Corporate Social Responsibilities and The Sialkot Chamber of Commerce & Industry

Elimination of Child Labour in Soccer Ball Industry

Universal Primary Education

Sialkot City Development Package

Sialkot Dry Port Trust

Sialkot International Airport

Sialkot Export Processing Zone

Sialkot Public School

SOS Village

Social Welfare Services Complex

Sialkot Medical Complex

District Chest Clinic

Environmental Sanitation Project
(Center for Mentality Handicapped Children)

The Light

SIALKOT CHAMBER OF COMMERCE & INDUSTRY
SCCI
ایوان صنعت و تجارت سیالکوٹ

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Sialkot Industry is attaining prominent position in complying with Corporate Social Responsibility issues among industrial clusters even in the developed countries. Being CSR a business led approach, we hope that other sectors of Pakistan's industry can meet the challenges by following the Sialkot's Initiatives CSR is an integral part of WTO agreements and I am proud to announce that at Sialkot we have done the major portion of its compliance.....

Qaisar Iqbal Baryar
Chairman Departmental Committee
on WTO, SCCI
Member Executive Committee

Corporate Social Responsibilities
&
The Sialkot Chamber of Commerce & Industry (SCCI)

The World Business Council for Sustainable Development (WBCSD) defines C*orporate Social Responsibilities* (CSR) as continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

It has identified the following *"core values"* as integral to corporate social responsibility:

- **Human Rights**
- **Employee Rights**
- **Environmental Protection**
- **Community Development**
- **Supplier Relations**
- **Monitoring**
- **Stakeholders Rights**

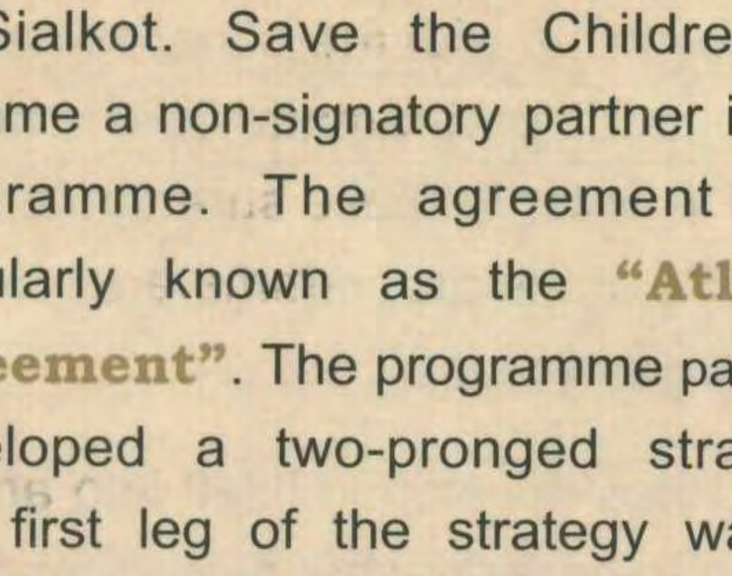
In Pakistan

The Sialkot Chamber of Commerce & Industry (SCCI) has pioneered in committing itself to the CSR. Founded in 1982, the SCCI, in view of its dynamic character, enjoys a distinct position among the similar trade bodies in Pakistan. Keeping the economic development of Pakistan as its prime objectives, it endeavours pro-actively to find avenues that would help boost the economic activities, on the one hand, and on the other hand, it is engaged in ventures that would develop the industries in Sialkot, as socially and environmentally benign, based on the fundamental principles of CSR.

The town of **Sialkot** has long been known as a center of trade, commerce and culture. It developed as one of the leading export cities in Pakistan where development of local cottage industries has assumed a model status for the developing world.

The **Sialkot** city is dotted with thousands of small and medium enterprises engaged in production and export of value added quality products including surgical instruments, sports goods, leather products, textiles, martial arts uniforms and accessories, musical instruments, knives and cutlery items and badges etc., amounting to around US$ 700 million per annum.

