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# How the West Was Won? The Dark Side of Institutional Entrepreneurship

Farzad R. Khan  
Kamal A. Munir



LAHORE UNIVERSITY OF  
MANAGEMENT SCIENCES

**Centre for Management and Economic Research (CMER)**

Lahore University of Management Sciences (LUMS)

Opposite Sector 'U', D.H.A, Cantt, Lahore, 54792

Pakistan

URL:<http://ravi.lums.edu.pk/cmer>

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School of Humanities and Social Sciences

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**Farzad R. Khan**

Lahore University of Management Sciences  
Suleman Dawood School of Business  
Lahore, Pakistan  
E-mail: farzad@lums.edu.pk

**Kamal A. Munir**

University of Cambridge, Judge Business  
School, Cambridge CB2 1AG  
E-mail: k.munir@jbs.cam.ac.uk

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Abid A. Burki  
Professor of Economics

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# How the West Was Won? The Dark Side of Institutional Entrepreneurship

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Farzad R. Khan and Kamal A. Munir

## 1. Introduction

With rapid globalization, the world-wide spread of powerful multinationals, and the increasing influence of multilateral agencies (e.g., the World Bank or IMF), societies in developing countries are frequently pressured to adopt new practices and even belief systems. These practices range from introducing 'gender-equity' in local organizations to institutionalizing 'democracy' at the state level. In this paper, we set out to explore processes of institutional entrepreneurship in such instances of cross-border diffusion of practices between the developed and developing countries.

Much research has shown that such instances are not straightforward cases where practices diffuse simply through isomorphism (e.g., Perez-Aleman, 2005; Guler et al. 2002). Instead, cross-border diffusion of practices requires the active engagement of institutional entrepreneurs and is fraught with power dynamics (Kaufman and Patterson, 2005; Strang and Soule, 1998; Guillen, 2001). Moreover, in furthering their interests, institutional entrepreneurs often end up producing significant unintended consequences (e.g., Ferguson, 2001), that were central in the 'old' institutionalism (Selznick, 1965) but have since then largely been ignored in the literature.

Studying cases of cross-border diffusion, where multiple socio-economic and political orders interact in complex ways, promises to shed further light on institutional entrepreneurs, how they exercise power, and the unintended consequences of their actions. Awareness of these consequences is significant because they can throw doubt on the legitimacy of the institutional entrepreneurship process itself and the new order that it ushers. To paraphrase Hirschman (1997:131), what social order can long survive the dual awareness that it was adopted with the firm expectation that it would solve certain problems, but that in solving these problems it ended up creating ones that were even more menacing?

Accordingly, we explore how institutional entrepreneurs realized and used power in transferring an institutional template concerning child labour to Pakistan's soccer ball industry located in Sialkot (where 60-80% of the world's soccer balls are produced) (Cummins, 2000: 4 and 27). The practice of child labour in Sialkot became a global issue when CBS broadcast a news documentary on 6th April 1995 on the soccer ball industry in Sialkot, which included images of children stitching soccer balls in dark and dank one-room workshops. The CBS report was picked up by the other mass media both in the US and abroad and on June 28, 1996 a campaign known as the Foul Ball Campaign was launched to pressurize the soccer ball industry into remedial action.

On 14th February 1997 in Atlanta Georgia at its annual trade show 'Super Show', the global soccer ball industry announced that it was launching a project to eliminate child labour from soccer ball manufacturing. The project unfolded over the next several years, orchestrated by the industry in collaboration with their civil society NGO partners. In this process, the industry successfully positioned itself as a constructive actor working to remove the bane of child labour while keeping soccer ball manufacturing functional.

While the goal was ultimately achieved, and accolades were showered internationally on all the 'institutional entrepreneurs' that brought about the child labour elimination

project, we found that the whole process was laden with power and resulted in a number of unintended consequences. These included questionable benefits for the children involved as well as abject misery for the vast majority of women stitchers and their families. While all these consequences may have been unintended, the process of institutional entrepreneurship and the parameters within which the entrepreneurs chose to function perhaps made these consequences inevitable. Knowledge of these consequences help us construct a perspective on institutional entrepreneurship that brings into sharp relief unpleasant realities of power and domination that have been glossed over in most previous accounts of institutional entrepreneurship (Hinings and Greenwood, 2002).

## **2. Institutional Change and Role of Entrepreneurs**

Despite the widespread realization within institutional theory that institutional contexts can differ substantially across countries (Orru et al., 1991; Whitley, 1992), there has been little research on cross-border diffusion of institutions, described by Lawrence and Suddaby (2006: 215) as “enduring elements in social life... that have a profound effect on the thoughts feelings and behaviour of individual and collective actors.” Whatever little research there is, usually tends to be in the context of practices being disseminated to subsidiaries of multinational corporations (Kostova and Roth, 2002). In particular, we know little about cross-border diffusion of practices (ranging from technical standards (e.g., ISO 9000) to socio-economic institutions (e.g., market friendly economic regimes) from the developed to the developing world. With globalization, this phenomenon is occurring with increasing frequency (Tarrow, 2005) and thus deserves more attention in scholarship.

Typically, institutional theorists have assumed that practices diffuse across borders through sheer force of legitimacy (Meyer and Rowan, 1977; Jepperson and Meyer, 1991). However, as Perez-Aleman (2005) has powerfully pointed out there is no basis to make this simplistic assumption. In her work on the diffusion of international quality standards in the Nicaraguan dairy industry, she has convincingly shown, that for developing countries, the shift to new practices involves a far more profound and complex process than the concept of isomorphism suggests. Practices are nested in deeply entrenched social norms as well as in regimes of economic dependency. Individuals, or organizations, do not simply submit to a new practice however legitimate it may be in a different context (Perez-Aleman, 2005).

