

# Pakistan country study 2016

## Labour standards in the garment supply chain

Strategic Partnership for  
Garment Supply Chain Transformation



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# 1. Executive summary

Strategic Partnership for  
Garment Supply Chain Transformation



# 1. Executive summary

The present country study on Pakistan, has been carried out in December 2016 for CNV Internationaal in the context of the Partnership for Supply Chain Transformation. It is based on desk and original research on the current status of the industry structure, social dialogue, gender-based violence and living wage debates in the apparel industry in Vietnam for use in the first phase of this project. The Fair Wear Foundation with its alliance partners CNV Internationaal and FNV Mondiaal has been selected by the Dutch Ministry of Foreign Affairs for a five year Strategic partnership for Garment Supply Chain Transformation starting 2016 as part of its "Dialogue and Dissent" policy framework.

The primary goal of this initiative is to improve the lobbying and advocacy capacity of Trade Unions and labour related NGOs by enhancing their understanding of international Ready Made Garments supply chains, access to critical information and know-how. Opportunities will be identified to develop pilot experiences in the supply chain resulting in good practices related to living wages, gender-based violence and freedom of association and collective bargaining, which will facilitate more effective social dialogue and monitoring of human rights compliance at the factory level and reinforce the value of NGOs and trade unions to all supply chain stakeholders.

This report gives insight into the garment/ textile industry of Pakistan and its related industry, labour laws, industrial relations and industry. The study was developed after a desk study and a subsequent visit to Pakistan to interview stakeholders on issues related to the garment industry.

## Labour policies

Due to the devolution of power to the provinces due to the 18th Amendment to the constitution, most labour policies are no longer the responsibility of the federal government. This has led to the development of labour policies in each province that often contradict each other and make it hard to implement. Sub sequentially oversight over the implementation of policies by the labour inspectorate is also a challenge. Furthermore countervailing policies make it harder for unions and labour NGOs to request their rights as it is sometimes unclear which policies they should use in negotiations with factories or court proceedings.

## Unions

Unions are virtually non-existent in the textile and garment sector. Those that do remain have an activist approach that does not always serve the interests of the workers, who would benefit from a more dialogue based approach. Furthermore the creation of 'pocket unions' that are run by factory management undermine the creation of genuine labour unions on the work floor in factories.

## Women Rights

Due to Pakistan patriarchal structure, women are confronted with a multitude of challenges to claim their rightful place in society and the workplace. Barriers to education, access to unions, and the pervasiveness of home-based work, in which young girls work to supplement family income, are just a view of the multitude of barriers women face on a daily bases. Besides these challenges, murder through so-called honor killings, acid attacks, domestic violence, and forced marriages are unfortunately still common place.

## Buyers

Buyers have the potential to initiate several positive steps to improve labour conditions in a country that is still plagued with factory accidents on a daily basis. Several steps have been taken through the creation of a buyer's forum in Pakistan to engage with the government on labour policies and sharing of best practices from the factory floors.

Below you will find a more detailed description of these findings. In chapter 2, the social political and governance indicators will be discussed as well as income and poverty and the general human rights situation. Chapter 3, gives an insight into the garment and textile industry. Chapter five will highlight some of the most important stakeholders in Pakistan. Chapter 6 solely focusses on the implementation of the core labour standards, and chapter 7 will highlight best practices and recommendations.



## 2. General country information

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## 2. General Country Information

Pakistan (official name: Islamic Republic of Pakistan) is located at cross roads of South Asia, Central Asia, China and the Middle East. Neighboring countries include Iran, India, Afghanistan and China. Pakistan has a total land area of 880,940 km<sup>2</sup>, a little less than the sum area of four countries: Poland, Italy, UK and Turkey. This makes Pakistan the 34th largest country in the world with a population of 200 million people. In 2015, the Gross Domestic Product (GDP) of the Country was worth 269.97 billion. The GDP value of Pakistan represents 0.44 percent of the world economy.<sup>1</sup> GDP growth accelerating to 4.2 percent in fiscal year (FY) 15 was expected to pick-up to 4.5 percent in FY16.<sup>2</sup>

Pakistan's manufacturing industry, of which garment and textile form one the key sectors, is the second largest tier of the economy after agriculture. However, this sector is also the most vulnerable to factors like government policies, trade agreements, infrastructure, Foreign Direct Investment (FDI), workforce, R&D activities, and access to energy supply. The manufacturing sector accounts 13.3 percent of Gross Domestic Product (GDP) and 14.2 percent of total employed labour force. Large Scale Manufacturing (LSM) at 10.6 percent of GDP dominates the overall sector, accounting 80 percent of the sectoral share<sup>3</sup>.

Pakistan is the fourth largest cotton produces in the world and stands third in the field of yarn production. The textile value chain consists of ten industrial sub-sectors. The value chain is quite long starting from cotton picking to a finished garment of the latest fashion. The end product of one sub-sector is the basic raw material for the other.<sup>4</sup>

In FY 2015-2016, textile comprised 60 percent of the total exports,<sup>5</sup> 46 percent of LSM, and 40 percent of total labour force and contributed to 8.5 percent of total GDP.<sup>6</sup> It was reported in 2013 that the Country has 1,221 ginning units, 442 spinning units, 124 large spinning units and 425 small units which produce textile products<sup>7</sup>

After agriculture, the garment and textile industry it is the second largest employer of women in Pakistan<sup>8</sup> and the largest employer of female workers in Pakistani manufacturing. Although the overall employment of female workers in the Pakistani textile and clothing industry is about 20 percent, relative female employment in stitching units is considerably higher, up to 75 percent of the total workforce is in the stitching units, and up to 80% of the workforce in SEZ.<sup>9,10</sup>

<sup>1</sup> Trading Economics, Pakistan GDP , available at: <http://www.tradingeconomics.com/pakistan/gdp>

<sup>2</sup> World Bank, Pakistan Country Overview , available at: <http://www.worldbank.org/en/country/pakistan/overview>

<sup>3</sup> Pakistan Economic Survey 2015-2016, Chapter 3 , available at: [http://www.finance.gov.pk/survey/chapters\\_15/03\\_Manufacturing.pdf](http://www.finance.gov.pk/survey/chapters_15/03_Manufacturing.pdf)

<sup>4</sup> Pakistan Economic Survey 2015-2016, Chapter3 , available at: [http://www.finance.gov.pk/survey/chapters\\_15/03\\_Manufacturing.pdf](http://www.finance.gov.pk/survey/chapters_15/03_Manufacturing.pdf)

<sup>5</sup> Pakistan Federal Budget, Exports drop to \$15.6 billion - Pakistan Federal Budget , available at: <http://budget.par.com.pk/news/exports-drop-15-6-billion/>,

<sup>6</sup> Textile Industry's Economic Contribution 2011-12 , available at: [http://www.apmta.org.pk/pak\\_textile\\_statistics/tec.php](http://www.apmta.org.pk/pak_textile_statistics/tec.php)

<sup>7</sup> Statistics on textile industry in Pakistan , available at: <http://tribune.com.pk/story/522292/statistics-on-textile-industry-in-pakistan/>

<sup>8</sup> Mennonite Economic Development Associates [MEDA] (2007). Behind the Veil: Access to Markets for Homebound Women Embroiderers in Pakistan. Semi-Annual Report prepared for USAID (July 1 – December 31, 2006).

