

# Sweet FA?

Football Associations, workers' rights, and the World Cup







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**38 Exchange Street, Norwich, NR2 1AX**

**[www.labourbehindthelabel.org](http://www.labourbehindthelabel.org) // 01603 666160**

## **Play Fair Alliance**

The Play Fair Alliance is one of the biggest ever mobilisations against abusive labour conditions. Hundreds of organisations and many top athletes have participated in over 35 countries and more than half a million signatures were collected in support of the campaign before the Olympic Games in Athens. Over 500 local campaign events have been organised and this has helped contribute to extensive coverage on television, radio and in the press all over the world.

**[www.fairolympics.org](http://www.fairolympics.org)**

# Acknowledgements

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**"FIFA...acknowledges the prominent role of sport, and especially football, as a vehicle for delivering clear and firm messages to eradicate the huge blights undermining society around the world."**

**- Joseph S Blatter, FIFA President<sup>1</sup>**

**"We're more than satisfied with the sales of World Cup products. We'll meet all the goals we have set ourselves for the World Cup. We're going to sell more than 10 million footballs, 500 000 football shirts of the German national team and more than 1.5 million Adidas football shirts."**

**- Herbert Hainer, Chairman of Adidas,  
which recently secured a £190 million extension  
of its sponsorship deal with FIFA.<sup>2</sup>**

**"We have overtime work until 11pm or midnight every day. The price they pay us per piece is so low, so there is no point to us working such long hours. If our income was higher, I would have no complaints. But all we have now is exhaustion and a low income. Some of us do not even have enough money to spend on food. It is more than we can bear."**

**- Woman producing sportswear for Adidas.<sup>3</sup>**



# 0 // Executive Summary

The world's Football Associations will make over £200m from sponsorship and licensing arrangements this year, while their sponsors are expecting hundreds of millions of pounds in additional revenue from World Cup goods.

Meanwhile, the people stitching the footballs, sewing the shirts and glueing the boots that will earn this money are working late into the night, six or seven days a week, for poverty wages. Those that attempt to form trade unions to try to improve their working conditions are persecuted and often lose their jobs. This report gives new, up-to-date examples of,

- Honduran workers producing for Adidas and Nike earning just £85 per month, a quarter of what they need to meet their basic needs.
- Indonesian sportswear workers earning £51 per month, less than half what they need to live decently.
- Workers in El Salvador producing for Adidas and Nike who lost their jobs when they tried to form a union.

All this while the sportswear brands trumpet their codes of conduct and their commitment to improving labour standards. Up to one half of Nike's factories currently pay wages below the legal minimum and most have been found to expect a working week in excess of 60 hours. Adidas claims it is "challenging" to ensure workers can earn a living wage without working excessive overtime. Yet with the money it paid to sponsor David Beckham alone, Adidas could ensure that 100,000 of its workers in Indonesia earned a living wage.

Nike and Adidas have at least taken some concrete action, in contrast to companies such as Lotto and Kappa, the Welsh national team sponsors. Others, including Umbro and Puma, have recently taken some promising steps. In all cases, however, sportswear brands have a long way to go to satisfy us that their merchandise is produced without exploitation.





‘Sweatshop’ conditions are endemic throughout the sportswear industry, meaning that – unless individual FAs take steps to ensure otherwise – it is almost certain that their teams will step onto the pitch in Germany wearing kit made in exploitative conditions.

Football Associations, like other sporting bodies, can play an important role by ensuring that the principles of Fair Play are implemented in the factories, workshops and homes of those producing their national kit. This is not a new idea, and organisations including Fifa and the Sydney Olympic Games have demonstrated what is possible.

Football Associations can, and should, take three clear steps to use their influence over licensees effectively:

1. Include a binding clause, with sanctions, in their contracts with sportswear licensees that obliges them to ensure that national kits and replica kits are made in decent working conditions.
2. Put in place measures to ensure the implementation and independent verification of these standards, so the clause is more than just words.
3. Encourage their licensees to take steps to implement the Programme of Work across their entire supplier base

# 1 // Introduction

Football is a big money game. Its global governing body, Fifa, pocketed £635m from the 2002 World Cup, and is set to earn considerably more this time around.<sup>4</sup> In many of the competing countries, half of all print and TV advertising during the championship will be tied to the World Cup

England's national team may not be the favourite to walk away with the cup, but it has already topped the sponsorship league, earning the English Football Association some £49.1m this year. Its nearest competitors are Italy and France, with £27.6m and £25.5m respectively.<sup>5</sup>

That these sums of money are involved is not grounds in itself for criticism. The World Cup is an extraordinary and costly spectacle that unites the world, bringing together a diverse array of teams from the football superpowers of Brazil and Germany to newly emerging teams like Angola and Ivory Coast. Where else would Iran have a chance of beating the US? The global sportswear industry, too, creates tens of thousands of jobs for sportswear workers, primarily in Asia. Yet the Fair Play ideals espoused by Fifa are rarely extended to the people working in factories, workshops or homes producing the merchandise that underpins this huge jamboree.