Since practices, highly legitimate in the West, may come into conflict with locally prevalent understandings their diffusion has been reported to involve much agency (Kaufman and Patterson, 2005; Strang and Soule, 1998; Guillen, 2001). Accordingly, it often requires institutional entrepreneurs to construct legitimacy around new practices. What makes this instance of institutional entrepreneurship particularly interesting is that despite the legitimacy in the West of a particular practice (e.g., homosexuality) its sponsors, however powerful they may be, are still constrained to articulate their efforts that meet with normative expectations of key stakeholders. In other words, the exercise of power itself has to meet with normative strictures pertaining to its use.

Such situations present fertile grounds to study two questions of particular interest to institutional theorists. First, how is power exercised by institutional entrepreneurs in a normatively acceptable manner? Second, when does the exercise of power lead to unintended consequences? Both these questions carry significant implications for our understanding of institutional entrepreneurship, and form the basis of our investigation in this paper.

**Power and Institutional Entrepreneurship:** Power is usually associated with situations of conflict where one party has the ability to get others to do what it wants them to even if it be against their will (Weber, 1978). While cross-border diffusion of institutions may not necessarily involve explicit, observable conflict, the absence of conflict, as Hardy and Clegg (2006) note, does not imply the absence of power (e.g., patriarchy in traditional settings). Indeed, this is often the case when ‘a structure of power relations is fully legitimised by an integrated system of cultural and normative assumptions’ (Hyman and Brough, 1975: 199 – cited in Hardy and Clegg, 2006: 759).

Where such a hegemonic situation favouring their interests is not present, institutional entrepreneurs can take it upon themselves to create it (DiMaggio, 1988; Garud et al., 2002). The construction and maintenance of such a favourable environment for diffusion often requires employing various devices, both discursive and non-discursive. These devices could, for instance, include particular subject positions (Maguire et al, 2004), sense-making frames (Benford and Snow, 2000), and technological standards (Garud et al., 2002). What we know about how power is enacted through these devices is, however, usually in the context of realized-intended consequences. Focusing solely on the latter has led us to overlook the presence of possible unintended consequences, awareness of which may cast institutional entrepreneurs in a less positive light.

**Power and its Unintended Consequences:** There is much evidence that most instances of institutional entrepreneurship lead to unintended consequences which are often contingent upon the manner in which power is exercised by the entrepreneur, and which may turn out to be more significant than the intended ones (Mintzberg and McHugh, 1985; Grey, 2005). For instance, Scott (1998) documents how a new, ‘scientific’ regime of forestry management - based on a relentless commercial logic that bracketed out all other considerations, e.g., the forest’s ecological significance as well as its use as a place for worship and refuge - was championed by German state officials. The forest was pressed into a utilitarian calculus, which displaced the term ‘nature’ with ‘natural resources’. Thus, the forest simply came to be viewed as commercial wood and forestry management was rationalized in terms of maximizing yield to satisfy state’s fiscal requirements.

The German scientific forest management regime quickly spread throughout the world. This was despite the fact that, by marginalizing or completely overlooking the non-commercial aspects of the forest (e.g., the flora and fauna that had no market value) there was massive soil-depletion because these aspects were crucial for soil replenishment and nourishment. The mono cropped forest was a “disaster for peasants who were now deprived of all the grazing, good, raw materials and medicines that the earlier forest ecology had afforded” (Scott, 1998: 19). In the worst cases, the forest died (Scott, 1998: 20). This was clearly unintended from the state’s point of view.

Another example, closer to institutional theory, is provided in Selznick's classic treatise on TVA and the Grassroots (1965). There, the New Deal campaigners created a new organizational form that by embodying empowerment and grassroots involvement provided a new institutional template. However, in seeking legitimacy of this new organizational form, TVA had to co-opt existing local power structures that brought with them, into the organization, their own interests and agendas. As an unintended consequence, TVA ended up compromising its egalitarian mission. For example, the local white power structure systematically excluded African Americans from the decision-making structures of the organizations, an outcome certainly not intended by the institutional entrepreneurs behind the New Deal that pushed this form.

The sensitivity shown by Selznick (1965) to unintended consequences and its roots in institutional processes has unfortunately not been carried forward in many neo-institutional studies, which have largely chosen to limit themselves to realized-intended outcomes of institutional processes. By shifting our focus from realized-intended outcomes, we open ourselves to the possibility of there being other outcomes thereby gaining a fuller understanding of institutional entrepreneurship processes.

To summarize, given the complex interaction and gross inequalities between multiple socio-economic and political orders and actors found respectively in it, cross-border diffusion of institutions not only is an important phenomenon in its own right, but also represents a profitable research site to study two neglected areas in institutional entrepreneurship: power dynamics and unintended consequences. It is important to note that we are not treating cross-border diffusion as a fundamentally different category of institutional change but simply as one in which power dynamics and its unintended consequences may be found there in a more evident and exaggerated form. These are the issues that we investigate in our study of Sialkot's soccer ball industry. In other words, we want to explore the power dynamics inherent in instances of cross-border diffusion of institutions. In particular, we want to focus on the various power devices deployed by institutional entrepreneurs and their unintended consequences.

### **3. Method**

In this study, we chose a qualitative case study research design. This was in keeping with standard research practice that investigates open and exploratory questions like the ones posed here (Eisenhardt, 1989; Yin, 1989). In addition, following Lawrence et al. (2002), a qualitative methodology was chosen because it would allow us to gather rich data from a highly fertile research site with complex dynamics. Indeed, had we not used an exploratory methodology, many of the issues that form the bedrock for our theoretical insights would have evaded us? In the paragraphs below, we very briefly describe the research site.