<sup>9</sup> Federal Bureau of Statistics Pakistan, "Labor Force Survey (2007-08) , available at: <http://www.statpak.gov.pk/depts/index.html>

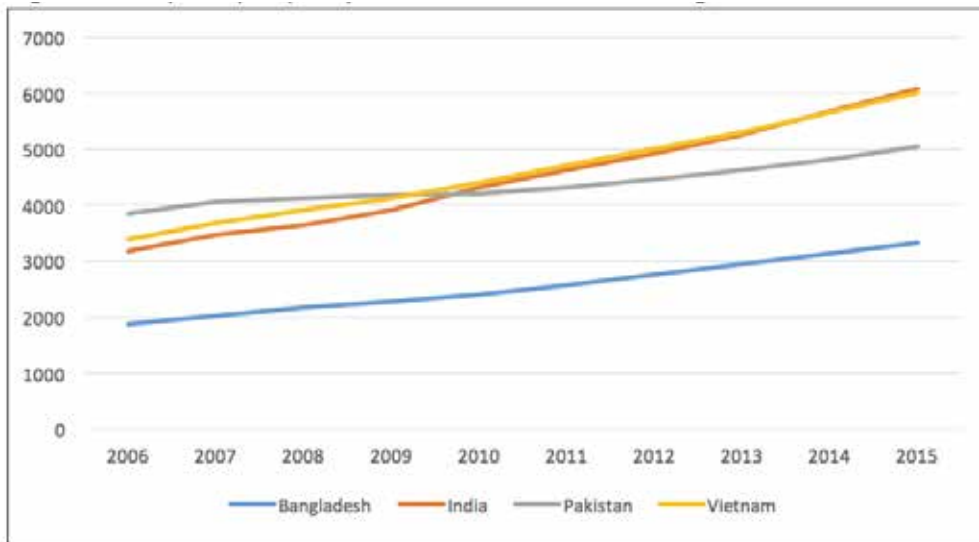
<sup>10</sup> Development Has a Woman's Face: Insights from Within the U.N., Krishna Ahooja-Patel 2007, p 200.



## 2.1 Economic Indicators

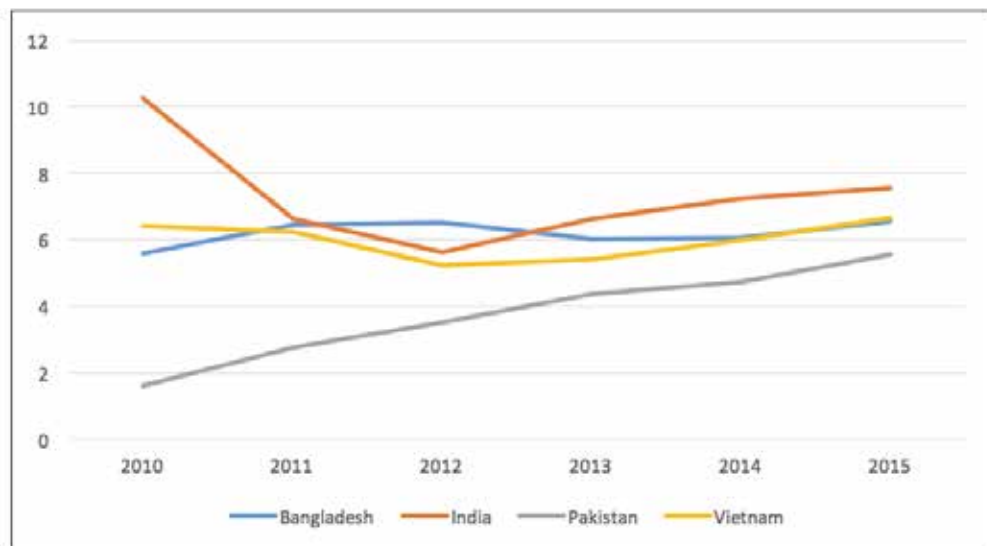
Pakistan as well as other garment producing countries in South Asia, such as India and Bangladesh, have seen a steady increase of GDP per capita over a period of 10 years, as can be seen in Figure 1. However in 2006 GDP per Capita in Pakistan was higher than that of Vietnam and India, but has now been overtaken by both countries.

Figure 1. GDP per capita (USD) in Selected Garment Producing Countries<sup>11</sup>



Pakistan's economic growth almost 4 percent in the past five years lags its regional peers in South Asia which averaged almost 7 percent. Bangladesh has been growing at over 6 percent for the past few years while India, despite two years of modest growth in 2012 and 2013, has been able to maintain average growth of well over 5 percent in the past five years<sup>12</sup>.

Figure 2. GDP growth (annual %) in Selected Garment Producing Countries<sup>13</sup>



With 64 percent of its population below the age of 30, Pakistan has Human Development Index (HDI) value of 0.538, Pakistan ranks 147th out of 188 countries and territories.

<sup>11</sup> World Bank, GDP per capita, PPP (current international \$), data available at: <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?locations=PK>

<sup>12</sup> Pakistan Economic Survey: Two years of growth and several missed targets, available at: <http://www.dawn.com/news/1186172>

<sup>13</sup> World Bank, 2 GDP growth (annual %) data available at: <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2015&locations=PK-IN-VN-BD&start=2010>

*Table 1. Human Development Index in Selected Garment Producing Countries, 2014<sup>14</sup>*

HDI RANK	Country	HDI	Life Expectancy	Expected years of schooling	Mean year of schooling	GNI per Capita
142	Bangladesh	0.570	71.6	10.0	5.1	3,191
130	India	0.609	68.0	11.7	5.4	5,497
147	Pakistan	0.538	66.2	7.8	4.7	4,866
116	Viet Nam	0.666	75.8	11.9	7.5	5,092

It is important to point out that the differences between the rural and urban poverty levels are quite significant. The same counts for the differences between the provinces and key economic centers for garment production such as Karachi, Lahore, Faisalabad and Sialkot.