**£49m**

The English FA's total sponsorship income for this World Cup

**£15m** Umbro's eight-year sponsorship deal with England

What Diadora paid the Scottish FA for a three-year deal **£3m**

**£820m**

Adidas' projected football-related revenues this year

**£635m**

FIFA's profit from the last World Cup

**£190m**

The value of Adidas' contract to sponsor the next two World Cups



The sponsorship battle at this year's world cup will be played out between three companies who between them control 80% of the global market in football-related sportswear. German Adi Dassler's Adidas is the king of football sponsorship, the Fifa official sponsor and sponsor of every world cup since 1970. Adidas has revised up its expected sales to 15m World Cup balls and 1.5m shirts, and is predicting £820m of income from football this year.<sup>6,7</sup>

Meanwhile Puma, founded by Dassler's brother Rudolf, will this year sponsor one-third of the 36 teams at the Cup, twice as many as Adidas. Nike, the sportswear market leader, sponsors eight teams and has used 'ambush' marketing to establish itself as a football brand. Nike and Adidas each control around one third of the football merchandise market.

It is a decade since Fifa established a code of practice for the production of footballs, in collaboration with labour rights campaigners and trade unions. Since that date and earlier, campaigners have pushed for this code to be implemented, and for sportswear companies and sporting bodies alike to take responsibility for working conditions in the supply chains of products bearing their logo. Responses have been mixed.

The UK platform of the Play Fair Alliance of labour rights groups and trades unions wrote to all 28 football associations in the European Union this spring, asking them whether they had stipulated any conditions concerning working conditions in the lucrative sponsorship and licensing deals for their national teams. As expected with such an exercise, the response was limited. At the same time, we conducted our own investigation into who sponsors whom and what steps they have taken on working conditions. We have focused on the European Union, although all teams competing in the World Cup will be mentioned in this report.

Chapter two describes the problems associated with working conditions in the sportswear industry. Chapter three discusses the response of the sportswear companies supplying kit and sponsoring European football teams to this problem, and shows that all of them need to make progress, though some more than others. Finally, chapter four sets out the case that Football Associations have the power to change things for the better.

## 2 // The state of play for sportswear workers

Like the rest of the clothing sector, the sportswear industry is built on the exploitation of a cheap, compliant workforce. Poor working conditions are the rule, not the exception. Box 2A gives a summary of the basic rights that workers should be able to expect, and the corresponding reality. These rights are drawn from internationally recognised conventions, in particular the International Labour Organisation’s Declaration on Fundamental Rights at Work, and the United Nations Covenant on Economic, Social and Cultural Rights.

### 2.1 // Overworked and underpaid

Sportswear campaigners have persistently highlighted the fact that workers producing sporting goods are overworked and underpaid. Recent research shows how this is the case for people working in El Salvador and Honduras to produce sportswear supplied to Adidas, and Nike. Their gross salaries (that is, before deductions) barely reach the legal minimum wage, even if they work seven days a week, and even this legal minimum is not enough to enable workers and their families to make ends meet.<sup>9</sup>

Figure 2: Actual and living wages in the sportswear industry





Right	Reality
To earn a living wage, which covers the basic needs of workers and their dependants, leaving a small amount for discretionary income.	Even when wages meet legal requirements, they are typically well below a living wage. Money is often deducted for 'expenses' or disciplinary reasons, and many workers are not given understandable information about their wages.
Not to have to work excessive hours	Eighty-hour working weeks are not uncommon, with shifts at night and weekends especially in peak season. Because hourly or piece rates so low, workers are often obliged to do excessive overtime to make ends meet, even if they are not formally required to.
To work without discrimination	More than 80% of garment workers are women, and many face harassment and prejudice at work. Maternity pay is rarely granted, and in some places women workers face humiliation such as being forced to undergo pregnancy tests before they are taken on.
To work in decent conditions	Health and safety conditions are often well below acceptable standards. Many jobs in the garment industry involve dangerous machinery or toxic chemicals, which are not well regulated. Horrific stories of factory fires and collapses are all too frequent.
To enjoy an established relationship with their employer	Fewer than half the workers sewing clothes in places like Bangladesh and China's Guangdong province have a written employment contract. <sup>8</sup> Laws that stipulate the social obligations of employers are often avoided through the use of informal and contract/temporary labour.
To form and join trade unions and to bargain collectively	Only a small percentage of garment workers are unionised. The suppression of trade unions and persecution or dismissal of workers who try to organise is common. Production is increasingly taking place in countries where freedom of association is prohibited by law.



