



# Fact sheet

## Fairtrade Sports Balls

*A win-win situation for both producers and consumers*

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## Fairtrade in Sialkot...

Soccer, or "football" as it is known in most countries, is the world's most popular sport. The Sialkot district in Pakistan is the principal global source of hand stitched sports balls, supplying over 70% of the world's global demand.

Legend has it that the sporting goods industry in Sialkot began in the late 19<sup>th</sup> century, when a British man broke his tennis racquet and asked a local craftsman to repair it. The man did a perfect job and the sporting goods manufacturing industry took root in Sialkot. Over the years the industry grew to include a variety of wood and leather-based items and later diversified into related industries, such as sports balls and sportswear.

Poverty is widespread in Pakistan with over 30% of the population estimated to live under the national poverty line. Sialkot is densely populated with around 40,000 people involved in the sports ball industry. Sport ball manufactures has been criticised for low pay, poor working conditions and illegal employment of children who are forced into work because adult wages are often too low to support a family.

The Atlanta Agreement, signed in 1997, was a culmination of pressure from western consumers to stop child labour in the sports ball industry. The agreement which was formed between the International Labour



Organization, the Sialkot Chamber of Commerce and Industry and UNICEF strives to combat high rates of child labour in the Pakistani football industry through banning stitching in the home and supporting education in the region.

After researching the potential impact of Fairtrade in Sialkot, Fairtrade Labelling Organizations International (FLO) and national Labelling Initiatives launched Fairtrade Standards for Sports Balls in 2002. Fairtrade has an important role in combating child labour by tackling the root of its cause; poverty and lack of income due to adults not receiving a fair wage. In March of 2002 four sports ball producers in Sialkot (Tramondi, Talon, AKI, and Vision) received Fairtrade certification. Twelve years on, there are now six Fairtrade certified sport ball producers, including Silver Star Enterprises and Ali Trading Company. Currently there is one new applicant for certification.

## Making a Difference...

The Fairtrade Sports Ball Standards include criteria that companies must meet concerning working conditions, wages and non-discrimination. The Fairtrade Standards can be found at [www.fairtrade.net](http://www.fairtrade.net).

On top of stable prices, Fairtrade certified organizations are paid a Fairtrade Premium – additional funds to invest in social or economic development projects. This premium money brings change to the whole community. The use of this Fairtrade Premium money is decided upon democratically by the workers and stitchers themselves according to their needs. Below are examples of projects carried out in Sialkot with Fairtrade Premium money.

**Water Purification (Vision)** – Workers, stitchers, their families and the entire community have access to clean, filtered drinking water through a Fairtrade premium project. A water treatment plant has been installed that is the sole source of clean drinking water within a 20 kilometer radius.

**Basic Health Insurance (Talon)** – Basic health insurance is a new concept for workers in Sialkot. Through Fairtrade premium money the joint body has hired doctors and acquired medical supplies for regular check-ups, as well as emergency medical treatment for workers.

**Micro credit fund (Talon)** – The joint body of workers, stitchers and management has established a micro credit fund with Fairtrade premium money. Workers and their families can take out loans to set up small businesses to increase their incomes and reduce their financial dependency on stitching.

***“I feel at home in the stitching-centre.***

***It is convenient to access for all women from the village. No one has to be afraid that something might happen. The conditions for women are still very hard in Pakistan, but we feel we have a strong company around here. The stitching-centre gives us confidence that we as women can also achieve something.”***

**– Kubra, worker at AKI.**

**Clean Drinking Water (AKI)** – The leather manufacturing industry produces waste water which often makes its way into rivers and canals without being filtered. However, thanks to the Fairtrade premium, stitching centres are now equipped with water coolers and filter systems which provide workers with clean and safe drinking water.

**Daycare Facilities (AKI)** – With Fairtrade premium money, a playground was built, for the in-house stitching centre daycare. This facility enables parents to work and improve their family's living conditions, safe in the knowledge that their children are being taken care of at the same centre.

**Free Pick & Drop (Vision)** – Workers and stitchers are provided free pick up and drop off services to and from work, giving them safe transportation and saving them time and money.

**Purchase of bicycles for workers (AKI)** – Stitching at home has been banned (part of Atlanta Agreement), in order to discourage child labour. That means that workers sometimes have a long distance to travel to their local stitching centres. With a lack of public transport adding to the problem, sewers came up with an innovative solution by using Fairtrade premium money to purchase bicycles for the centre stitchers.

## Market Challenges...

Fairtrade is making a difference to many workers and stitchers in Sialkot. However, in order to continue improving their living and working conditions, Fairtrade sales need to increase. In 2008 141,000 balls were sold under Fairtrade terms. For Fairtrade certified sport ball producers the average percent of sales on Fairtrade terms is less than eight percent. In order for producers to receive increased premium, security and other benefits from Fairtrade increased sales are key.

At the same time, there are constant challenges to even keep the market share of sports balls on the conventional market for the region. Sialkot remains the soccer ball capital of the world, with exports of almost \$200 million a year, and in 2008, three out of every four match-grade soccer balls sold throughout the world were meticulously hand-stitched in the city. But mounting pressure to compete with machine-stitching companies in other countries, who can produce balls for a fraction of the price of a hand-stitched ball, is starting to have a negative impact on the hand-stitched market.

In order to continue improving the lives of workers, stitchers and their families in Sialkot there must be consumer recognition and demand for the higher quality hand-stitched balls that are sold under Fairtrade terms. It's a win win situation; but the ball is in consumers' hands.