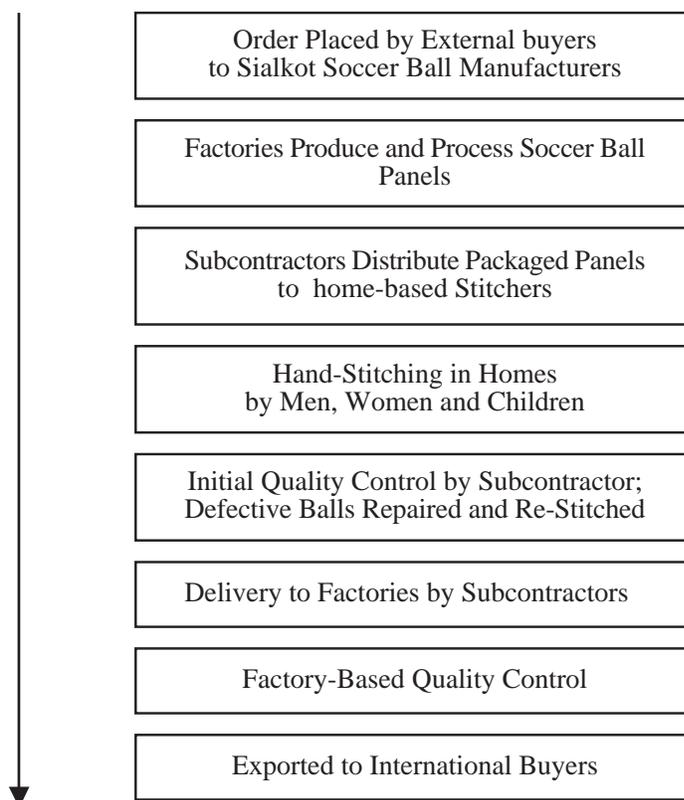
#### **3.1 Research Site: Sialkot Soccer Ball Industry**

Prior to 1995, when the wrath of international media descended on Pakistan's soccer ball industry located in the city of Sialkot, the industry rarely attracted the notice of the international community. Though the majority of the world's soccer balls were

produced there, with leading international brands (e.g., Nike and Adidas) sourcing almost exclusively from there, Western consumers were mostly unaware of this city (Cummins, 2000: 4 and 27). Sialkot's soccer ball production was organized on a quasi cottage-based and factory system. Panels (i.e., the individual hexagons and pentagon shaped pieces that comprise a soccer ball) were prepared in the factories but then through an elaboration chain of subcontractors were taken to the 1600 odd villages surrounding Sialkot where they were stitched together mostly in homes. An insignificant number of balls were stitched in shacks called workshops that were owned by the subcontractors (HRCP, 1995; Raasta Development Consultants, 1996). Figure 1 below depicts the soccer ball supply chain.

**FIGURE : SOCCER BALL SUPPLY CHAIN (1995)**

[Adapted from Save the Children. (date not given). *Info Pack* (Public document). Islamabad: Save the Children].



Estimates varied greatly as to how many people were employed in this industry. For example, an International Labour Organization (ILO) study estimated the soccer ball work force in 1995 to be around 100,000 (Awan, 1996: 5). A corporate publication put the figure at 75,000 (Saga Sports, 1998). The stitching workforce estimates similarly vary from a low of just over 30,000 (IMAC, 2003) to a high of 65,000 (Awan, 1996: 5).<sup>1</sup>

Similar ambiguity surrounded the number of women who were part of the stitching workforce. Still, estimates varied from 30% to 58% of the total stitching workforce (Save the Children, 2000; IMAC 2003). The rest was divided almost equally among adult male stitchers and children. While it was difficult to be precise about the number of children - the great majority of children helped their parents at home, who in turn got paid for the number of soccer balls rather than hours worked – an ILO estimate places the number of children at about 15,000 (Husselbee, 2001: 133; ILO, 1999).

### **3.2 Data Collection**

Main sources of data were interviews and documents (both primary and secondary). One of the authors started collecting data for this study from November 2000. Data collection was completed by October 2003. In this time, three trips were made to the field (i.e., Sialkot, Pakistan). The first trip was in the form of a pilot-study. In that trip, based on field observations and interviews with NGO personnel, industry executives, and a soccer-ball stitching family, it quickly emerged that the efforts to remove child labour had produced significant unintended consequences. These findings helped focus the interviewing process and other data collection activities of the main study on these unintended consequences.

Interviews were primarily conducted with the staff of the NGOs working on the soccer ball child labour elimination project at the local site (i.e., Sialkot, Pakistan) and male and female soccer ball stitchers, including children, who were affected by the child labour issue and the child labour project that followed in its wake. Over sixty interview sessions were held with over seventy individuals with the average length of interviews being about 80 minutes. Ninety percent of the interviewees were NGO staff and soccer ball stitchers. Of these, half were soccer ball stitchers with three-fourths of them being women, a difficult group to get access to (especially in a Muslim country) as we wanted to ascertain the perspectives on the child labour issue of the most subjugated segment of society involved with this issue and its resolution. Interviews were recorded by hand verbatim in interview notebooks and later transcribed into computer readable format (for a breakdown of respondents, see Appendix A).

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<sup>1</sup>The discrepancy in various figures was due to a) the informal nature of the work which made accurate counts difficult and b) the part-time and 'flexible' nature of the contracting work. In a World Cup year, more hands are brought into the industry to meet the additional demand and, thus, the figure swells to the maximum of the range indicated above. Similarly, in a downturn year, the number seems to gravitate towards the lower end of the spectrum (Cummins, 2000; Saga Sports, 1998).

Apart from the over four hundred pages of interview notes, the study's data also contained over 10,000 pages of documents including a quantitative database of an NGO containing basic demographic information for about 2000 stitching families. The documents were derived from a variety of sources, some of which were: newspaper stories; internal organization documents (emails, faxes, memos, letters, project evaluation reports, and minutes of meetings); US Department of Labor hearings; Spanish legal archives; public fact-finding reports and surveys published by both organizations involved with the project and those that were not; conference proceedings; popular non-fiction books; academic journals; and transcripts of video documentaries made about the Sialkot child labour issue. The list does not include the articles printed from the Internet or the four video documentaries obtained during the course of this study.