The minimum wage in Honduras is £85 per month, and in El Salvador £81.<sup>10</sup> For a family of four (the average) in El-Salvador, this is enough to almost cover their most basic food, but once other living expenses and a small amount of discretionary income are taken into account, four times this amount is needed to meet a living wage requirement: in other words, all four family members, children and adults, would need to work in the factory to live decently.

Oxfam Australia conducted similar research among Indonesian sportswear workers in Jakarta and Bandung earlier this year. Their basic wage was £51 per month, or 32 pence per hour, supplemented by overtime pay and small lunch and transport allowances.<sup>11</sup> The Workers' Rights Consortium estimates a living wage in Jakarta, for a worker with two dependants, to be £122 per month.<sup>12</sup>

Research for the Play Fair Alliance across six countries in 2004 found widespread abuses of fundamental workers rights in the sportswear industry. Phan, a woman working in factory supplying Puma, was one of them (see box 2B). These abuses included:<sup>13</sup>

- Indonesian workers harassed, humiliated and intimidated for participating in union activities.
- Bulgarian workers fined or fired for refusing to do overtime work.
- Workers in all six countries sewing sportswear for up to sixteen hours a day, six days a week especially during peak seasons.
- Chinese workers receiving wages as low as £7 a month during the low season.

Poverty wages and excessive hours are by no means the only problems faced by sportswear workers. The sheer physical strain of their jobs is another. The vast majority of sportswear workers are women; they cope with harassment and discrimination at work and then have another shift at home, cooking, cleaning, and caring for children. Maternity leave is rare, and for the many garment workers who are migrants to industrial areas from the country, getting time off to visit their families is difficult.

## Box 2B // The life of Phan, a woman working in a sportswear factory producing for Puma in Thailand.<sup>14</sup>

Every day we work from 8 am until noon, then break for lunch. After lunch we work again from 1 pm until 5 pm. We have to do overtime every day, starting from 5.30 pm.

We work until 2 am or 3 am during the peak season. We always have to work a double shift. Although we are very exhausted, we have no choice. We cannot refuse overtime work, because our standard wages are so low. Sometimes we want to rest, but our employer forces us to work.

I earn around £25 per month, but I pay £1 for electricity, water, and dormitory. I also pay £3 for rice. The employer also asks us to pay £4 per month for the workers' registration fee. So, I only have £17 left for all my other living expenses. In some months during the low season when I earn less, I only have 20 or 30 pence left that month.

I would like to demand the improvement of working conditions. However, we do not feel we can demand higher wages, welfare, and legal status.

## 2.2 // Divide and rule

With only a small percentage of workers unionised, the majority are unable to join together to defend themselves against these exploitative conditions. The rights to freedom of association and collective bargaining are not only fundamental and internationally-recognised human rights; they also present the best way to ensure that working conditions improve: action by workers to defend themselves is likely to be much more effective than the 'compliance' measures such as codes of conduct and factory audits imposed from above by sportswear brands.

It is probably because of the effectiveness of trade unions that, time and time again, workers trying to access this particular right find themselves harassed, persecuted and even sacked – often in legally dubious circumstances. Play Fair Alliance members are regularly contacted with stories of courageous workers facing such unfair practices as they



attempt to assert their right to organise. A recent Oxfam report documented nine such case studies in factories supplying all of the major sportswear brands.<sup>15</sup>

One example is the Hermosa factory in El Salvador, which supplies Nike and Adidas. Last year, following a history of irregularities and non-payment of wages, Hermosa workers attempted to form a union to demand better treatment. The factory was promptly closed down by its owner, who had started up a second, non-unionised factory nearby. The brands have refused to compensate workers for their lost pay or the severance compensation that they are owed, despite the fact that these are clear breaches of the standards they themselves have set in their codes of conduct.

Another is the PT Panarub factory in Indonesia, where David Beckham's Adidas Predator Pulse boots are made. A Workers' Rights Consortium investigation in 2004 found that employees in the hot press section were forced to inhale melting rubber fumes throughout their shift, and many workers operating the hot glue machines had burn scars or fresh burns on their hands. The WRC report also documented systematic discrimination by management against members of Perbupas, one of the unions at the factory, which came to a head last year when 30 union members were fired following a one-day strike for better pay and conditions. The National Human Rights Commission found that the factory's managers had failed to prove they had a legal basis for dismissing the workers, yet Adidas is yet to ensure that these workers are reinstated.

Nike's Vice-President for Compliance Dusty Kidd has admitted that freedom of association is "the biggest single issue in compliance globally."<sup>16</sup> Yet it is sportswear brands who, by hiving off the issue of workers' rights into a separate 'compliance' unit rather than considering the impact of their sourcing practices on workers, are creating the conditions that exacerbate trade union oppression.

