Sialkot Chamber of Commerce & Industries: a prestigious example of CSR

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Abstract
This paper makes contribution to the literature by examining the role of corporate social responsibility and chamber of commerce for the growth and development of industry and local community. It sketches an investigative structure that incorporate insight from the corporate social responsibility and chamber of commerce literature with the purpose to investigate- what are different social responsible activities undertaken by the Sialkot chamber of commerce to strengthen the industry and social sector. The research was carried out through secondary data, as well as, making some interviews with chambers members, businessmen and people belong to local community. This paper has found that SCCI has played phenomenal role in the local community, and initiated and supported various projects and plans, some of them are Sialkot international airport, dry port, city package for roads and infrastructure development in Sialkot, elimination of child program, Sialkot business and commerce center, Sialkot export processing zone, Sialkot public school, sports industries development center, Sialkot tanneries zone, and study seerat center. SCCI is the most effective and active chamber of Pakistan. Even all the world, there would be few examples that has so appreciably converted its locality of influence in terms of infrastructure and scope of societal wellbeing. This paper contributes by highlighting the importance of chamber by performing corporate social responsibility and its strong positive impact on industry and people of Sialkot. It is also prime example public-private relationship as well as for the other chambers and institution of Pakistan to take responsibility and make better and happy world. The limitations of this paper are a lot dependence on secondary data and its focus on only positive achievements of SCCI. The future research can look at this success by involving all the stakeholders who have been benefited or not, as well as, conducted and investigated empirical research to measure the impact of these projects on business and citizens of Sialkot.

Key Words: Corporate social responsibility, Sialkot Chamber of commerce, achievements and success, child labor, Pakistan.

Introduction
Corporate social responsibility (CSR) is a highly discussed topic from practitioners, researchers and academic. CSR has different prospective, it ensures good working condition, employees right, responsible products and services, training and learning, by following rules and regulations of government in fair way like paying taxes, and also working for society and environment where it makes its operations. Manufacturers of developing countries have witnessed ever since rising demands of CSR from developed countries. It is often known that by giving some charity and making investment in community projects is CSR, but it is well short from the contribution which organization has to fulfill. CSR standards are consistent and long-lasting obligations by business to act fairly and make some part in the economic development and raise standards of living of workforce and their families as well as of local community and society at the level of best (Margolis & Walsh, 2003).

Corporate social responsible issues have threat seriously export industry located in Sialkot. In November 2006, Nike, leading sports merchandiser and best sports goods manufacturer eliminated its sourcing from Pakistan. The use of child labor of its suppliers was the major reason of Nike exists. The Nike pull out also shows that the producers of developing countries face continuing challenges of compliance with global standards (Nadvi, 2008). Human resources issues, lack of marketing and management expertise, shortage of financial resources, technological and infrastructural issues are hurting the industry as well as to local community. Sialkot Chamber of Commerce and Industries is the institution which has taken some steps to address them and resolve for the bright future of region. More importantly, it has also proven to be a productive nursery for a lot of important schemes started jointly by the city business community as well as a constructive medium for their execution. More than, the core function of making ease for business and business growth, the chamber has taken the conception of cooperative plans to another level, developing productively desired infrastructure development projects like the Sialkot international airport and
Sialkot public school. City package, it is about construction of roads with the contribution of exporters. Sialkot Chamber of Commerce Industries (SCCI), incepted in 1982 by Mr. A.D Bhutta, today needs no introduction especially in the business and commerce sector. If we start reviewing its affectivity, there can be seen a journey of tireless and persistent efforts under which the Sialkot city has flourished by leaps and bounds. Apart from its core functionality in organizing, controlling and channeling the export and commerce activities, the chamber has no doubt worked efficiently and effectively in bringing infrastructural and trade reforms in the Sialkot city during 25 years of its excellence. It has performed effective part in articulating the problems and challenges faced by entrepreneurs of the area and facilitating their journey. The SCCI has constantly and effectively advocated the interest of its members and worked for the solution of problems in the growth and development of their businesses.