### **3.3 Data Analysis**

Following Yin (1989), all decisions in the data analysis process were recorded in a notebook to increase the reliability of the study. It acted as a diary, trying to document the history of the data analysis process, a process that Eisenhardt (1989) calls 'the most difficult and least codified part' of building theory from case studies. All interviews were coded to identify the patterns and themes found in the interview data (see Appendix B for a list of organizations whose representatives were interviewed). About 22 topic/subject themes were identified.

After finishing coding, the rest of the data were sorted and organized. Documents, including the documentaries, were catalogued with each one being given a distinctive alpha-numeric number. Following the guidelines of Yin (1989), each document was read and an annotated bibliography of it was prepared using the bibliographical software EndNote. All the data were placed in a central location (i.e., a filing cabinet) according to their catalogue numbers. This filing cabinet was in effect a case study database, containing the entire set of information pertaining to the case study. This was done to increase further the reliability of the study (Yin, 1989).

As for validity of our analysis and our interpretations, efforts were made to ensure that we were working with quality (i.e., accurate) data. This was achieved by having a robust research design (e.g., trying to obtain perspectives of poor women soccer ball stitching families and not just the NGO community) and an equally strong data collection process (e.g., case study database to increase reliability) (Yin, 1989). All this while we were gaining familiarity with the data to develop a plausibility structure (Parrish, 1997), a sensibility that counsels you as to what appears plausible, to be correct, and true, that comes from gaining intimacy with the data. We then subjected our emerging intuitions and insights to rigours of triangulation corroborating them from multiple sources helped immensely by the rich variation of sources contained in our data. This was done in an iterative fashion moving between the data and our understandings while constantly thinking of alternative explanations and testing their soundness with the data at hand.

## **4. Institutional Entrepreneurship in Cross-Border Diffusion: A Case Study**

### **4.1 Institutional Crisis: Quick Feet but Sloppy Footwork**

In the mid-1990s, disparity between the industrialists and workers in Sialkot was perhaps at its peak. While the owners sat in gleaming glass buildings, the soccer ball stitchers led a life of grinding poverty (AKI, 2002). In to this world of stitchers, waded in the international media, beginning with CBS in 1995. On April 6, 1995, CBS aired at 9 p.m. (Eastern Standard Time) a short documentary on the soccer ball industry in Sialkot 'CHILDREN AT WORK' (CBS transcripts, retrieved on Lexis-Nexis in 2003).

The CBS story forcefully brought to the fore the unsettling irony of poor children at work so rich American kids could play. While highlighting the involvement of children in soccer ball stitching, on several counts, the CBS story failed the test of journalistic rigour. For example, allegations were made that children earn less than adults. No evidence was provided except for the questionable testimony of their interpreter who was not a native of Sialkot and did not have any experience with the soccer ball industry.

The CBS story was picked up by the other mass media both in the US and abroad that embellished and distorted the already factually questionable documentary. In 1995, the Human Rights Commission of Pakistan (HRCP) published a report about the veracity of allegations being made about the soccer ball industry. Except for agreeing with reports on the issue of wages being exploitative, the report refuted most of the main charges that would be levelled by the media such as the prevalence of bonded child labour, work place beatings, children working predominately in workshops for long hours, and differential wages for children and adults. The validity of the HRCP report was corroborated by evidence on Sialkot's soccer ball industry published prior to the crisis (e.g., Weiss, 1991) as well as later by numerous studies and surveys done by other independent organizations such as international NGOs (e.g., Save the Children and ILO), international trade unions and their Pakistani affiliates (e.g., International Confederation of Free Trade Unions and All Pakistan Federation of Labour) and local organizations (e.g., Raasta Development Consultants).

### **4.2 Institutional Entrepreneurs Playing Janus**

The media campaign worked. On June 28, 1996 with official endorsement of the US Department of Labor and prominent politicians (e.g., Senator Joseph Kennedy II), a campaign was launched to bring an end to child labour in the soccer ball industry. The campaign came to be known as the 'Foul Ball Campaign' co-ordinated by the International Labour Rights Fund (a Washington based labour advocacy group) in cooperation with a network of labour, consumer, religious, sports, and child advocacy groups (US Department of Labor, 2003). The campaign called on everyone from youth soccer leagues to school administrations to put pressure upon industry to stop using children in the production of soccer balls.

The soccer ball industry responded by first expressing indignation at learning about child labour involvement (Moore, 1996; US Department of Labor, 1996) and then quickly forming a coalition of international sporting goods industry associations,

particularly SICA (Soccer ball Industry Council of America) and WFSGI (World Federation Sporting Goods Industry) who were representing the interests of their members (i.e., international brands), and Sialkot-based suppliers represented by the Sialkot Chamber of Commerce and Industry (SCCI). The latter's enrolment was crucial given that almost the world's soccer ball production was concentrated there and the international industry could not simply tell its supply chain to adjust or it would go elsewhere. There was, especially for match quality hand-stitched balls, nowhere else to go. To further legitimise the coalition, the industry associations enrolled UNICEF, ILO, and Save the Children as well.

The project was announced in February 1997 but began to be implemented in October 1997 (ILO, 1997). It was decided to phase out child labour by shifting stitching, the activity in which children were involved, to monitor able stitching centres (ILO, 1997). That is to factories or workshops that, unlike village homes, could be easily accessed by ILO monitors to verify that no children are involved in stitching soccer balls.

The project also had a social protection program which was to take care of the displaced child stitchers and their affected families by creating alternative income opportunities for their families largely through micro credit schemes and vocational training (e.g., tailoring) (Crawford, 2001). As for children they were to be provided education either by enrolling them in government schools or setting up one to three room education centres where they would be educated up to grade 5 on a few hours a day basis (Save the Children, 2000; ILO-IPEC 1999; Bunyad Literacy Community Council, 1998).