On several occasions, Nike has worked with suppliers to persuade them to tolerate a new trade union, only to subsequently stop sourcing there,<sup>17</sup> and the proportion of Nike's products made in countries where freedom of association is not guaranteed by law is on the up.<sup>18</sup> The message from the top seems, at best, mixed.



## 2.3 // An industry built on exploitation

It would not be right to single Nike out, however; we only have this information because Nike is more transparent about its supply chains than most. These are structural problems that affect the entire industry.

Sportswear brands don't own and directly control their factories, choosing instead to subcontract from supplier companies. Often there are several tiers of subcontracting in the supply chain between the ultimate buyer and the workers in question. This makes the task of monitoring and controlling what goes on in factories more difficult – though far from impossible - for sports brands. Though this was used as an excuse by major sportswear companies in the 1990s, most have now acknowledged their responsibility and influence over the suppliers from whom they source.

What most have failed to consider is that the way in which they do business also exerts a downward pressure on working conditions. Placing smaller orders more frequently, pushing for shorter delivery lead-times, lowering unit prices paid for the goods, and threatening to relocate if these demands aren't met are all purchasing practices that lead to lower wages, increased overtime and other abuses of workers' rights. They threaten freedom of association by creating the need for a compliant, flexible, workforce, not an assertive one. This means that production is moving towards factories that are not unionised, and countries – especially China – where the right to freedom of association is not guaranteed by law.

All this has been exacerbated by the changes that are taking place in the clothing manufacturing industry following the end of the Multifibre Agreement, a global trade treaty that restricted the volume of clothing each country could export. Companies are now seeking to reduce their numbers of suppliers and focus production in a few countries, especially China and India, which are hoovering up clothing production. This has led to more cut-throat competition between suppliers, competition that is forcing down working conditions even further.

## 3 // Why the brands aren't doing enough

The Play Fair Alliance's landmark report on working conditions in the sportswear industry, launched in the run up to the Olympic Games in Athens two years ago, set out three steps that companies need to take to address these problems:

1. Publicly acknowledge the need to work together, to find a 'sector-wide approach'.
2. Join with trade unions and other concerned organisations to assess the impacts of their actions on working conditions and take action to address those that jeopardise workers' rights.
3. Join together with trade unions and other concerned organisations in the Programme of Work (Box 3). This is a roadmap towards better working conditions, with two components (see the box overleaf for more detail):
  - a) Steps to promote access for workers to their trade union rights, and collaboration with trade unions on a global level.
  - b) Major action to ensure that the public commitments made by companies in their codes of conduct actually translate into improved conditions on the ground.

Progress towards fulfilling these demands has been limited, but the companies can be roughly divided into three groups.

Some companies, especially Adidas, Reebok and Nike, were already some way along the roadmap. Others, for example Umbro and Puma, have recently taken significant steps forward to catch up with them. Some, especially the Italians Kappa and Lotto, have barely begun, and still demonstrate little interest. There remains a long way to go for all these companies. The will of 500,000 people who signed a global petition in 2004 does not seem to have been enough to convince them of the need to act now with significant commitments. They all need pushing more.

### 3.1 // At risk of relegation?

In this group are companies that had already progressed some way towards meeting the demands of the programme of work, but who face relegation if they become complacent.

**Adidas**, for example, seems to have made little attempt to use its lucrative monopoly over the sale of official World Cup merchandise to ensure workers are paid a living wage. In 2003, Adidas gave itself three years in which to ensure that “each of our strategic business partners [had] established a wage-setting mechanism” that was transparent, involved worker input, and took basic needs into account.<sup>19</sup> More recently, though, it seems to have tempered this commitment:

“The demands of our consumers for short lead times at competitive pricing have made it challenging to enforce the 60-hour work week [...] striking the balance between ensuring workers consistently earn a fair wage and that they avoid working excessive hours is particularly challenging.”<sup>20</sup>

This from the company whose slogan is “Impossible is Nothing”! With the £86 million it spent on a lifetime sponsorship deal with David Beckham, Adidas could have paid 100,000 workers in Indonesia a living wage.<sup>21</sup>

Meanwhile **Nike**, once the undisputed enemy of the labour rights movement, has also engaged with campaigners in recent years. The company was one of the first to make public the names and addresses of its major factories. It has also joined a variety of collaborative initiatives on workers’ rights, including the Fair Labor Association (FLA), a forum for companies and labour rights groups to work together, of which Adidas is also a member. These policy-level commitments are not always matched on the ground: by its own admission, up to one half of Nike’s factories currently pay wages below the legal minimum and most have been found to expect a working week in excess of 60 hours.<sup>22</sup>

Nike’s policy on living wages is concerning. Its most recent Corporate Social Responsibility report states that it “does not support” the living wage approach. Instead, it says,

## Box 3 // The programme of work

The programme of work sets out a series of steps to improve the workers' rights situation in the period between the 2004 Games in Athens and the 2008 Games in Beijing.<sup>1</sup> It promotes the right of workers to join and form trade unions, which overcomes the limits of the current compliance model, and ensures an ongoing dialogue between the main companies in the sector via a sectoral framework agreement with the International Textile, Garment and Leather Workers Federation (ITGLWF). Such an agreement would be aimed at ending the systematic exploitation of workers found within the sector and should be effective in rationalising the existing mechanisms for improving working conditions of sportswear workers.