SCCI is at the front position of public welfare activities, even before the fame of CSR. Before the creation of chamber, Sialkot’s business community, the sense of social responsibility was largely translated into individual acts of donations. SCCI given the opportunity to its members to have a platform to make more efficient and systematize these informal deeds into well organize and structural program with much higher results. This thing has made possible to achieve higher standards of living for the population of local area. Through SCCI, businessmen have converted the spirit of proper venture into realism, bringing well being and development to their city and its people. Members of the chamber are well aware about the fact that venture becomes well-off only if it really impacts the lager public and, by working upon this sympathetic, they have articulated a model for others to imitate.

The structure of the paper is designed as follows: initially introduction and importance of corporate socially responsibility for the organization and society as well as various practices of CSR done by the organizations. Second section is about chamber history, its definition and role of it for the development of local community. Third section is on Sialkot and history Sialkot Chamber of Commerce, its objectives and different challenges which it is facing. Fourth is on the achievements and performance of SCCI for progress and expansion of industry and local community. Fifth and final section is about conclusion on the bases of above section and the knowledge and quarrel from this study.

Corporate Social Responsibility

There is no single definition of CSR which would be accepted worldwide. The International standard organization (ISO) defines the social responsibility as a poise move toward organization to address financial, societal and ecological challenges and issues in such way that aims to provide benefits to humanity, community, and society (International organization for standardization, 2012). According to Kotler and Lee (2005), CSR is a tool for organizations to carry our different activities to support and solve social issues and to fulfill commitment. Corporate social responsibility began to get immense important in the second half of last century. In 1953, Bowen (1953) wrote a seminal book “Social Responsibilities of the Businessmen”. But, after that there was a change from business social responsibility to CSR. Moreover, this field has got significant growth and today contains large number of theories, terminologies and approaches. Society and business, corporate citizenship, corporate sustainability, public plans, stakeholders management, public and social accountability are different notation of CSR (Garriga & Mele’, 2004). Instrumental theories use to achieve economic objectives of the company and wealth creation by following legal framework and ethical custom of existing environment. According to Windsor (2001) consistent wealth creation of company depend upon managerial conception of responsibility. Some investment and work for social activities and benefits contributes for more satisfaction and profits for shareholders (Odgen and Watson, 1999;McWilliams & Siegel, 2001). There are a lot of studies which have shown that there is a positive relationship between CSR and financial performance of an organization (Key & Pupkin, 1998; Roman et al, 1999). CSR is one of the best tools to get competitive advantage (Porter & Kramer, 2002). It also enables the organization to generate and allocate the resources in effective and efficient way (Petrick & Quinn, 2001). By focusing on bottom of pyramid, organizations can improve the standards of living as well as get more customers-more profit (Prahalad, 2002). Similarly, there are many organizations which are focusing cause-related marketing to create the reputation of organization as a reliable and honest (McWilliams & Siegel, 2001).

In recent past, like government-organizations also play an important role for the development of local communities. According to Davis (1960), organizations are social institutions and have the power to influence. The concern of local community is another phenomenon, the relationship between community and organization has developed the concept of corporate citizenship. Organizations are very keen to improve the standards of living of local community
(Matten et al, 2003). Existence, consistency and growth of the organization link with society response. Therefore, management should take account the consideration of social issues and challenges. Organization keeps on identifying, evaluating, and responding to social issues to grow further. Stakeholders of organization are becoming more demanding to work for the society. According to Blowfeld and Frynas (2005) CSR is set of actions that show three different apprehensions for organizations- first, they require being alert and taking responsibility for the impact of their actions on society; organization should also get some concerned regarding acts and practices from whom they source; finally, these organizations have to maintain their relationship with whole society.

**Chamber of Commerce**

According to Investopedia (2012) chamber of commerce is an alliance of local businesses and export agencies devised to support and defend the interests of its affiliates at both national and international level. The history of first chamber commerce belongs to France- in 1599, in Marseille, France, chamber of commerce appeared (Chen, 2001). It provided opportunity to work for common interest rather than individual- it also helped traders, craftsman, merchants and manufacturers to have a forum where they can discuss their problems and issues. The figure of common interests happened to and remains the foundation of chamber of commerce. Nowadays chamber of commerce exists in almost every country of the world (International chamber of commerce, 2012).