The Story of going towards CSR begins with the initiation of Child Labour Elimination Programme in the Soccer Ball Industry. In February 1997, the SCCI signed an agreement with the International Labour Organization (ILO) and the UNICEF to launch a comprehensive programme to combat child labour in the soccer ball industry in Sialkot. Save the Children-UK became a non-signatory partner in the programme. The agreement was popularly known as the **"Atlanta Agreement"**. The programme partners developed a two-pronged strategy. The first leg of the strategy was to design and implement a work place monitoring system to identify and gradually remove children involved in any stage of soccer ball production.



This was known as Prevention & Monitoring Programme. In parallel on this a Social Protection & Rehabilitation Programme was designed to minimize the anticipated negative impacts of children removed from work and their families. The main objective of the social protection programme was to put the children back onto education track and, through micro-credit and skill training, help their families to enhance their income levels. The SCCI, through the contribution of the soccer ball manufacturers and some financial support of other stakeholders, undertook to fund the *Prevention & Monitoring Programme*. For the *Social Protection & Rehabilitation Programme*, the US Departmental of Labour provided generous funds through ILO.

The other partners like UNICEF and Save the Children also made their contributions. The programme met with un-precedented success and was able to benefit around 11,000 children and their families. The programme became a trendsetter whereby, following the footsteps of soccer industry, other industries such as Carpet and Surgical started similar programmes in the country.

Sustainability

The SCCI, in order to **sustain the achievements** of combating child labour in the soccer industry, helped the programme partners to establish two institutions namely IMAC and CSDO. The IMAC (Independent Monitoring Association for Child Labour) has been established to carry forward the work place monitring system and use it as a tool to combat child labour. The CSDO (Child & Social Development Organization) has been set up to tackle pro-actively the issues of child labour, child rights and other social developments.

Independent Monitoring Association for Child Labour
IMAC

IMAC, registered as a not-for-profit Organization, currently provides the work place monitoring services to the soccer ball industry. It helps the industry to ensure social compliances, in particular child labour free soccer ball production and improving working conditions at work places

IMAC has an independent Board of Governors having representation of the Government of Pakistan, Trade Unions, NGOs, District Government, Soccer Industry, Sialkot Chamber and the World Federation for Sporting Goods Industry.

ILO handed over the workplace monit - oring system to IMAC in March 2003.

IMAC Board of Governors in Session

Since then, the IMAC is carrying out the workplace monitoring for child labour as well as the social monitoring with the same vigil, transparency and credibility as done under the auspices of ILO. The social monitoring includes monitoring of working conditions at stitching centers, monitoring the non-formal education centers (NFEs) set up for children removed from work, and follow up with the beneficiaries of micro-credit programme. This is being done in order to make sure that the benefits of the programme are reaching the target group.

IMAC has developed itself into an institution to provide work place monitoring services to any industry or trade in the country in order to ensure/authenticate social compliances. It has enhanced its technical capabilities to undertake social audits like SA 8000. Moreover, it can help any industry/trade in the country to develop a work place monitoring system and provide training to relevant professionals for instituting a monitoring system.

CSDO

Child & Social
Development Organization

CSDO is registered with Department of Social Welfare under the Voluntary Social Welfare Agencies (Registration & Control) Ordinance, 1961 (XLVI of 1961) of Pakistan. The mission of CSDO is the achievement of child labour free Sialkot, enhanced implementation of Child Rights Convention (CRC) and socially responsible Entrepreneurship in Sialkot.

The CSDO has formulated the following objectives to reach its mission:

a. To develop and implement a pro-active advocacy and communication strategy;
b. To act as a resource center on child labour issues and socially responsible enterpr-eneurship in Sialkot;
c. To develop programme and plans for social development.

Since its inception, the CSDO has under-taken programmes in collaboration with UNICEF and ILO-IPEC. In association with UNICEF, the CSDO has completed a project, on the Elimination of Child Labour from Hazardous Occupations. This programme has benefitted around 3000 children.

The ILO-IPEC has helped CSDO to develop its capacities through:

a) Training on Maximum Performance.
b) Documentation of the child labour elimination process in soccer ball industry.
c) Development of a common database and resource center.