It has two fundamental sector-wide aims:

1. To substantially increase activities which promote freedom of association and collective bargaining, as well as participate in international social dialogue.
2. To engage in company-based and industry-wide action and cooperation with relevant stakeholders to ensure large-scale, credible and effective code implementation

To achieve the first of these aims the industry was called upon to take positive measures to ensure that people performing work in this industry have the right to form and join trade unions of their own choosing and to bargain collectively with their employers. Such measures would include the provision of clear guidance on the elements of freedom of association and collective bargaining, support for training of management, workers and workers representatives, the provision of paid time-off for worker representatives to participate in exchanges with worker representatives from other suppliers providing the same brands. There should also be open communication of this policy to national governments

This process would be facilitated by the negotiation of a sectoral framework agreement between the ITGLWF and the sportswear industry and signed by the ITGLWF and sportswear companies. The sectoral framework agreement would contain a set of standards, which represents best practice from the industry and which makes direct reference to internationally recognized

labour standards (International Labour Organisation and UN Declaration of Human Rights).

A key provision in the sectoral framework agreement should be access for the ITGLWF to supplier locations for the purposes of facilitating recognition of trade unions of the workers choosing consistent with the principles of freedom of association

To achieve the second set of aims, member firms (notwithstanding the successful negotiation of a sectoral framework agreement) were called upon to align their codes and compliance programmes with best practice in the sector. This includes:

- The designation of appropriate managerial expertise to CSR.
- The creation of industrial relations procedures for handling grievances and disputes.
- The mapping of supply chains.
- The use of credible local organisations to assist in workplace investigations.
- The provision of training on worker rights.
- The development of greater transparency measures on code implementation.
- The development of standards on purchasing practices.
- The involvement of the ILO in an investigation of purchasing practices and in a more proactive role on code implementation and verification.



“Our view is linked to the understanding that wages are set, in most cases, by markets, and that markets tend to increase wages in those places where productivity is increasing. We look to ways of increasing productivity over the long term.”<sup>23</sup>

As the evidence above shows, wage-setting by the market leads to exploitation, since the power rests firmly further up the supply chain. Purchasing trends push wages down further, and in an industry where few workers enjoy membership of a union, there is no pressure to meet it in the opposite direction.

Both these companies have given lip-service to freedom of association, and have made some efforts to implement this commitment in practice, through pilot training projects with suppliers, and responding to urgent appeals from campaigners in specific instances. What neither has done, however, is to develop a sourcing policy consistent with this. Both are shifting production towards countries where freedom of association is not respected by law, and Nike especially has notably stopped placing orders with several factories in which trade unions had been established, or where factory management have been open to the possibility.

### 3.2 // Up for promotion?

Another group of companies has taken steps to respond to the programme of work since it was published in 2004. Like Adidas and Nike, these companies have taken some real steps to engage with workers' rights; like Adidas and Nike, there is much more we can expect of them.

**Puma**, also an FLA member, has published its factory list in full, making it a leader on transparency. Yet on wages, Puma's code of conduct commits rather tersely to, “compensation that is respectful of basic needs and all benefits mandated by law.” This does not meet our definition of a living wage, and indeed seems rather difficult to quantify and audit.

Meanwhile, despite some encouraging steps, Puma needs to do more to ensure that trade union rights are consistently respected by suppliers. To do this, it would need to make clear to suppliers that it expects them to negotiate with unions, improve its monitoring of trade union rights, work

more closely with trade unions and labour rights groups on the ground, and maintain production in unionised factories.

Since 2004, the signs from **Umbro** have been positive. It is in regular dialogue with the UK Play Fair Alliance, has applied to join the FLA, and expressed a willingness to keep going. We hope that Umbro doesn't run out of steam, as it still needs to make stronger commitments including to a living wage and to active promotion of freedom of association, to develop stronger relationships with trade unions and local labour rights groups at the point of production, and to publish its supplier list.

### 3.3 // Dragging their feet

These companies have failed to take responsibility in any meaningful way for the rights of workers that earn them hundreds of millions of pounds collectively.