There are several orientations for chamber models classified as: Local and Regional Chambers that work at local level to strengthen the local and regional business community like local chambers in Pakistan i.e. SCCI. State Chambers work under the influence of State whose activities have direct impact on the local business community. Public Chambers have compulsory for the enterprises to become active members of the chamber. Bilateral Chambers in which there is shown collaboration between two countries of same business interests. Multilateral Chambers are an association between more than two countries of like business activities (Encyclopedia Britannica, 2012). The importance of a chamber of commerce cannot be denied in terms of both regional development and socio-economic changes in a country. These are closely linked to global policies and relations that are influenced through the trade associations or chambers of commerce. The core functionality of any chamber, without doubt, is the advocacy of the rights and interests of a business community, but today this functionality has been expanded to working in close association with national and international welfare institutions to bring about social reforms and infrastructural developments especially in developing countries (Kelly, 2005). A chamber of commerce is important in undertaking entrepreneurial initiatives and advancements. It has strong impact on state policies regarding the local issues of public and private interest thus acting as a lobbying organization. Hence today, the chambers of commerce have increased their scope of operations to education, religion, technological advancements, industry, agriculture, transportation, medicine, communication, and labor issues. Several institutions and universities all over the world are being nursed and operating under the funding of chambers of commerce. The underlying activities also include administrative and events management activities (Campbell, 2007).

**Sialkot Chamber of Commerce & Industries (SCCI)**

Sialkot is well known name in the world of sports goods, numerous famous brands of the world like Nike, Adidas, Puma, Umbro, Grays, etc have set up their supply chain with the vendors from Sialkot. There are more than ten thousands registered firms are working in the city. These firms are majorly dealing leather products, surgical products and sports products. Moreover, this city also exporting goods like musical instruments, cutlery, knives, martial arts products, rice and cotton rags (Khan et al, 2010). Sialkot is exporting more than $1billions goods and services in every year. There is a long list of achievements that have been made by the chamber to present it as a role model for the chambers not only nationally but also internationally. Sialkot Chamber of Commerce and Industries (SCCI) is playing vital role in the export as well as in the growth and development of local industry and community. SCCI established in 1982 with the aim to safeguard interest of business community and Late Mr. A.D.Buttha was the founding president. SCCI developed various objectives to strengthen the local industry as well as make some real impact on the local community. These objectives are: to promote trade and business, provide some aid, and protect economic interest of Pakistan and Sialkot. To identify the major challenges for industries located in Sialkot and answer them. SCCI would support or oppose the rules and regulations of government and also help the favorable polices to protect the interest of business community; to resolve the controversies of different members of SCCI; to collect and distribute relevant information and statistics of trade, industry and services and finally to make linkages...
with other chambers and public bodies in order to facilitate the trade and industry, work for betterment of labor and move toward glory.

**SCCI’s Achievements**

During last decade, sports industry of Sialkot has faced various challenges and issues. SCCI has played forefront role to tackle these issues. There is consist decline in the market share of football industry due to rise in competition and WTO rules and regulation. Productivity is also very low due to old methods of production and operation. Currently, industries are also complaining about the rising prices and shortage of quality raw material. Technological improvements have changed the sports industry of the world, but there is little advancement of technology. Child labor and labor standards remain biggest challenge for SCCI during the recent past. Industries of Sialkot are not having sufficient availability of skillful workforce who can work with latest techniques and technologies, Poor professional management with logistics and transportation issues pose serious threats for the industries in Sialkot. But, SCCI challenges all the issues and becomes prime example for the other institution in Pakistan. It has taken following steps for the development of industry and local community, and has sustainable impact.

Trade unions like chamber of commerce have become powerful and encouraging source to promote the social responsibility among the businesses of different field (Galaskiewicz, 1991). Henceforth, as we have gotten an understanding of CSR and the functionality of chambers of commerce, now let we have a look into the achievements of the SCCI to analyze that how far these correspond to the international standards.