There are no official Pakistani statistics for the GDP by city but according to one report by Price Water House Coopers, the GDP of Karachi City in FY 2008/09 was \$8.9 billion. The same report placed Pakistan's third and fourth largest cities, Lahore and Faisalabad, at \$4.0 billion and \$1.4 billion, respectively. Karachi accounts for nearly 54 percent of the total revenue collections, produces about 30 percent of value added in large-scale manufacturing and contributes 20 percent to the GDP of Pakistan.<sup>15</sup>

## 2.2 Social Political and Governance Indicators



2018 will be the year of elections for the candidates of 15th National Assembly and for four provincial assemblies. This will be the second consecutive civilian transfer of power followed by two successful completions of 5-year terms by democratic governments (between 2008 and 2018) of Pakistan People's Party (PPP) and Pakistan Muslim League (Nawaz - PML-N), respectively.

On the World Bank's Voice and Accountability Index<sup>16</sup> Pakistan ranks 27.09 for year 2015 and is much ahead of China, which stands at 4.93. However, it lags behind India and Bangladesh having ranking of 60.59 and 30.54, respectively. Whereas, on the World Bank's Government Effective Index<sup>17</sup>, Pakistan ranked 27.10 on a scale of 1-100 for 2015, just ahead of Bangladesh at 24.14 and well behind China at 68.27 and India at 56.25.

Further, on the World Bank's Rule of Law Index<sup>18</sup>, Pakistan with a ranking at 23.56 (again on the scale of 1-100) Pakistan is behind other textile producing countries of the region: Bangladesh 27.40, China 43.75 and India 55.77. When it comes to Political stability and Absence of Violence/Terrorism Index<sup>19</sup>, Pakistan has a long way to go as it ranked 0.95 for 2015, whereas, Bangladesh stands at 10.95, China at 27.14 and India at 16.67.<sup>20</sup>

<sup>14</sup> UNDP, Human Development Index 2014, data available at: <http://hdr.undp.org/en/content/human-development-index-hdi>

<sup>15</sup> Price Waterhouse and Cooper, Global city GDP rankings 2008-2025, available at: <http://pwc.blogs.com/files/global-city-gdp-rankings-2008-2025.pdf>

<sup>16</sup> Voice and Accountability Index: Reflects perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. The data is available at: [http://databank.worldbank.org/data/reports.aspx?Report\\_Name=WGI-Table&Id=ceea4d8b](http://databank.worldbank.org/data/reports.aspx?Report_Name=WGI-Table&Id=ceea4d8b)

<sup>17</sup> Government Effective Index: Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The data is available at: [http://databank.worldbank.org/data/reports.aspx?Report\\_Name=WGI-Table&Id=ceea4d8b](http://databank.worldbank.org/data/reports.aspx?Report_Name=WGI-Table&Id=ceea4d8b)

<sup>18</sup> Rule of Law: Reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. The data is available at: [http://databank.worldbank.org/data/reports.aspx?Report\\_Name=WGI-Table&Id=ceea4d8b](http://databank.worldbank.org/data/reports.aspx?Report_Name=WGI-Table&Id=ceea4d8b)

<sup>19</sup> Political Stability and Absence of Violence/Terrorism: Measures perceptions of the likelihood of political instability and/or politically-motivated violence, including terrorism. The data is available at: [http://databank.worldbank.org/data/reports.aspx?Report\\_Name=WGI-Table&Id=ceea4d8b](http://databank.worldbank.org/data/reports.aspx?Report_Name=WGI-Table&Id=ceea4d8b)

<sup>20</sup> World Bank, The Worldwide Governance Indicators (WGI) project 1996-2015, available at: <http://info.worldbank.org/governance/wgi/index.aspx#home>

Moreover, on the World Bank's Control of Corruption Index<sup>21</sup>, Pakistan ranked 23.56 on a scale of 1-100 for 2015, ahead of Bangladesh at 18.27 and well behind China at 50.00 and India at 44.23<sup>22</sup>. Pakistan is the 117 least corrupt nations out of 175 countries, according to the 2015 Corruption Perceptions Index reported by Transparency International. Another source cited that corruption Rank in Pakistan averaged 107.90 from 1995 until 2015, reaching an all-time high of 144 in 2005 and a record low of 39 in 1995.<sup>23</sup>

Pakistan ranks 121st out of 155 countries in terms of its Gender Inequality Index: only 19.3 percent of women reach secondary education compared to 46.1 percent of men, while female participation in the labour market is 24.6 percent compared to 82.9 percent for men.<sup>24</sup>

## Pakistan and the 18th amendment to its constitution

The 18th Amendment to the Constitution devolved labour, along with 46 other subjects, in April 2010 to the provincial level. This had a major effect on the development of labour policies in the country. The goal of the 18th Amendment was to decentralize power and grant greater autonomy to the provinces that would filter down to districts leading to more equitable development.<sup>25</sup>

The foremost issue raised by labour unions and NGOs after the 18th Amendment, was the question of harmonizing labour laws across provinces: the need for an over-arching framework, a blueprint embodying fundamental principles of rights and responsibilities of stakeholders as established by the ILO conventions and enshrined in the Constitution of Pakistan.<sup>26</sup>

Unfortunately, uniformity was compromised when the provinces adopted separate laws concerning labour. Furthermore the provinces enacted separate industrial relations laws largely based on the Industrial Relations Ordinance 1969<sup>27</sup>. This resulted in a plethora of labour laws that are different in each province. Given that each province has their own labour laws, each province has specific challenges where it comes to the promotion of labour standards and a living wage. Due to the pervasiveness of the Ready Made Garment (RMG) industry in Sindh and Punjab, this report will point out specific laws in these provinces, and where necessary references will be made to federal legislation.<sup>28</sup>

The federal government has tried to uphold the labour laws through the introduction of article 270 AAA of the Constitution of Pakistan, that protects the existing legislation on labour matters until the development of either a new legal framework by the provinces or the formal adoption of the earlier laws has been finalized.<sup>29</sup>

More amendments are needed to harmonize the provincial Labour Legislations in line with Pakistan's ratified ILO conventions. This was also agreed by the representatives from the four provincial departments of labour, Gilgit-Baltistan, Employers Federation of Pakistan (EFP) and Pakistan Workers Federation (PWF) who jointly reviewed the labour laws in a four days' workshop, in 2013.<sup>30</sup>

21 *Control of Corruption: Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.*

22 *World Bank, The Worldwide Governance Indicators (WGI) project 1996-2015*, available at: <http://info.worldbank.org/governance/wgi/index.aspx#home>

23 *Pakistan Corruption Rank, 2015*, available at: <http://www.tradingeconomics.com/pakistan/corruption-rank>