Basicnet, owner of **Kappa**, only recently entered into discussions with Italian Trades Unions and the ITGLWF. At present, there is much we are still waiting for it to do just to demonstrate that it is serious, and to catch up with the rest of the sector.

**Lotto** is still in denial about its responsibility for workers' rights, telling Oxfam recently that small sports brand owners do not have any influence over their suppliers. This argument goes against the tide, when Umbro, for example – a company with a lower turnover than Lotto – has taken responsibility.

**Diadora** makes no information public on its policy towards labour rights, placing it bottom of the league.

## 4 // The opportunity

Football Associations will earn around £200m from sponsorship this year,<sup>24</sup> a significant chunk of that from sportswear licensing arrangements. Sportswear companies compete for access to these lucrative deals, and are prepared to pay through the nose because of the benefits they bring. Cup sponsor Adidas is now expected to sell 15 million World Cup footballs, and Umbro has predicted a 20% jump in sales during this World Cup year in which it sponsors six European teams.<sup>25</sup> For eight-year sponsorship deals, Adidas paid Fifa £190 million, while Umbro paid the English FA alone £15m.<sup>26</sup>

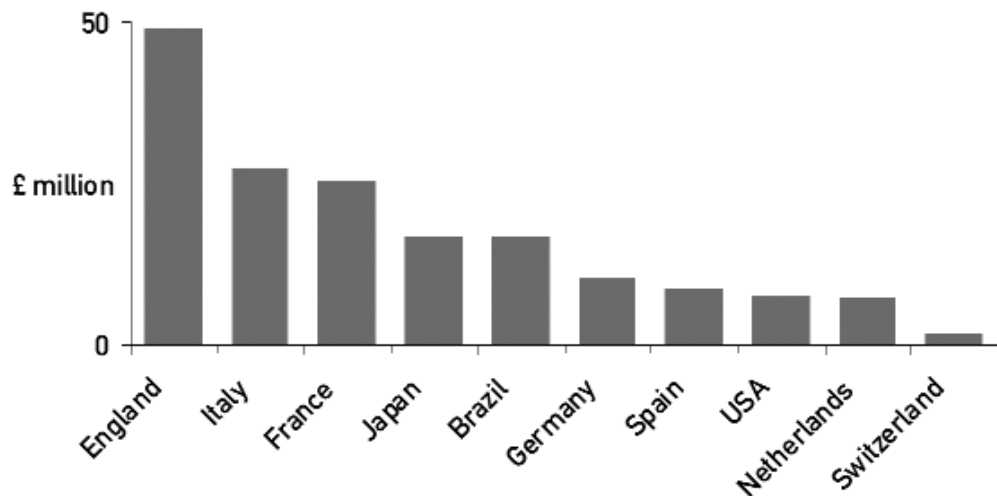
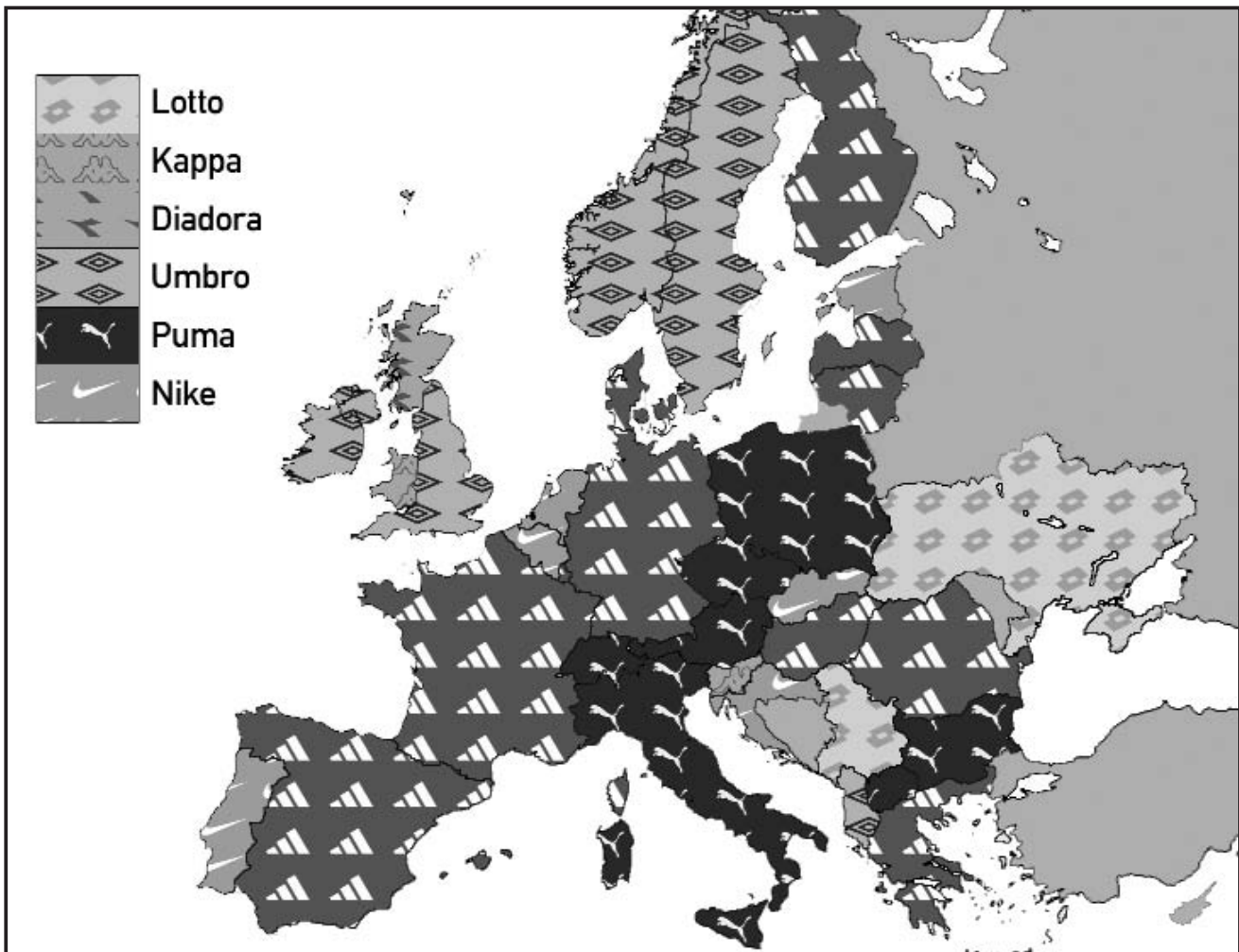