**Sialkot International Airport (SIA):**

SCCI can be crowned for a number of development programs in Sialkot of which SIA top the list. It was a 2.6 Billion project turned into reality and enjoys the status of the first ever international airport in the private sector in South and West Asia. With the longest runway in the country, the airport is owned and operated by Sialkot International Airport Limited (SIAL), a company with 300 directors being established to run the airport smoothly. SIAL works in close association with Civil Aviation Authority (CAA), Airport Security Forces, and the MET department and gets necessary operational assistance from the government. The SIA, no doubt, is a landmark achievement that can meet all the aircraft requirements to handle cargo and passenger flights at an international level. In terms of location and having an excellent road link, SIA has an edge to become a hub in future for the golden triangle of Sialkot, Gujarat, and Gujranwala that have the highest density of export-oriented industries in the country.

Looking back to its history, despite the need of an airport for Sialkot, the business community and the chamber had to face bureaucratic hurdles and lack of interest on part of the government. Years of negotiations and persistent lobbying by the chamber presidents resulted in SIA’s establishment. Changing of governments was also a big problem as it required detailed negotiations and presentations. In future plans of the airport are included extension programs for bringing both cargo and passenger capacities up to 9000 tons of cargo and 0.44 M passengers annually. Also plans for establishing an exhibition centre and a five star hotel in the premises of the airport are included. No doubt these extensions are going to be beneficial for the people of Sialkot as well as the whole country. The initial purpose of this airport was to serve as cargo service, with little focus on private passengers. But, currently it is earning more from private passengers as compared to cargo service.

**Sialkot Dry port:**

The establishment of a privately owned dry port in Sambrail was again a trend setting and history building step under taken by the SCCI. Although there had been a dry port in Lahore since 1973 meant to be used collectively by the exporters throughout the country but the local exporters and the business community strongly felt it to be insufficient to meet their trade and export needs.

Since its inception up till now, the port has made prodigious progress in terms of growth and profitability. Today it’s one of the busiest dry ports in the country handling 54,270 tons of cargo valuing Rs.44.3 Billion that shows a trend to increase at an exponential rate. It has its own fleet of bonded vehicles that number more than 70. It is only privately running dry port of country. In order to keep pace with the technological advancements, the Sialkot Dry port Trust (SDPT) also provides Online Tracking Facility to its customers. With regional offices in Lahore and Islamabad and terminal office in Karachi the SDP provides in-house facilities free of cost to Customs, clearing and forwarding agents, government agencies, banks, and the NLC. It has proved to be a source of employment for thousands of
people directly or indirectly while having 300 regular employees. All this has happened under the umbrella of none other than the SCCI (Pal & Khan, 2010).

Sialkot City Package:
This program refers to a public-private venture for the improvement of roads and infrastructure in Sialkot, another pioneering initiative of the SCCI. Under this package, which was initiated in 1999 during Nawaz government, a number of infrastructural reforms have been brought into the city. The developments include the repair of old network of roads and the construction of new roads. Collective funding was raised by the business community and the federal government under an agreement signed between the SCCI and Punjab government then. Now work on phase II of the package has started that includes widening and repair of existing roads and construction of new roads. For the next phase of package six new projects have been sanctioned. The program has indeed aided in facilitating the public transportation as well as for trade (Pal & Khan, 2010).

Child Labor Elimination Program (CLEP):
The issue of child labor in Pakistani industries has always been debated in terms of its harmful impacts on the lives of children as well as on society internationally. In 2006, Nike stopped purchasing football from Sialkot due to child labor issues and immense pressure of international community. This was major setback for industry at that moment, as Nike was the major buyer. But, year after later, strong advocating and persuasion from SCCI, Nike returned back in Sialkot with a new supplier with no more child labor till now (Lund-Thomsen, and Nadvi, 2010). Now the credit goes to SCCI to initiate a child labor elimination program later turned into Child and Social Development Organization (CSDO). The mission of CSDO is to eradicate child labor, promote socially responsible entrepreneurship, and work for the welfare of children, youth, and women by implementing the inventions and generating funds.