24 *Pakistan ranked 147th on HDI, The News*, available at: <https://www.thenews.com.pk/print/93753-Pakistan-ranked-147th-on-HDI>

25 *UNDP, Analysis: Five Years Of The 18th Constitutional Amendment: Federalist Imperatives On Public Policy And Planning*, available at: [http://www.pk.undp.org/content/pakistan/en/home/library/hiv\\_aids/development-advocate-pakistan--volume-2--issue-1/analysis--five-years-of-the-18th-constitutional-amendment--feder.html](http://www.pk.undp.org/content/pakistan/en/home/library/hiv_aids/development-advocate-pakistan--volume-2--issue-1/analysis--five-years-of-the-18th-constitutional-amendment--feder.html)

26 *Protecting Pakistani Laborers Post-Eighteenth Amendment: Recognizing Rights after the Devolution of Power*, Furqan Mohammed, 2012, <http://lawcommons.luc.edu/cgi/viewcontent.cgi?article=1003&context=lucilr>

27 *Industrial Relations Ordinance 1969*, available at: <http://www.ilo.org/dyn/natlex/docs/WBTEXT/35385/64904/E97PAK02.htm>

28 *Pakistan's Textile: Trappings of the Value Chain in Status of Labour Rights in Pakistan 2014*, Zeenia Shaukat.

29 *Constitution (Amendment) Order, 2007*, available at: [http://www.pakistani.org/pakistan/constitution/post\\_03nov07/po5\\_2007.html](http://www.pakistani.org/pakistan/constitution/post_03nov07/po5_2007.html)

30 *ILO, Provinces review Labour Laws with ILO Conventions*, available at: [http://www.ilo.org/islamabad/info/public/pr/WCMS\\_209114/lang--en/index.htm](http://www.ilo.org/islamabad/info/public/pr/WCMS_209114/lang--en/index.htm)



## 2.3 Income and Poverty

In the year 2011, 2.0 percent of people in Pakistan are middle income<sup>31</sup>, compared with 13 percent globally. 18.1 percent of its population is poor and 79.5 percent comes in low-income category. Upper middle income is 0.4 percent.<sup>32</sup>

60 million Pakistanis are living below the poverty line. Which amount to about 30% of the population. In monetary terms, poverty line stands at Rs, 3,030 (USD 300) per adult equivalent per month. Pakistan's Multidimensional Poverty Index (MPI) showed a strong decline, with national poverty rates falling from 55 percent to 39 percent from 2004 to 2015. However progress across different regions of Pakistan is uneven.

Poverty in urban areas is 9.3 percent as compared to 54.6 percent in rural areas. Disparities also exist across provinces. Deprivation in education contributes the largest share of 43 percent to MPI followed by living standards which contributes nearly 32 percent and health contributing 26 percent. These findings further confirm that social indicators are very weak in Pakistan, even where economic indicators appear healthy.<sup>34</sup>

The ILO estimates that 5.4% of the population is unemployed, however these are not very reliable figures given the pervasiveness of the informal economy in Pakistan.<sup>35</sup> Monthly minimum wages differ per province and amount to Rs 14,000 per month in Punjab and Sindh province. However few workers employed in the garment sector receive these salaries, with the exception of those factories which produce for larger brands.

Table 2. Poverty headcount ratio at \$3.10 a day (2011 PPP) % of the population in selected garment producing countries<sup>36</sup>

Country	% at \$3.10 a day
Bangladesh	56.8
Pakistan	43.6
India	58
Vietnam	18.1

The World Bank estimates that about 43.6% of the population lives on \$3.10 per day, which is lower than in garment producing countries India and Bangladesh. However it is significantly higher than Vietnam, which is considered a middle income country by the World Bank.

Table 3. Gender Inequality Index in selected garment producing countries, 2014<sup>37</sup>

	Value	Rank	Maternal mortality ratio (deaths per 100,000 live births)	Adolescent birth rate (births per 1,000 women ages 15-19)	Share of seats in parliament (% held by women)	Female (% ages 25 and older)	Male (% ages 25 and older)	Female Labour Force Participation (% ages 15 and older)	Male Labour force participation (% ages 15 and older)
Viet Nam	0.308	60	49	29.0	24.3	59.4	71.2	73.0	82.2
India	0.563	130	190	32.8	12.2	27.0	56.6	27.0	79.9
Bangladesh	0.503	111	170	80.6	20.0	34.1	41.3	57.4	84.1
Pakistan	0.536	121	170	27.3	19.7	19.3	46.1	24.6	82.9

31 The income groups are defined as follows: The poor live on \$2 or less daily, low income on \$2.01-10, middle income on \$10.01-20, upper-middle income on \$20.01-50, and high income on more than \$50

32 Pew Research Center, World Population by Income, 2011, available at: <http://www.pewglobal.org/interactives/global-population-by-income/>

33 New poverty line makes a third of Pakistanis poor, Dawn, available at: <http://www.dawn.com/news/1250694>

34 UNDP, Pakistan's new poverty index reveals that 4 out of 10 Pakistanis live in multidimensional poverty, available at: <http://www.pk.undp.org/content/pakistan/en/home/presscenter/pressreleases/2016/06/20/pakistan-s-new-poverty-index-reveals-that-4-out-of-10-pakistanis-live-in-multidimensional-poverty.html>

35 The World Bank, Unemployment, (1991-2014) total (% of total labor force) (modeled ILO estimate), available at: <http://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?end=2014&locations=PK&start=1991&view=chart>

36 World Bank, World Development Indicators, data available at: <http://databank.worldbank.org/data/reports.aspx?source=2&Topic=11#>

37 United Nations Development Programme, Human Development Report, Table 5: Gender Inequality Index, available at: <http://hdr.undp.org/en/composite/GII>

The position of women in Pakistan is far from ideal, as reflected in its position on the Gender Inequality Index. It is below Vietnam and Bangladesh, however the position of women in Pakistan is better than India. Gender relations are characterized by a relationship of domination and subordination between men and women and maintained mainly through a strict sexual division of labour and demarcation of space into private and public domains restricting women's physical mobility. Gender inequality inhibits women's access to opportunities to enhance their basic capabilities such as education, thereby also undermining the position on the labour market. Some recent reforms have been introduced by the government to improve the position of women, such as a quota of 22% for women in local government jobs.<sup>38</sup>

## 2.4 General Human Rights Situation

Under pressure from the military leadership, the government of Prime Minister Nawaz Sharif ceded significant constitutional and decision-making authority to the armed forces in 2015, particularly in the areas of national security, foreign policy, and human rights. The military assumed control of the implementation of a national plan to address terrorism, largely without civilian oversight.<sup>39</sup> The anti-terrorists laws in Country haunts unionists as well<sup>40</sup>

According to statistical report revealed by the Ministry of Law, Justice and Human Rights, from January 2012 to September 2015, total 8,648 incidents of human rights violation have been reported in the country. Out of them, 239 have been recorded in Islamabad, 1,599 in Punjab, 3,768 in Sindh, 1,552 in Khyber Pakhtunkhwa and 1,490 in Baluchistan. These include 90 incidents of acid burning, 72 of burning, 481 of domestic violence, 860 honor (karo-kari) killings, 1,564 kidnappings, 20 minority-related issues, 141 cases of missing persons, 1,233 police-related and 112 prison-related violations, 344 rape/gang rapes, 260 sectarian violence/targeted killings, 268 sexual assault/harassment, 493 cases of violence against children and 535 against women and 2,175 miscellaneous violence<sup>41</sup>.