**Defining the Problem:** As far as the industry was concerned, at least in its popular rhetoric to Western markets child labour resulted from vague and unfathomable reasons. Issues of the industry's own culpability in perpetuating child labour (e.g., not paying a living wage to stitchers and being more concerned with the rich gloss on soccer balls than the poverty ridden faces that made them) were conveniently ignored. Robert Reich, Secretary of Labor and a key sponsor of the Child labour elimination campaign, framed the issue legalistically as one separate from wages, an issue of complying with the law not with justice:

I want to emphasize that these conditions [of child labour] violate international law. This is not an issue that one can simply attribute to the poverty of a particular nation. Unlike wages or certain working conditions, the employment of very young children is a fundamental breach of international law. It is something that almost every nation has laws against. It is bad for even a developing nation because those young children need to be in school if that nation is to develop . . .

This is a basic human right. The International Labour Organization has international treaties these nations have subscribed to. This is different from developing standards such as wages, which do rise as a nation can afford them (US Department of Labor, 1996).

While this tune of resolve and responsibility was being played on the front-stage, there was much work being done back-stage, away from the public arena. Efforts were being undertaken by industry to de-link the issue of fair wages from the child labour problem and to scuttle efforts that tried to make the connection. For example, a FIFA code requiring soccer ball manufacturers to pay fair wages was effectively sabotaged by WFSGI according to ICFTU (International Confederation of Free Trade Unions), an assertion corroborated by WFSGI itself (Gorgemans, 1997: 7).

**ILO and the Coalition:** Through an exchange of ideas with several civil society organizations, the industry had developed a good feel about whom they could trust. Any organization, which was likely to raise controversial issues (e.g., the need for a fair wage) was conveniently excluded from the coalition including the International Labour Rights Fund (ILRF), one of the original campaigners against child labour (Riddle, 1997). It was in this context that ILO, UNICEF and SCF were invited to join the coalition.

There was not always complete consensus on who should be part of the coalition. The Sialkot-based suppliers, for instance, were apprehensive about ILO's inclusion given its institutional linkages with organized labour. They had no way of knowing whether ILO would spread its tentacles to other labour rights issues such as organizing workers into independent unions. To convince them about ILO's probity, the international industry associations helped organize a mission for the Sialkot manufacturers to visit ILO's child labour removal work in Bangladesh in May 1997. When the delegation returned from Bangladesh, the following conclusion was reached:

Mr. Zaka-ud-Din, SCCI [Sialkot Chamber of Commerce and Industry] . . . said the mission to Bangladesh to see the BGMEA [Bangladesh Garment Manufacturers and Exporters Association] project had strengthened the industry's confidence in ILO's partnership and any apprehensions [italics added] they had have been cleared . . . Mr. Tom Cove (SGMA), said they have seen that the ILO understands the concerns of the private sector [italics added] and a lot of confusion [italics added] has been cleared.' (PCC minutes of meeting #3; May 29, 1997).

**Credibility for Whom?** The composition of the coalition nicely reveals its objectives. While NGOs like ILO, UNICEF or Save the Children, commanded much respect in the West, they were far from welcomed in Sialkot. They quickly realized this as illustrated in the following quote of a an NGO official remembering a village visit:

Early on our car windows were broken. We were surrounded by angry mob in our car for several hours with a Canadian making [a] movie. Initially some foreigner had come and made a movie. When work stopped, [villagers] felt that movie had stopped work. Bringing bad name to village. After that for sometime using police protection. [Villagers] accused us of taking bribes...Found out films are going abroad and then work is stopping.

The implementing agencies learned that tact was the order of the day. They would present themselves as just Pakistani development organizations and remove the NGO tag and their UN connections from their discussions with villagers. Unfortunately, the NGOs could not discard their international credentials completely either. They needed, for example, the UN license plates on the motorcycles of their mobilisers to keep the local police from harassing them.

### **4.3 Scoring the Wrong Goals: Unintended Consequences**

By September 2003, according to the ILO, 95% of all Sialkot exports were now being made without the use of child labour (IMAC, 2003). The industry was effectively child labour free. This, however, came at a heavy price paid by those least able to afford it: the stitching families. The social protection programs of the project missed the vast majority of affected child stitchers and their families. For example, less than 30% or so of the families that received microcredit, disbursed under the project, were stitching families (Crawford, 2001: 16). Of all groups in the stitching community, women stitchers seem to have suffered the most largely due to the construction of the monitorable stitching centres.

The institutional entrepreneurship created a chain of events that led to a new production regime where stitching was moved from homes, inaccessible to outsiders in the deeply rural and conservative culture of Pakistan, to monitorable stitching centres. The effects of this transition have sunk deeply and savagely affected the sense of well-being of women stitchers. A study by Save the Children (2000a) in 12 villages with monitorable stitching centres, in which 3210 households were interviewed, found that nearly all stitchers preferred the old regime to the new one. Home based stitching was found to be more convenient.

Home based stitching was convenient because it protected women's privacy. This is to say working at home provides them with the convenience of not exposing themselves as soccer ball stitchers after which come the slurs and the derogatory comments made by their fellow villagers. This is because in the wider village culture of Sialkot, soccer ball stitching is looked down upon as a lowly activity (Punjab Rural Support Program, 2002). One woman stitcher nostalgic about home based stitching, sighed, 'Before you could earn with respect at home.' Respect is clearly important for women and the visible daily commute to centres open their self-respects up for scathing verbal assaults by villagers, particularly men. Another stitcher, despite her precarious economic situation, left working in centres because she could no longer tolerate such abuse. In words laced with deep hurt, she recollects her centre stitching experience as follows:

If we go to factories, people say nasty things about us. [They say] Putting red lipstick, going out, what do you have in mind. [We] do it [stitching] out of necessity. Common feeling [in villages] is that if one cannot do anything [one is useless] then stitch. No respect in village.

Home based stitching thus saved women from verbal abuse. At times, it also provided them protection from physical sexual abuse. One former Save the Children officer, a Sialkot village resident himself, pointed out that sexual harassment, including rape, was as an important factor that made women overwhelmingly refuse working at centres even at the pain of severe economic deprivation.