The CSDO has also acted as a secretariat to review the progress of implementation of the Child Labour Elimination Programme (CLEP) and liaisoning between the SCCI and the soccer ball manufacturers participating in CLEP programe.

UPE by UNICEF

The Punjab Govt. In collaboration with the Sialkot Chamber of Commerce & Industry and UNICEF launched "Universal Primary Education Programme" in Sialkot District with the objectives to enroll 100% children between the ages of 5-7 years into Primary schools. This programme spread over a period of five years be complete by the year 2003. The business community of Sialkot is also actively participating in this programme by adopting 22 Union Councils in the District for the success and sustainability of the programme. The initial cost of sponsoring one Union Council was Rs. Two hundred thousands for the first year

Other Initiatives of SCCI

Among the chamber of commerce and other trade bodies of the country the SCCI has also been unique in taking initiatives for developing communication infrastructure in Sialkot district, developing a school for affordable quality education, and undertaking other philanthropic works. The endeavors of SCCI, enabling it to fulfill its social responsibilities, include the following projects:

- Sialkot City Development Package
- Sialkot Dry Port Trust
- Sialkot International Airport
- Sialkot Export Processing Zone
- Sialkot Public School
- SOS Village
- Social Welfare Services Complex
- Sialkot Medical Complex and District Chest Clinic
- Environmental Sanitation Project
- The Light

Sialkot City Development Package

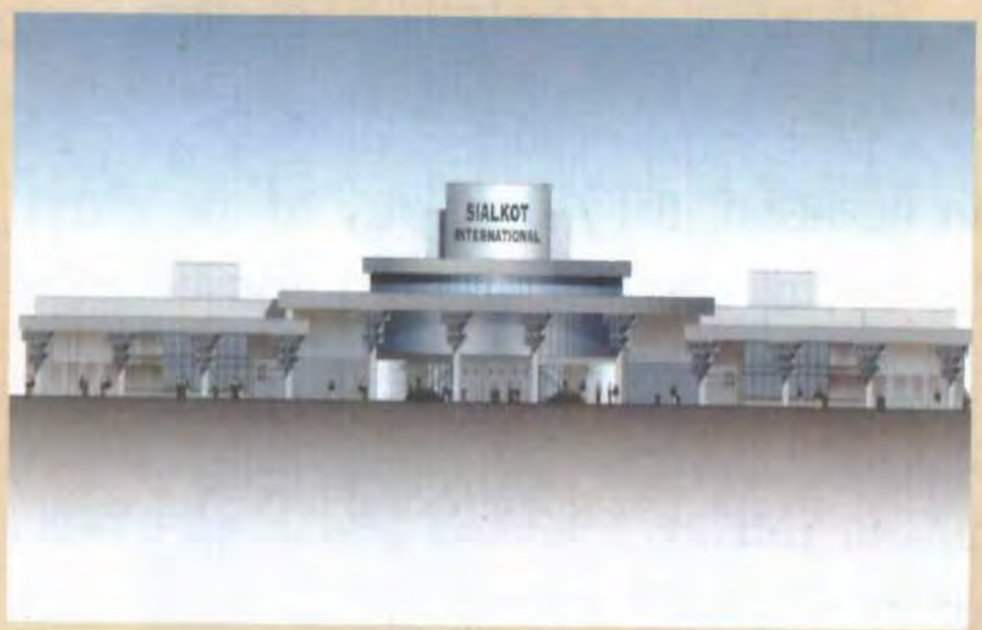
The SCCI, in collaboration with other trade bodies of Sialkot, embarked upon constructing the roads and drains in the entire city. Under the Programme, the exporters of Sialkot are voluntarily contributing 0.25% against their export invoices and so far Rs. 180 million have been collected from the exporters for improvement of road infrastructure in the City. The Punjab Provincial Government has committed to provide matching grant in the ratio of 1:3 for Sialkot City Development Package. Similarly, the Federal Government's share in the project is equivalent to the amount contributed by the exporters. The construction work, under the Sialkot City Package is in full swing and all the main roads in the city would be relaid in due course of time. Major portion of the work has already been completed.