Pakistan has ratified a total of 34 ILO conventions, including eight core conventions - Freedom of Association & Collective Bargaining, Child Labour, Forced Labour, and Discrimination (equal treatment in employment and occupation and equal remuneration for equal value of work). With the passage of 18th Amendment, the labour legislation and its implementation now solely rests with the provincial governments.<sup>42</sup> Pakistan is among 20 percent of Asian countries that have ratified all the eight core labour conventions.<sup>43</sup>

As the core labour conventions are also part of the European Unions Generalised System of Preferences Plus (GSP+), there is an increased political will to work on the improvement and implementation of the above mentioned conventions. However in a country where officially 60 million workers have been registered, there are only 336 labour inspectors and only three of them are women. Therefore a formidable efforts still need to be made to increase compliance on the work floor.<sup>44</sup>

The government still needs to take further actions to protect women and girls from abuses including rape, murder through so-called honor killings, acid attacks, domestic violence, and forced marriages. According to local groups, hundreds of honor killings took place. In March, Punjab province passed a law setting tougher penalties for those who arrange or conduct child marriages. The law did not, however, raise the age of marriage from 16 to 18, in line with international standards, as Sindh did in 2014. The government's Council of Islamic Ideology denounced the Punjab reform. The government failed to address the issue of forced conversion to Islam of Hindu and Christian women.<sup>45</sup>

38 *Women Business and the Law 2016*, available at:

<http://wbl.worldbank.org/-/media/WBG/WBL/Documents/Reports/2016/Women-Business-and-the-Law-2016.pdf>

39 *Human Rights Watch, Pakistan Events of 2015*, available at: <https://www.hrw.org/world-report/2016/country-chapters/pakistan>

40 *IUF, Pakistan: Pearl Continental Lahore union wins recognition election, leaders charged with criminal offences including 'terrorism'!*, available at: <http://www.iuf.org/w/?q=node/1646>

41 *World Human Rights Day 2015: The human rights situation in Pakistan is alarming, The Nation*, available at:

<http://nation.com.pk/blogs/11-Dec-2015/world-human-rights-day-2015-the-human-rights-situation-in-pakistan-is-alarming>

42 *ILO, Provinces review Labour Laws with ILO Conventions*, available at: [http://www.ilo.org/islamabad/info/public/pr/WCMS\\_209114/lang--en/index.htm](http://www.ilo.org/islamabad/info/public/pr/WCMS_209114/lang--en/index.htm)

43 *Labour laws: 'Pakistan over ambitious in ratifying ILO conventions, The Express Tribune*, available at:

<http://tribune.com.pk/story/326610/labour-laws-pakistan-over-ambitious-in-ratifying-ilo-conventions/>

44 *Dawn, 'Pakistan lags behind in implementing labour conventions' Available at:* <http://www.dawn.com/news/1208511>

45 *Pakistan Events of 2015, Human Rights Watch*, available at: <https://www.hrw.org/world-report/2016/country-chapters/pakistan>

In 2016 the Government of Pakistan, as part of their compliance needs of GSP+, introduced an action plan to promote human rights. The Action Plan consists of six major areas with about 60 actions for protection and promotion of human rights in the country including policy and legal reforms, implementing key human rights priorities, education and sensitization of general public and duty bearers, international/UN treaty implementation, strengthening of national human rights institutions and the establishment of implementation and monitoring mechanisms. The protection of rights of the women, children, minorities and persons with disabilities has been given the priorities in the action plan. The Action Plan envisages activities at both federal and provincial level in collaboration with federal ministries and provincial departments to improve human rights situation and prevention of violations in the country. However the role of labour unions and civil society in general is not been defined and their role in the implementation process unknown.



## 3. The Garment industry

Strategic Partnership for  
Garment Supply Chain Transformation



### 3. The Garment Industry

Unlike some other textiles and clothing producing countries, Pakistan is unique as it has a self-reliant supply chain. From cotton growing to ginning, weaving, processing and finishing, and from fabrics to home textiles and apparel, all have links in the textile and clothing supply chain which have been developed by Pakistan's own industry.<sup>46</sup>

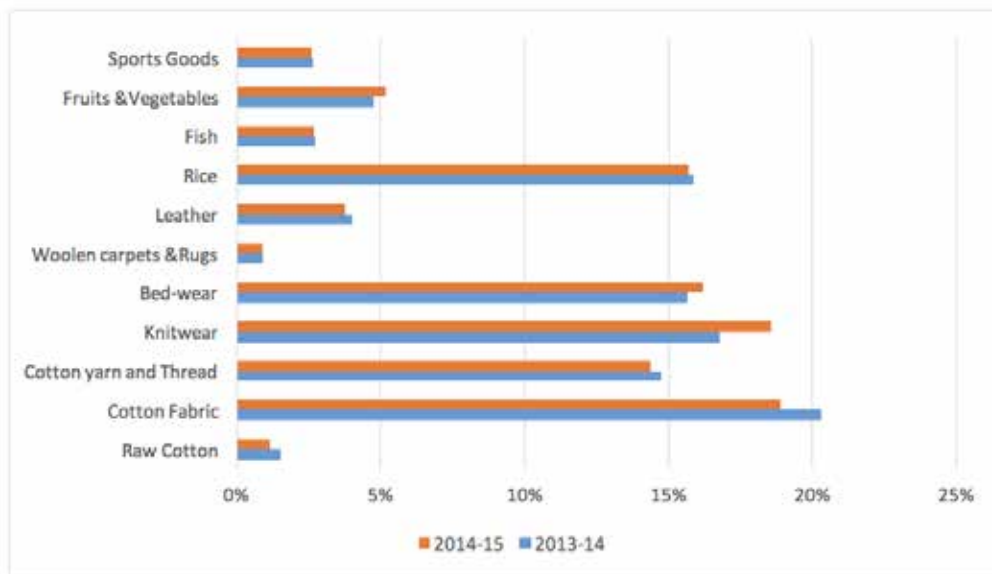
The textile sector is the most important sector under manufacturing which accounts for 8% of GDP. It employs 40% of industrial sector's workforce, using 40% of bank credit given to the industrial sector and accounting for 60% of Pakistan's exports revenues.<sup>47</sup> However, in recent years, textile exports have declined significantly. Textile exports were recorded at \$11.625 billion US dollars in 2014-2015. In 2015-2016, this number had dropped 7.7% to \$10.395 billion.<sup>48</sup>

In the FY 2013/2014 and FY 2014/2015 the majority of the goods exported are related to the garment and textile industry. Bed wear, knitwear, cotton yarn and thread, as well as cotton fabric are the main export product textile and garment industry, as can be seen in figure 3.

