95 (one project director, two education coordinators, nine from the monitoring team, 30 from the tuition centre team, 5 doctors and 48 from NCLP schools) were paid. The rest of the work was done by volunteers.



3.32 SGFI caters only to its registered members. The number of registered members remained stagnant in the past; in a decade SGFI's membership increased only by a meagre one. To become a member of SGFI, organizations have to pay Rs. 35,000 as a one-time registration fee. They also have to pay Rs. 5,000 as annual membership fee. Besides this, they have to contribute every year based on their export turnover for the year. Over the years, the contributions by SGFI members varied depending on the amount of external funding support available and also the value of exports. Currently the contribution by members is Rs. 0.15 per Rs.100 of exports.

3.33 Over the years the SGFI's vision had evolved in order to align with its expanded scope of activities in the areas of community development, education, and health among the growing community of inflatable ball stitchers. Currently the vision is to foster and energize social responsibility initiatives of the Indian Sporting Goods Industry. The original mandate and main business driver of SGFI was prevention of child labour. Today, it had expanded in to areas that are far beyond the immediate business needs of its members.

3.34 To what extent are the members committed to SGFI's expanded social agenda? There are sports goods manufacturers in Jalandhar catering to the domestic

market who are not members of SGFI and who might be using child labour, thus leading to bad publicity through ill-informed media reports which, often, do not distinguish between the end use of the output, i. e., between domestic market and exports. Besides some of the sports goods manufacturers who are not the members SGFI also export because not all countries are socially conscious enough to ensure that goods are made by child labour-free manufacturers. The main limitation is that the scope of SGFI's operations is confined to its registered members only. It monitors only the production of inflatable balls that are hand-stitched and exported. It does not monitor machine-stitched balls since these are primarily made in factories. Currently excepting through the contractors most of the football manufacturers do not have any direct access to the home-based stitchers. They have no effective control over the work places other than their own factories and hence they cannot regulate deployment of child labour or any other illegal practices. The benefits from many socially beneficial initiatives do not seem to reach the targeted beneficiaries because of the limited direct access of the manufactures to the stitchers. There were complaints that many stitchers were not informed of the medical camps organized by the SGFI with the result the benefits were, by and large, cornered by the contractors, for instance.

3.35 Since 2004, SGFI has been ISO 9000 certified. SGS is the certifying body for ISO 9001:2000 for SGFI and they audit the SGFI monitoring process once in every four months. SGFI members face multiple audits from various parties. Any customer who wants to do business with them does an audit. This is a very expensive process for the members. SGFI is trying to get the members to register for SA 8000, a social standard established by Social Accountability International (SAI) for improving working conditions based on the principles of thirteen international human rights conventions. Once they are certified for this, the nature of SGFI activities will change. SGFI will then be the auditors of the processes to ensure that they are compliant with the SA 8000 standards.

3.36 Will SA 8000 certification make the core activity of SGFI redundant? The manufacturers will then only need to ensure that they are compliant with the standards and get audited at regular intervals of time. Mr. Ravi Purewal, the current Project Director, does not think so. “Let us see what happens. I don’t think SGFI will become redundant. The daily work of SGFI is motivated on humanitarian grounds”. He sounded confident and optimistic when he quoted the founder secretary and the current chairman (4year running) Mr. Satish Wasan as having said to fellow exporters who are funding this

project: “The philosophy is: *if you cannot hold all the children in your arms, hold them in your heart.*”

Appendix 1a : FIFA Match Balls used in Football World Cup



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MATCH BALL HISTORY				
YEAR	COUNTRY	NAME	MATERIAL	DESIGN
1970	Mexico	Telstar	Leather	1st white ball with black pentagons
1974	Germany	Telstar/Chile	Leather	Chile - all white ball
1978	Argentina	Tango	Leather	1st Tango design
1982	Spain	Tango España	Leather with waterproof, sealed seams	same as 1978
1986	Mexico	Azteca	1st fully synthetic	Aztec mural within Tango triads
1990	Italy	Etrusco	Fully synthetic ball	Etruscan lion head within Tango
1994	USA	Q'westra	1st ball with hi-tech PU foam	Stars within Tango triad
1998	France	Tricolore	1st ball with synthetic foam	1st coloured World Cup ball
2002	Korea/Japan	Fevernova	The most accurate football ever produced by adidas	Gold (energy) with red flames

OFFICIAL FIFA WORLD CUP MATCH BALLS

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(Source: <http://www.imacpak.org/atlanta.htm> -accessed on 23 December, 2009)