Independent Monitoring Association for Child Labor (IMAC) established as a result of partnership among SCCI, ILO, and UNICEF in 1997 when the child labor issues were strongly highlighted by in American media in 1995. This committee turned to an organization was meant to monitor the true implementation of the child labor elimination program in the soccer ball industry in Sialkot.

Initially CSDO was started as a social project locally known as Sialkot Soccer Ball Project with leading partners to be International Labor Organization (ILO), United Nations Children's Education Fund (UNICEF), and Save the Children's Fund (SCF-UK). Its journey up till now can be divided into four major phases:

First phase being the Elimination of Child Labor from Hazardous Occupations (ECHO) Project providing about 3000 children with literacy opportunities. Furthermore it included creating awareness about the importance of education, bad impacts of child labor, and promotion of the concept of birth registration. Second phase was the Capacity Building Program under which a Resource Center on Child Labor was established with financial assistance from ILO-IPEC in 2004 for maximum capacity building through training and workshops. Third phase was named Football for Hope whereby a Football Excellence Centre was developed in 2006 for promoting football amongst the children of Sialkot. The major activities undertaken through this project were: up gradation of play grounds in selected educational institutions, formation of a Sports Committee for training of coaches and referees, establishment of fully equipped male and female under-14 football clubs in Sialkot. Fourth phase is the Child and Adolescents Protection Program financed by UNICEF for protecting the rights of children and adolescents through awareness and skill enhancement to generate livelihood. The activities were: formation of a district level Technical Committee to monitor the project, setting up of 14 non-formal education centers called Tlim-ul-Amal Centers (TACs), formal education provision to 902 children, birth registration of 721 children, establishment of 28 community-based child protection organizations, inception of 16 vocational skill centers, formation of youth participation in sports competitions and recreational events (Khan, 2007).

Sialkot Business and Commerce Centre (SBCC):
SBCC has been developed to promote and display the complete range of export products produced by the Sialkot industries. This project is very next to the chamber building. It is a joint project of SCCI and SMEDA, the estimation cost of it is Rs. 341.67 million. SCCI has contributed Rs 170 million that comprises of land value of Rs 150 million and an extra Rs. 20 million for the construction. The centre will give uplift to the trading activities through shared
display facility, promotion and export of products from Sialkot-based industries, carrying out trade exhibitions and
fairs, providing a convenient one-step shop for international buyers (Mansoor, 2011).

**Sialkot Export Processing Zone (SEPZ):**
SEPZ has been set up as the largest private export processing zone of the country and the first is built on roll-over
system with the energetic contribution of the private segment with the assistance of *Punjab Small Industries
Corporation* (PSIC). Chamber put some strong efforts in the late 80s and early 90s for the establishments of Small
industries estates; later on the request of the chamber these estates have been given the standing of Export Processing
Zone. It works under the *Export Processing Zone Authority* (EPZA) and is meant to promote local exports by
facilitating the exporters with an in-built fully equipped *Material Testing Lab* (Pal & Khan, 2010).

**Sialkot Public School (SPS):**
SPS is a social welfare project of the Sialkot Development Trust (working under the supervision of SCCI) for the
provision of quality education to the less privileged children of Sialkot and the adjoining districts. This school has
state of the art building in 50 acres, providing education from play group to O level and Matric, having affiliation
with Cambridge University and Gujranwala Board. It is a well established school with equipped science and
computer labs having trained and qualified teaching faculty. It also has unmatched playgrounds and libraries in the
whole district (Pal & Khan, 2010).

**Sports Industries Development Centre (SIDC):**
The hand-stitched inflatable ball is a kind of Unique Selling Point (USP) for Sialkot ball industry and has a 70%
share of total world demand. But, world is demanding technological oriented footballs like thermo and
machine-stitched balls. To address the need of hour, the project of sports industries development center (SIDC) has
been started. It is a project put forward by Small and Medium Enterprises Development Authority (SMEDA) funded
by Public Sector Development Program (PSDP). This public-private project is started to overcome the threats posed
by the mechanized ball technology and to support the soccer ball industry in particular and inflatable ball industry in
general so that its share in international ball industry can be sustained. SIDC would help the sector by providing
skilled work labor and developed imported machinery. This project has been completed with the tireless efforts of
SCCI- completion cost is Rs. 435.64 million and expected to start working in the middle of this year. It can produce
3500 thermo-laminated balls in per eight shifts and also provide training to adopt and commercialize this technology
(Pakistan observer, 17 April 2012).