The main areas for garment production are Karachi (Province of Sindh), Lahore, Faisalabad and Sialkot. According to the All Pakistan Textile Mills Association, which is the biggest contributor to Pakistan's textile exports, about 100 member factories have shut down and at least 500,000 people have lost jobs in the past two years. According to Pakistan Bed wear Exporters Association, about two-thirds of the members have stopped working in the past five years.<sup>49</sup>

This trend is likely to continue unless the government addresses shortage of electricity, gas and the deteriorating law and order situation. The unscheduled/scheduled load shedding along with increasing rates of gas and electricity have obstructed the viability of the textile industry as the exporters were unable to meet their commitments. In addition, Pakistan's exports of raw materials to the global textile buyers are imported again to the domestic market in form of finished value-added textile products, undermining Pakistan own production base. The capacity utilization in textile sector is only 60 percent.<sup>50</sup>

Figure 3. Exports by commodity/ Group in % FY 2013-14, and 2014-15<sup>51</sup>



Where it comes to Pakistan's position as a garment and textile exporter on the global market, it has performed consistently, and has even been able to improve its global rank, and market share with 2% in the year 2015, although their total exports in USD dropped.

46 Statistical yearbook 2015-2016, Chapter 3, Manufacturing and Mining, available at: [http://www.finance.gov.pk/survey/chapters\\_16/03\\_Manufacturing.pdf](http://www.finance.gov.pk/survey/chapters_16/03_Manufacturing.pdf)

47 Ministry of Textile, Investments in textiles and garments to boost exports, available at: <http://boi.gov.pk/userfiles1/file/PakRussia/Textile/Textile.pptx>

48 The News, Pakistan's Textile exports decline 7.7% in 10 months, available at: <https://www.thenews.com.pk/latest/122094-Pakistan-Textile-exports-decline-77>

49 Bloomberg, Half a Million Jobs Lost as Textile Crisis Hits Pakistan's Economy, available at: <https://www.bloomberg.com/news/articles/2016-09-20/a-deserted-karachi-factory-signals-pakistan-s-textile-crisis>

50 Ministry of Finance, Chapter 3, Manufacturing and Mining, available at: [http://www.finance.gov.pk/survey/chapters\\_13/03-Manufacturing%20and%20Mining.pdf](http://www.finance.gov.pk/survey/chapters_13/03-Manufacturing%20and%20Mining.pdf)

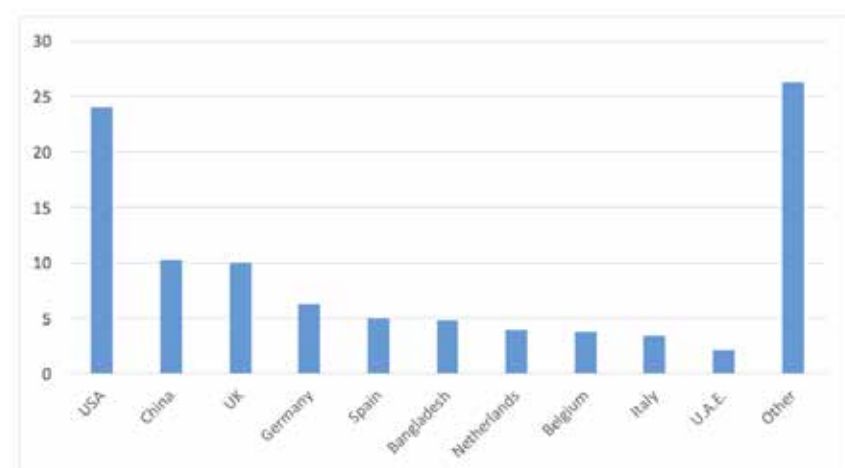
51 Pakistan Bureau of Statistics, Exports by commodity/ Group, data available at: <http://www.pbs.gov.pk/sites/default/files/tables/14.2.pdf>

Table 4. Pakistan's Textile and Clothing exports as a percentage of the Global Value of Textiles and Clothing exports<sup>52</sup>

Year	Textile and Clothing exports (USD Billion )	% Global Value of Textiles and Clothing Exports	Global Rank
2011	13.582	1.82	14
2012	12.921	1.83	13
2013	13.671	1.81	14
2014	13.772	1.76	14
2015	12.918	2	11

When looking at the main export market for the Pakistan's Garment and Textile industry in 2015, the European Union (+30%) continues to be their biggest export market, followed by the United States (24%) and China (10%).

Figure 4. Destination for Pakistan Textile and Garment Export by partner share 2015<sup>53</sup>



Pakistani textile and clothing exports to EU have surged since the country was granted preferential access to EU markets, through GSP+ in 2014.

### What is Generalised System of Preferences Plus (GSP+)?

GSP is the unilateral extension of preferential tariffs aimed at increasing trade capacity among developing nations. The scheme aims to facilitate economic development by providing the world's poorest countries preferential access to the EU's market of 500 million consumers<sup>54</sup>. Pakistan became a GSP+ beneficiary in 2014.

Preferential access is provided through tariffs reduction for goods when entering the EU market.<sup>55</sup> It specifically targets the most vulnerable and least-developed countries and other lower-middle income countries.<sup>56</sup> Which aims to be an incentive for economic growth and development for beneficiary countries. GSP+ has been designed to encourage benefitting countries to commit to implementing core human and labour rights, principles of sustainable development and good governance.<sup>57</sup> Pakistan must therefore ratify and implement twenty seven international conventions in order to qualify as preferred partner.