Figure 4A: Sponsorship income - the top ten World Cup teams<sup>27</sup>

This puts the Associations in a position of power when contracts are negotiated. And with power comes responsibility. As we have seen, ‘sweatshop’ conditions are endemic throughout the sportswear industry, meaning that – unless individual FAs take steps to ensure otherwise – it is almost certain that their teams will step onto the pitch in Germany wearing kit made in exploitative conditions.

Figure 4B shows exactly which teams in Europe play in what kit. While, as we saw in chapter three, some companies have made more progress on working conditions than others, the purpose of this report is not to criticise FAs for their choice of supplier. Since no company has done anything like enough to ensure decent working conditions, the purpose is to encourage Football Associations to use their leverage to improve things. FAs have the ability and the responsibility to ensure that the principles of Fair Play are implemented in the manufacturing of the kits their teams and supporters will be wearing.





**Figure 4B: Who sponsors which teams in Europe**

This means two things. First, it means safeguarding working conditions in the specific supply chains for their national kits, through clauses in their contracts with licencees, and, where necessary, by making decisions about who sponsors their team based on commitments to workers' rights. The kits worn by national teams and their supporters should embody the principles of Fair Play, which means that they should set the standard for fair working conditions. Second, it means using their leverage to push companies to progress further along the Programme of Work.

## 4.1 // The story so far

None of this is radically new. Some FAs have considered it, while other sporting bodies have gone further and included specific language in their contracts (see box 4). The Play Fair Alliance is aware of several countries where sporting bodies have taken such an initiative – not just Football Associations, but also Olympic bodies.



## **Box 4 // Some examples of conditions placed in contracts by several sporting organisations.**

**Draft clause considered by the Dutch FA (KNVB) for its contract with Nike:**  
As a societal organisation the KNVB values that all products and services of KNVB sponsors, as well as of licencees, are made under 'humane' conditions. The sponsors and licencees acknowledge this premise and act accordingly. This also accounts for possible contractors and subcontractors, suppliers and licencees who are involved in the production of products and services for the KNVB. The KNVB is subject to existing rules/regulations of the international football organisations UEFA and Fifa and other legal regulations. The model Code of Conduct of the WFSGI adopted by the Fifa is the basic norm.

### **Requirement in the call for expressions of interest for suppliers to the Vancouver Winter Olympic Games in 2010:**

A demonstrated ability to manufacture the licensed products according to a high ethical standard and social responsibility and sustainability and a willingness and commitment to fully participate in VANOC's sustainability program including evaluation and audit activities

### **Fifa code of labour practice for footballs, 1996:**

Each licensee participating in the Fifa Denominations Programme must agree, as a condition of the license agreement, to ensure that the workers producing these products are provided with fair wages and decent working conditions, and that the international labour standards established by Conventions 29, 87, 98, 100, 105, 111 and 138 of the International Labour Organisation are observed.