**Sialkot Tanneries Zone (STZ):**
It is also a public-private socially responsible project to meet the international standards for protecting the
environment by avoiding the pollution produced from the 250 tanneries scattered in and around Sialkot chamber.
Again, chamber taken an initiative for this and the purpose is to dispose the pollutants to a centralized location with
the provision of various facilities in the form of *Effluent Treatment Plant*, a solid waste disposal site, and a common
effluent collection system (Pal & Khan, 2010).

**Seerat Study Centre (SSC):**
In 1976, an international Seerat Conference held and very famous and well known ulema and spiritual scholars of the
Muslim Nations attended. It collectively passed a resolution to set up an international level research center on the life
of Holy prophet Muhammad (P.B.U.H). Later, in 1985, the formation of Seerat Study Center officially approved in
Islamabad. SCCI also took the initiative and established the Seerat Study Center in Sialkot (Pal & Khan, 2010).

**Discussion**
When ventures are working in international market, they face several issues and challenges, most of them are related
to compliance, infrastructural, and acquiring some latest technology and skills. These firms use chamber of
commerce and answer to these challenges with collective efforts to fulfill the requirements of customers and get
some better results. Child labor, changing technology and customers’ preferences, investment and management
issues remain concerning issues for Sialkot cluster. As an institution, SCCI has done the role of social responsibility
in marvelous way. It identifies, advocated as well as come up with solutions to solve the social and industrial issues.
In the last decade, infrastructure has been developed - Sialkot international which is working since 2007 has made export easier, fast and cost effective, Sialkot dry port is very productive and among the busiest dry port of Pakistan, some new and roads within and surrounding of Sialkot constructed, and great success of child labor elimination program with the help of some international organization are significant achievements of SCCI. Sialkot business and commerce is about to complete that has been designed to promote whole variety of products manufactured in Sialkot, will be helpful for better marketing. New technology adoption and introduction of some new products has been felt greatly by SCCI, Sports industries development center which has been completed will provide some new products and make best use of raw material and have high productivity. SCCI is a proud of Pakistan on having great success in socially responsible behavior. If the SCCI keeps on working for expansion and growth of business and trade- also focusing on social welfare projects and plans, on day it will become prime example for all the institution of the world.

Conclusion
In modern world, the business and trade is facing ever since more challenges to their market position. In order to remain competitive and have best relationship with customers and community, performing corporate social responsibility is one of the best tools. CSR is becoming popular day by day, as organizations are getting positive results. Producers of Sialkot have faced several issues which relate to child labor, management, infrastructure, education, technology, and environment. No individual person and organization had the capacity to solve all these problems and need some platform to synergies their efforts. SCCI is only esteemed and active stage to make efforts for collective benefits projects and plans of Sialkot industry.

SCCI has done some remarkable work to uplift the society and production. It is also a prime example of public-private relationship with several successful projects on its credit. Sialkot international airport, dry port, sports industries development center, Sialkot pubic school, Sialkot tanneries zone, Sialkot export processing zone, and business and commerce center were much needed projects. Industries and people of Sialkot already reaping from these projects have solved their transportation, educational, health, environmental, and other social problems. Some of them are going to complete to respond the latest and upcoming challenges.

As we have seen that SCCI contributes greatly to trade and humanity development. It has a great success to provide platform to discuss with the government organizations and donor agencies to draw the financial resources for the growth and progress of cluster and city. Therefore, all the institution should learn message from the successful efforts of chamber and involve all the stakeholders to make social responsible actions. SCCI require making more efforts for collective actions on the based on knowledge sharing, networking and trust building to have escalation which can enlarge their economic activities and even some more fruitful results.

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