<sup>52</sup> World Bank, World Integrated Trade Solutions, data available at: <http://wits.worldbank.org/product-analysis-visualization.html>

<sup>53</sup> World Bank, World Integrated Trade Solutions, data available at: [http://wits.worldbank.org/CountryProfile/en/Country/PAK/Year/2015/TradeFlow/Export/Partner/all/Product/50-63\\_TextCloth/Show/Partner%20Name;XPRT-TRD-VL;XPRT-PRDCT-SHR;/Sort/XPRT-TRD-VL/Chart/top10](http://wits.worldbank.org/CountryProfile/en/Country/PAK/Year/2015/TradeFlow/Export/Partner/all/Product/50-63_TextCloth/Show/Partner%20Name;XPRT-TRD-VL;XPRT-PRDCT-SHR;/Sort/XPRT-TRD-VL/Chart/top10)

<sup>54</sup> World Trade Organisation, Differential and more Favourable Treatment Reciprocity and Fuller Participation of Developing Countries, 1979, available at: "Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries"

<sup>55</sup> Sensitive products have reduced tariffs, which represent a mixture of agricultural, textile, clothing, apparel, carpets and footwear items, with the aim to protect the EU production base

<sup>56</sup> European Commission, Revised EU trade scheme to help developing countries applies on 1 January 2014, available at: [http://trade.ec.europa.eu/doclib/docs/2013/december/tradoc\\_152015.pdf](http://trade.ec.europa.eu/doclib/docs/2013/december/tradoc_152015.pdf)

<sup>57</sup> For an overview off all conventions, see Annex VIII of Regulation No 978/2012, available at: [http://trade.ec.europa.eu/doclib/docs/2012/october/tradoc\\_150025.pdf](http://trade.ec.europa.eu/doclib/docs/2012/october/tradoc_150025.pdf)



The EU aims to use a structured monitoring system to examine if the beneficiary countries are respecting and ensuring these rights.<sup>58</sup> Monitoring is based on scorecards that are drafted by the European Commission, that serve as a baseline.

GSP+ beneficiary countries, including Pakistan are reviewed every two years by the European Council and European Parliament. Pakistan next review will happen in January/ February 2018. GSP+ status will be awarded for a period of 10 years.<sup>59</sup>

These reviews are based on so called Scorecards, which are drafted by the European Commission and shared with Pakistan. The Score Cards provide a snapshot of shortcomings in implementation of the human rights and labour conventions. The Scorecards are drafted by on the basis of the official UN and ILO reports on the implementation of international Conventions. Unfortunately these Scorecards remain secret and not accessible to third parties, these being Unions or labour rights organizations, thereby leaving out a key player in the process of monitoring the compliance with conventions in practice.

## Employment in the garment sector

Where it comes to employment, the textile sector employs 45% of overall Labour force with 40% of manufacturing workers employed in the textile sector. The annual requirement for trained manpower in the textile manufacturing sector is supposed to be 135.000 per year. The present availability of trained manpower in the textile sector is reported to about 10,000 per year. Thus there appears a huge gap between demand and supply. Limited availability of trained technical staff to maintain and run machinery at full efficiency is reported to be constrained in the development of Pakistan's textile industry. This shortfall is partly due to a lack of technical education facilities.<sup>60</sup>

Unfortunately successive governments have done little to improve technical and vocational education and training, and thereby undermining the country's export potential. The country's existing technical and vocational education network only small proportion of the population and the skill needs of the economy.<sup>61</sup> To overcome the skill shortages, many manufacturers have instituted on-the-job training at their factories.<sup>62</sup>

No sex-differentiated data exist specifically for the garment and textile industry. Female labour force participation in Pakistan is still well below levels in other countries with similar incomes. There is however data available on the Percentage Distribution of Employed persons 10 years of age and over by major sectors of employment, being agricultural and non-agricultural. In the non-agricultural sector women's participation is significantly lower than the agricultural sector.

*Table 5. Percentage Distribution of Employed persons 10 years of age and over by major sectors of employment 2012-13<sup>63</sup>*

Sector	Male	Female
<b>Agricultural</b>	25.38	16.88
<b>Non-agricultural</b>	57.73	6.35

Even among women with a high level of education, labour force participation is low—only about 25% of Pakistani women who have a university degree work outside the home. A positive trend is that LFP of women increase when GDP rises. Female labour force participation in Pakistan has grown alongside GDP over time, with economic growth bringing in opportunities and working women contributing to overall production and house hold income in cities such as Karachi. Women often do not take up paid employment because of mobility restrictions resulting from both cultural and social norms and security concerns.<sup>64</sup>

<sup>58</sup> Export from developing countries to the EU Member States under GSP+ scheme, available at: <http://www.etsg.org/ETSG2012/Programme/Papers/475.pdf>

<sup>59</sup> For a full list of all Human Rights/ ILO conventions of GSP+ , available at: [http://trade.ec.europa.eu/doclib/docs/2013/december/tradoc\\_152024.pdf](http://trade.ec.europa.eu/doclib/docs/2013/december/tradoc_152024.pdf)

<sup>60</sup> Skills Trend in Textile Industry Pakistan, National Skills Information System, 2014, [http://115.186.163.30:8080/skillingpakistan/sites/default/files/reports/LMIS\\_Report\\_Final\\_Textile.pdf](http://115.186.163.30:8080/skillingpakistan/sites/default/files/reports/LMIS_Report_Final_Textile.pdf)

<sup>61</sup> The Express Tribune, Garment Industry: Lack of skilled labour hitting export potential , available at: <http://tribune.com.pk/story/244847/garment-industry-lack-of-skilled-labour-hitting-export-potential/>

<sup>62</sup> Dawn, Enormous Skill Gap, available at: <http://www.dawn.com/news/1210891>

<sup>63</sup> Pakistan statistical survey, 2012-2013, data available at: [http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs\\_Annual\\_2012\\_13/t20-pak.pdf](http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs_Annual_2012_13/t20-pak.pdf)

<sup>64</sup> Asian Development Bank, Women in the workplace, available at: <https://www.adb.org/sites/default/files/publication/209661/female-labor-force-participation-pakistan.pdf>

Many garment factory workers are immigrants or migrants; while once migration was commonly from rural to urban centers, these workers now cross borders in search of employment. Pakistan also sees an influx of migrants from Myanmar, Afghanistan and other countries in the region, as it is also a major hub for human trafficking. Furthermore, internal migration flows from labour abundant rural areas to urban centers of Punjab and Sindh – conform to a basic poverty-migration linkage. The regions of out-migration are parts of the country where incomes are low and uncertain.<sup>65</sup> According to the National Alien Registration Authority the majority of immigrants settle in Karachi. Surprisingly competition for jobs is low as the city's economy is large enough to absorb newcomers<sup>66</sup>. There are over 100 migrant-concentrated residential areas in Karachi and most of these neighborhoods are predominantly occupied by people from Afghanistan, Bangladesh and Burma. In a survey conducted on 500 female garment workers in 2009 in Karachi, Bengali women were found with the highest salaries as compared to other communities. Bengali work mainly because they head the household or because they are desperately economically disadvantaged.<sup>67</sup>