Sialkot Dry Port Trust

The business community of Sialkot got together to provide the first dry port in the private sector in Pakistan. They formed a trust having a membership of 52 businessmen. In order to facilitate the transportation of cargo; they also formed a company called PSL (Port Services Ltd.). The PSL has engaged a fleet of cargo vehicles. The trust is being run on non-profit basis very successfully, providing facilities to all the Exporters of the area.

Sialkot International Airport

The construction of an **International Airport, at Sialkot,** by the private sector is the only example in the history of sub-continent rather whole of Asia. The Sialkot International Airport is being constructed at an estimated cost of Rs.1570 million. Government of Pakistan has provided an amount of Rs.230 million as a soft loan for the purchase of land whereas the business community is raising all the funds for construction of the airports. The Airport which is likely to be



operational in April 2005, shall not only serve the business community of Sialkot but will become a hub of industrial and commercial activities catering to the needs of the business communities of Sialkot, Gujrat and Gujranwala Districts. Being built on the basis of BOO (Build, Own, Operate), the international airport shall provide employment opportunities to thousands of workers of Sialkot and its neighboring districts.

Sialkot Export Processing Zone

Another laudable initiative of the SCCI has been the establishment of an Export Processing Zone in Pakistan, with complete infrastructure. Availability of special incentives, expert & cheap labour and complete infrastructure facilities are most attractive features of the EPZ for local and foreign investors.

Sialkot Public School

In order to provide quality education at affordable levels, the business community of Sialkot formed a trust. At present , there are 24 trustees with the District Nazim as Chairman of the Trust. The Government of punjab donated 49 acres of land for the school whereas all the construction as well as running cost of the school is being born by the Sialkot business community .Deserving students are provided scholarships to pursue their education at the school.

SOS Village

As a part of the international movement of SOS Villages, the business community of Sialkot is putting in their share by developing an SOS village in Sialkot. 33 kanals of Land for the SOS Village has been donated by the Government of Punjab whereupon a set of 15 homes is being constructed at a cost of around Rs. 35 million. 50% of the work is already completed. The SOS village will have facilities of a primary school and a mosque.

Social Welfare Services Complex

The Sialkot Business Community has set up a Social Welfare Service Complex for providing services to special children. The complex includes a school to accommodate around 300 children and a boarding house for special children having a capacity for 80 children. The school is well equipped will all kinds of facilities to make the special children productive organs of the society.

Sialkot Medical Complex And District Chest Clinic

The Sialkot business community is investing a lot in three major areas namely education, health and social welfare. In individual capacities, almost all the businessmen provide these facilities to their workers and other needy people in one way or the other.

In addition, they also pay to the Govt. for social security and old age benefits schemes of the government for the worker. These contributions are made at the rate of 7% and 5% respectively of the gross salary of a worker. A number of trusts providing education and health services to the poor people are operating in the town. However, in addition to this, two organised collective efforts of the business community namely the Sialkot Medical Complex and the District Chest Clinic are worth mentioning. These facilities are operative with funding of the business community and provide comprehensive medical care facilities to all needy without any discrimination of cast creed, religion, gender etc.

Environmental Sanitation Project

Industrialists in Sialkot are very sensitive about their environmental responsibilities. In this regard two programmes have been launched. One is about the cleaner production in leather tanning and the other one is the proper disposal of industrial sewage. The latter is the joint initiative of Industrial Community Board (ICB) and Sialkot District Government focussing on advocacy and implementation of National Environmental Quality Standards with an aim to prevent the environment from future hazards of industrialisation.

The Light (Center for Mentally Handicapped Children)

As a pent of their commitment to Social Development, the industrialists of Sialkot with Mr. Tahir Majid Kapur as its patron are also running a school named " The Light" for special children. This is a center for mentally handicapped children with a capacity to accommodate around 100 children. There are plans to expand the capacity of " The Light" by opening its second branch in Sialkot.

CHILD AND SOCIAL DEVELOPMENT ORGANIZATION

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