The women stitchers who made the hard migration to stitching centres whether in their own villages or in remote locations, just form at best maybe 20% of the pre-project women stitching workforce. The remainder refused to make such a migration either out of self-respect, obligations at the home, or due to permission not being given by their men folk to commute to work. Regardless, their stance has come at a vicious economic price. Though wage rates initially increased for male stitchers at centres, they were not enough to compensate for the loss of income suffered by women and children now unable to stitch. Overall, household incomes fell in absolute terms. Though, NGO personnel dread speculating on this matter, most of them estimate that average household incomes have fallen around 25-30% in absolute terms. Combine this with inflation and the knowledge that the stitching household incomes were, before this sharp drop, barely affording women stitchers and their children with a subsistence level existence, what we have is that institutional entrepreneurship plunged stitching families deeper into impoverishment. All this happened while the project received international accolades for its humanitarian concerns and the US presidential seal of approval. The women stitchers would have truly wondered if they indeed were the ones being described by Bill Clinton in his ringing endorsement of the project at the ILO headquarters in Switzerland in 1999:

Let me cite just one example of the success being achieved, the work being done to eliminate child labor from the soccer ball industry in Pakistan. Two years ago, thousands of children under the age of 14 worked for 50 companies stitching soccer balls full-time. The industry, the ILO and UNICEF joined together to remove children from the production of soccer balls and give them a chance to go to school, and to monitor the results. Today, the work has been taken up by women in 80 poor villages in Pakistan, given them new employment and their families new stabilities (Clinton, 1999).

## **5. Discussion**

When we set out to study the de-institutionalization of child-labour in the soccer-ball manufacturing industry and the legitimisation of new practices such as factory-work, we assumed like most theorists that this was indeed the most interesting aspect of this change. Very soon, however, we realized that what we thought was merely the legitimization of particular practices, was in fact the re-legitimation of Sialkot as an acceptable part of the larger field of soccer-ball production and sales, and hence of balls made there. Sialkot-made soccer balls that had been selling in the West for decades

had now become 'tainted' by child labour, and needed to be legitimised again. And in order for that to happen, it was important that the Sialkot-based suppliers be 'sanitized' in accordance with the wishes of the Western public.

Few previous studies of institutional change have involved this dynamic. For instance Thornton's (2002) study of new organizational forms in higher education publishing, Lounsbury's (2002) study of deregulation in the American finance industry, Lee and Pennings' (2002) exploration of the Dutch accounting industry, or Kaufman and Patterson's (2005) study of the diffusion of cricket all explored legitimisation or de-legitimization of practices or organizational forms within a field rather than the legitimisation of a part of the institutional field. The difference between the instances is crucial. In the latter case, since the campaign is undertaken to appease powerful members of the field, who, in various ways, can impose sanctions on perpetrators of a questionable practice (e.g., the major brands), the shape and form in which particular practices are adopted must be approved by them rather than those who actually adopt those practices. In the case of Sialkot, it meant that as long as the manufacturing was free of child labour it mattered little if the stitcher community was better or worse off. It also did not matter if this community did not approve of the means through which the 'problem' was solved, or of the new practices that were introduced.

What mattered was the approval of Western consumers driving the change. This problematizes notions in institutional theory that fields form around 'issues' (Hoffman, 1999). Fields are complex, contested terrains with pre-existing power relations, and their evolution not only reflects the resolution of a particular issue, but also consideration of who considered it to be an issue, and who paid the price for its 'resolution.' What also mattered was that the above process should appear 'legitimate'. For this, it was important to create a particular discourse about the change process in which the adopters appeared better off and even pleased with the outcome. In other words, while coercion may be involved in institutional processes, for it to be effective it must be couched in normative understandings. In our case, nowhere in the discourse whether that of the ILO or WFSGI or even that of the Sialkot Chamber was there even a hint that any coercion was involved in the project. Bill Clinton's address at the World Economic Forum in 1999 epitomised the portrayal of the campaign in international media. It was represented as an unprecedented achievement on the part of the private sector and the community, who came together to deliver the children of Sialkot their lost childhood. There were no unintended consequences. Nor were there any betrayed souls amongst the NGO workers. On the contrary, this was held out as a celebration of corporate social responsibility and of the great institutions whose job it was to ensure universal human rights.

What allows such institutional change processes to be perceived as a success, rather than a failure is often our lack of awareness of unintended consequences and the marginalization of entire populations of workers (e.g., women stitchers in Sialkot). This is in turn achieved by drawing an 'iron curtain' between different parts of the field (e.g., the stitchers and Western consumers). The iron curtain is simply a notional barrier to the passage of people and information between key sectors of a field. In our case, it was drawn by institutional entrepreneurs between Western consumers and Sialkot-based stitchers, preventing them from communicating directly with each other. Effectively,

it helped create a normative regime that legitimised an integrated system of power relations.

Iron curtains, used in this way, serve to subordinate one set of actors in the field to another in a way that appears 'proper' therefore generating acceptance by powerful stakeholders. Appeasing one set of actors triggers processes that can unintentionally hurt other actors. The iron curtain prevents feedback effects from reaching powerful stakeholders that could lead them to demanding corrective action from institutional entrepreneurs. Thus, not only does it engender unintended consequences but in this way it also helps to perpetuate them.

Naturally, this is not always a smooth process. Indeed, despite having a well-rehearsed and choreographed official narrative, the presence of multiple socio-economic and political orders in the field creates challenges to its enactment. What is legitimate in one part of the field may often be unwelcome in the other. For example, while the enrolment of multilateral agencies such as the UNICEF added legitimacy to the campaign as far as the stakeholders in the West were concerned, field workers in Sialkot often took the UN plates off their vehicles to avoid de-legitimization of the campaign. Such front-stage, back-stage behaviour, which characterized all aspects of the change process, left numerous field workers disappointed and dismayed at their own role in this project.