### **Code of Labour Practice of the Melbourne 2006 Commonwealth Games:**

[E]ach Melbourne contractor and licensee and their contractors and subcontractors will be required to agree to implement and respect the following principles in the production and/or distribution of products bearing the Melbourne 2006 brandmark and related authorised marks.



The British Olympic Association's most recent contract with Adidas contained a clause that there should be positive adherence to international labour standards in factories where the team GB kit is produced, though neither the content of this clause nor the steps taken to implement it have been made public. The Austrian Football Association uses a letter of intent to encourage its suppliers to stick to their codes of conduct, followed up by encouragement in regular meetings. It told the Play Fair Alliance that it does not consider a legally binding clause practicable in a market that is "dominated by global players which do not stick to these codes of conduct."

Fifa adopted a code of labour practice for the production of footballs in collaboration with members of what is now the Play Fair Alliance back in 1996. It also worked with industry bodies and the ILO to put in place a programme to eliminate child labour from the production of footballs in Sailkot, the area of Pakistan where three-quarter's of the worlds footballs were hand-stitched.

While the Sailkot programme achieved a measure of success, it should only be seen as a beginning. Its scope is limited, since it applies to only one Fifa-branded product of many, and because it stops short of the other issues for workers beyond child labour, such as pay, working conditions and union rights.

Fifa does not seem to have taken credible measures to implement its code of labour practice elsewhere, and this slightly schizophrenic approach culminated with a statement at the time of the 2002 World Cup that, "Fifa as a sports organisation has as its primary duty the organisation of world football and cannot be held responsible for the labour conditions in factories."

Two other examples of steps taken which went so far, but not far enough, are the Olympic Games in Sydney and the Commonwealth Games in Melbourne. In Sydney, the games organisers adopted a code of conduct and, under pressure from campaigners, eventually agreed to licensees providing the names and addresses of all contractors and known subcontractors, and to ensuring that nominated union officials were given access to workplaces to monitor compliance with this code.

Melbourne Games organisers included a clause that working conditions must meet the standards of the ILO's core conventions on labour rights, but didn't follow it up with implementation measures and independent

verification as Sydney had done. It soon became clear that the major apparel supplier to the games had made no effort to ensure these basic standards were respected for its Chinese workers.

## 4.2 // Missed opportunities

The Play Fair Alliance wrote to all 28 Football Associations in the European Union this spring, inviting them to let us know of any steps they were taking to ensure decent working conditions in the manufacturing of their national kits. We were disappointed, but not surprised, when most did not reply - a demonstration of their lack of commitment.

Close to home, it seems that progress is slow on a UK level. While the English FA has begun to consider its responsibilities as part of its Racial Equality programme, we have yet to see any concrete results. In the meantime, Umbro's contract to sponsor England runs until 2014. The FA's leverage is therefore limited, but luckily Umbro has shown itself willing to collaborate with the Play Fair Alliance.

There is reason to believe that Chinese workers sewing the kit that the England team (and the other teams sponsored by Umbro) is wearing this year have had access to more of their rights than most Chinese workers: they have been allowed to form an elected workers' committee - the next closest approximation to an independent trade union in China. As this report went to press, the Alliance was still waiting for independent verification that this committee is independent and has real bargaining power.

The Welsh FA admitted to the Play Fair Alliance that at present they have not taken any steps to ensure decent working conditions in the factories producing their kit for Kappa. We hope that their openness to admit this will translate into positive action in the future. The Scottish FA is yet to respond to our survey.

Looking to Europe as a whole, the combined strength of the national teams sponsored by Umbro, Adidas Nike and Puma is significant. If all of these FAs were to demand respect for workers' rights in their kits, the combined pressure would likely have a significant impact on these companies and on working conditions worldwide.

# 5 // Conclusion: Impossible is nothing?

There are few organisations able to exert an influence over the global brands that dominate the sportswear industry today. Yet exactly because they are brands, reliant on marketing to keep them cool, Football Associations have something that gives them power: they have the sponsorship of their national teams.

As this report has shown, there is nothing new in the idea that sporting bodies have a responsibility to the workers supplying the kits that bear their logos. Nor does the argument that sporting bodies or brands have no influence on working conditions hold sway, in a world where counter example after counter example tells us otherwise.

What it has shown is that Football Associations can, and should, take three clear steps to use their power effectively:

1. Include a binding clause, with sanctions, in their contracts with sportswear licensees that obliges them to ensure that national kits and replica kits are made in decent working conditions.
2. Put in place measures to ensure the implementation and independent verification of these standards, so the clause is more than just words.
3. Encourage their licensees to take steps to implement the Programme of Work across their entire supplier base.

The biggest team in football sponsorship tells us that Impossible is Nothing. That should be more than an abstract slogan. The time for excuses from Football Associations and the companies that supply them is over: now should be a time for action.



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