Iron curtains are sustained through the exercise of power in at least two forms: maintaining an asymmetric distribution of critical resources and managing meaning. Thus, whereas Sialkot's stitchers lacked access to legal/political, cultural and economic resources no effort was made to alter this situation. Given the lack of literacy and capital among them, the stitchers were greatly handicapped in becoming involved in the negotiations about their fate. Unlike the 'foreigners' who could walk into Sialkot anytime, women stitchers of Sialkot could not effortlessly amble into ILO offices in Geneva or even convey grievances directly to the powerful stakeholders. Their concerns could at best be placed with official channels who themselves faced sanctions if they deviated too much from the official narrative. This was exemplified by the testimony of various NGO workers who mentioned the existence of implicit guidelines for representing the problem of child labour and the solutions that were being implemented.

This did not have to be the case. The institutional entrepreneurs could have created positions for direct representatives of the stitching community to participate in the crafting of the project that determined their fate. There was no reason why the agreement had to be signed in Atlanta and not in Sialkot, especially given the fact that the most vulnerable and central parties, i.e., child stitchers were located there. Similarly, there was no necessity for having almost all of the discourse conducted in the English language and for making little or no effort to keep the stitchers abreast of the international controversy and the response being prepared for it. Moreover, of the wealth generated from soccer balls, some could have been used to improve the wages of stitchers and thereby help to redress the asymmetric distribution of critical resources.

The iron curtain was also instrumental in the creation and maintenance of a particular interest-laden discourse. To this end, a coalition was formed which was positioned between key stakeholders reporting the happenings in Sialkot to the West. Naturally, not anyone could occupy this position. It had to be a group of legitimate players, e.g., UNICEF and ILO, who could be deemed to be trustworthy by powerful stakeholders

(e.g., the Western consumer). This would remove the necessity from such powerful stakeholders of checking the accounts for veracity that would have entailed direct contact with those on the other side of the curtain. Such contacts may well bring to light the negative, unintended consequences, which may have disrupted the official narrative. Also, it would have helped them appreciate the complexity of the situation (e.g., the myriad norms regulating women's work). This knowledge could have led to different possible framings that could have averted the deleterious impacts of such interventions.

To summarize, institutional change does not only represent a conflict between the institutional entrepreneurs and the existing institutional order and its supporters (Hargadon and Douglas, 2001), as most of the literature stresses. The conflicts within a field run deeper, and are likely to be found at the fault lines between powerful and weak members of the same field. More importantly, where conflict is not apparent, it is often because power is being deployed by institutional entrepreneurs in a hegemonic fashion. In other words, institutional entrepreneurs are preventing conflict from arising in the first place by shaping perceptions and preferences of key stakeholders.

Cross-border diffusions of institutions, especially between developed and developing countries, are ideal situations to study the power dynamics inherent in processes of institutional entrepreneurship. We would expect the large, arguably increasing inequalities between supplier bases and consumers to be exploited regularly by institutional entrepreneurs. In ostensibly institutionalising new, progressive, legitimate-in-the-West, practices in developing countries, often in response to issues (Hoffman, 1999) that have arisen in the West, institutional entrepreneurs safeguard and further their interests by creating or utilizing normative regimes that legitimise the deployment of new practices, the means through which they are deployed and also the actors who deploy them.

## **6. Implications**

Studies of institutional entrepreneurship often tend to be limited to success or failure of entrepreneurs in implementing a particular agenda. Little attention is spent on details regarding the unintentional consequences of the change process. The case of Sialkot brings out the importance of paying attention to unintended consequences of institutional entrepreneurship. Whenever we frame a particular issue in one way rather another, some stakeholders are bound to be affected. Our findings imply that these may be the weakest ones, unable to successfully defend themselves. In addition, they may find their voices muzzled by institutional entrepreneurs. This is because the latter are keen to ensure that their message of reassurance and success being sent out to powerful stakeholders is not disrupted by the airing of the voices of the weak that could undermine the legitimising claims being made. Given these dark underlying currents of power and domination running through the institutional change process, the largely positive institutional entrepreneurship accounts now stand in need of a revisit.

An important implication of our analysis concerns how tainted products (e.g., blood diamonds or fur) can be cleansed. Using various devices, institutional entrepreneurs can rehabilitate or purify these products, ridding them of their stigma. In our case, the taint on soccer balls was removed through an adroit exercise of power wielded by

imposing an iron curtain. The field was bifurcated to allow a selected flow of people and information to reach important stakeholders so as to make soccer balls wholesome again. Simultaneously the iron curtain also allowed for the filtering out of any inconvenient facts that could tar the image or reassurance being projected.

As devices such as the iron curtain are made to accompany cross border diffusion of practices into the third world by powerful institutional entrepreneurs, the vast majority of the world's population living in developing countries will increasingly find itself on the receiving end with regard to 'legitimate' ways of doing things. In this context, it would be misleading to imagine that powerful (Western) actors can simply coerce a field into adopting a particular set of practices, or giving up others. Even coercion has to conform to certain normative rules policing its usage. For example, the institutional entrepreneurs in our case study, while imposing a regime on children and their families that did not address their central concerns (e.g., living wages and the right to work in the privacy of homes), had to manage meaning through devices like the iron curtain to signal to powerful stakeholders (e.g., Western consumers) that the interests and concerns of these groups were guiding the change process as it 'ought' to be. All this discussion muddies the neat analytical distinctions between coercive and normative isomorphism that have become central to institutional theory.

Our study opens up new avenues for research in institutional change. We encourage researchers to study instances of change where power differentials are great. We also suggest that studying instances of cross-border diffusion of institutions may be a fruitful line of inquiry. Likewise, we would like to persuade future scholars to pay explicit attention to the unintended consequences of institutional entrepreneurship, so that we do not end up perpetuating the rather one-sided views of institutional entrepreneurs that pervade the literature.

In conclusion, institutional entrepreneurship has helped bring back to the fore the crucial role of human agency in the discussion on change in organization studies. This is an improvement over approaches that took an impersonal route often adopting biological models to explain change. Such accounts had a tendency of filtering out the possibility of human volition in effecting change. By further creating space for human agency in accounts of change, institutional entrepreneurship has not only made them more accurate but it has also allowed room for discussions on power. There had been a slim opportunity before in impersonal accounts for "once the capacity to make a difference was marginalized, so was power, by definition" (Clegg, 2002: 432).

While the promise to discuss power in institutional change was made possible by institutional entrepreneurship, it has been far from realized. When power has been discussed, the perspective adopted is that of the senior manager (Greenwood et al, 2002). The problem with having such a perspective, as articulated by Adler and Jermier (2005), is that research that relies primarily on elite standpoints ends up having blind spots (e.g., seeing institutional entrepreneurs in a positive vein). These can be avoided by scholarship with a more pluralistic epistemology encompassing among its chief referents exploited groups and the natural environment.

As our case illustrates that when we adopt a pluralistic concern with power, incorporating content of disadvantaged and marginalized actors, a different and less flattering image emerges. The child labour campaign reveals that the institutional entrepreneurship process can have casualties helping us see its dark side of power and domination over vulnerable and weak actors. This dark side is illuminated when we shift attention from what has traditionally concerned researchers: the professed objectives of institutional entrepreneurs and the consequences that they intended to realize. When we focus instead on unintended consequences, as we did in our case study, power, often veiled in such normative transformations, becomes visible.

Finally, we find ourselves echoing calls issued by Hinings and Greenwood (2002), Clegg (2002) and Adler and Jermier (2005) for organization theory to engage with more problematic, and substantial rather than instrumental issues. We feel that institutional theory provides a powerful perspective to investigate the construction of social reality. We urge future researchers to explore not only how institutional entrepreneurs build legitimacy for new ideas, but the legitimacy of the entrepreneurial process itself. We implore them to scrutinize the consequences of institutional change not only for those who are its vocal opponents but also those whose voice cannot be heard. Finally, we warn against equating an apparent absence of conflict with taken-for-grantedness. Under the apparent tranquillity of most institutional fields lurk deep tensions, and we urge institutional theorists to bring those out.

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## Appendix A: Break-Down of Interview Respondents

**Passive Respondent Definition:** Those to whom an informed consent procedure was administered either in writing or orally but who did not directly provide information to the researcher (e.g., people in a group who were nodding their heads while group member(s) spoke to the interviewer).

**Active Respondent Definition:** All respondents to whom an informed consent procedure was administered either in writing or orally and who directly provided information to the researcher.

MAIN STUDY (February-April, July-October 2003)					
	Total	NGO	Stitchers		Miscellaneous
Gender			Active	Passive	
Male	49	24	10	4	11
Female	61	7	21	29	4
<b>Total</b>	110	31	31	33	15

Notes: Interviews conducted in Sialkot city and in the following villages/areas of Sialkot district: Chak Qazi, Dhanewali, Head Miralla, Kitara, Lado Pind, Moutra, Nanowali, Rumala Chak, Sambrial, and Ugoki. NGO and Miscellaneous respondents were all active respondents. Miscellaneous category consisted of the following:

4 Factory Owners/Business Executives (Male); 3 Teachers (Female); 1 General Manager Stitching Centre (Male); 1 Quality Control Manager Stitching Centre (Male); 1 Quality Control Manager (Male); 4 Subcontractors (Male); and 1 elderly wife of a soccer ball magnate. She provided me with valuable insider-information to assess the public posturing of the soccer ball industry concerning the child labour issue. The respondents are classified based on their current occupation at the time of the interview even though several had served in other occupations as well (e.g., a current NGO employee being an ex-stitcher).

## PILOT STUDY (December 2000–January 2001)

	Total	NGO	Stitchers	Miscellaneous
Gender				
Male	13	4	2	7
Female	2	1	1	-
<b>Total</b>	15	5	3	7

Notes: Interviews conducted in Sialkot city and in Ghadaray village located in Sialkot district. Miscellaneous consisted of 4 Factory owners, 1 Manager, and 2 lower level office workers. All interviewees were active respondents. The respondents have been classified here on the same classification scheme used for the main study (see above).

**APPENDIX B: LIST OF ORGANIZATIONS WHOSE  
PERSONNEL WERE INTERVIEWED FOR THE RESEARCH**

1. Anwar Khawaja Industries (AKI)
2. Baidarie
3. Bunyad Literacy Community Council (BLCC)
4. Capital Sports (Private) Limited
5. Child and Social Development Organization (CSDO)
6. Child Care Foundation of Pakistan
7. Community Development Concern (CDC)
8. International Labour Organization (ILO)
9. International Labor Rights Fund (ILRF)
10. International Monitoring Association for Child Labour (IMAC)
11. Punjab Rural Support Programme (PRSP)
12. Quality Links (Private) Limited
13. Saga Sports (Private) Limited
14. Save the Children (SCF)
15. Select-Anwar Khawaja Industries Health and Education Programme (SAHEP)
16. Sublime Sports (Private) Limited
17. Sudhaar
18. United Nations Children's Fund (UNICEF)

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### ***Abstract***

Institutional entrepreneurs are often responsible for bringing practices to developing countries that, while novel for the latter, are highly institutionalized in the West. This cross-border diffusion often involves the exercise of power that while serving institutional entrepreneurs' interests generates unintended consequences. Consideration of these unintended consequences illuminates power dynamics that led to them and thus extends our understanding of institutional entrepreneurship. Through a detailed study of the campaign to eliminate child labour in Pakistan's soccer ball manufacturing industry, we identify how and why power was deployed and unintended consequences were produced. Our analysis problematizes the conventional understanding of institutional entrepreneurship and holds significant implications for future studies

**Key Words:** Institutional Theory; Child Labour; Institutional Entrepreneurship; Pakistan



**Centre for Management  
and Economic Research**

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Lahore University of Management Sciences,  
Opposite Sector 'U', Defence Housing Authority,  
Lahore Cantt. 54792, Pakistan  
Phone: 92-42-5722670-9 (Ext. 4201)  
Fax: 92-42-5722591  
<http://ravi.lums.edu.pk/cmcr/>