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<sup>65</sup> Harris Gazdar, A review of migration issues in Pakistan, [http://www.eldis.org/vfile/upload/1/document/0903/Dhaka\\_CP\\_4.pdf](http://www.eldis.org/vfile/upload/1/document/0903/Dhaka_CP_4.pdf)

<sup>66</sup> Radio Free Europe, What's Really Behind The Violence In Karachi?, available at: [http://www.rferl.org/a/whats\\_really\\_behind\\_the\\_violence\\_in\\_karachi/24274063.html](http://www.rferl.org/a/whats_really_behind_the_violence_in_karachi/24274063.html)

<sup>67</sup> The Express Tribune, 75% of illegal migrants in the country are live in Karachi, reveals survey, available at: <http://tribune.com.pk/story/97106/75-of-illegal-migrants-in-the-country-are-living-in-karachi-reveals-survey/>

## 4. Industrial relations

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## 4. Industrial Relations

The Constitution of Pakistan contains a range of provisions with regard to labour rights found in Part II: Fundamental Rights and Principles of Policy.

- Article 11 of the Constitution prohibits all forms of slavery, forced labour and child labour;
- Article 17 provides for a fundamental right to exercise the freedom of association and the right to form unions,
- Article 18 proscribes the right of its citizens to enter upon any lawful profession or occupation and to conduct any lawful trade or business,
- Article 25 lays down the right to equality before the law and prohibition of discrimination on the grounds of sex alone, and
- Article 37(e) makes provision for securing just and humane conditions of work, ensuring that children and women are not employed in vocations unsuited to their age or sex, and for maternity benefits for women in employment.

Pakistan has ratified all core ILO conventions, but there are several challenges remain where it comes to their implementation. The ILO core conventions are also part of the GSP+ of the European Union, therefore the Government of Pakistan is making substantial investments and efforts to promote their implementation.

For example, the GOP has accepted help from the ILO to facilitate tripartite dialogues and technical assistance, such as;

- to strengthen participatory and evidence based minimum wage fixing and collective bargaining mechanisms,
- to increase access to information on wages, working conditions and industrial relations, to improve the quality of social dialogue on labour standard,
- to improve systems for assuring labour standards at factory level, and
- to strengthen the institutional capacity of the ILO's tripartite constituents and other relevant stakeholders to respond to labour standards challenges.<sup>68</sup>

However serious challenges remain where it comes to freedom of association and the right to collective bargaining which differ across each province due to the devolution of powers after the introduction of the 18th amendment to the constitution of Pakistan, which promulgates that the provinces become responsible for the implementation of labour policies.

Along the same vein, industrial relations are organized on a federal level through the industrial relations act of 2012<sup>69</sup>, and provincial policies were introduced in Punjab in 2010<sup>70</sup> and in Sindh in 2013<sup>71</sup>. This provincial division further complicates the implementation and monitoring of the diverse industrial relation policies.

On the ITUC Global Rights Index, Pakistan was awarded a rating of 5, which indicates that no rights are guaranteed. This means that "[c]ountries with the rating of 5 are the worst countries in the world to work in. While the legislation may spell out certain rights workers have effectively no access to these rights and are therefore exposed to autocratic regimes and unfair labour practices"<sup>72</sup>

<sup>68</sup> ILO, *Labour standards in global supply chains: A programme for action in Asia and the garment sector*, available at: [http://www.ilo.org/islamabad/whatwedo/projects/WCMS\\_355680/lang--en/index.htm](http://www.ilo.org/islamabad/whatwedo/projects/WCMS_355680/lang--en/index.htm)

<sup>69</sup> The Gazette of Pakistan, March 14, 2012, available at: [http://www.na.gov.pk/uploads/documents/1335934287\\_218.pdf](http://www.na.gov.pk/uploads/documents/1335934287_218.pdf)

<sup>70</sup> The Punjab Industrial Relations Act 2010, available at: <http://www.ilo.org/dyn/natllex/docs/ELECTRONIC/86140/97006/F626362755/PAK86140%202016.pdf>

<sup>71</sup> The Sindh Industrial Relations Act 2013, available at: <http://www.pas.gov.pk/uploads/acts/Sindh%20Act%20No.XXIX%20of%202013.pdf>

<sup>72</sup> Report - ITUC Global Rights Index 2016, available at: [https://www.ituc-csi.org/IMG/pdf/survey\\_ra\\_2016\\_eng.pdf](https://www.ituc-csi.org/IMG/pdf/survey_ra_2016_eng.pdf)

## Union Density

The trade union movement in Pakistan has always been divided and fragmented along ethnic, sectarian, linguistic, and regional lines.<sup>73</sup> Most unions function independently of government and political party influence. There are around 7,204 unions in Pakistan out of which 1,905 have collective bargaining agent status, with their estimated combined membership standing at 1.8 million. It has also been noted that around 131,286 workers from the informal economy operate as members of affiliated trade unions in collaboration with the Pakistan Workers Federation (PWF)<sup>74</sup>

## Pakistan National Textile Leather, Garments and General Workers Federation (PNTLGWF)

PNTLGWF is the biggest union in the textile sector with a membership of 12.520 and is affiliated with IndustriALL.<sup>75</sup> They operate mainly in the city of Multan in the province of Punjab.

## Pakistan Workers Federation (PWF)<sup>76</sup>

PWF was formed in 2005 as a merger between the national trade union centers All Pakistan Federation of Trade Unions (APFTU), All Pakistan Federation of Labour (APFOL) and Pakistan National Federation of Trade Unions (PNFTU). According to data, membership have been decreased from 880,000 in 2012 to 815,000 in 2014. PWF is a national federation, along with regional federations, for each of the regions. It is affiliated to the ITUC and has permanent committees for organizing, credentials, education, trade union rights, legal and dispute settlement, economic and social policy, women youth and a special committee. PWF organizes private sector workers within most of the service and industry sectors. PWF is an independent national trade union center without political affiliations. PWF is the main partner for the ILO and the GOP for dialogues and project implementation.

## All Pakistan Federation of United Trade Unions (APFUTU)

APFUTU is a national trade union center and was formed in 1992. It has an estimated a membership of 510,000. The APFUTU is affiliated to the World Federation of Trade Unions. The organization is independent and is working mostly on issues regarding child labour, bonded labour and women's rights.

## Muttahida Labour Federation (MLF)<sup>77</sup>

MLF was formed in 1988 as a merger of five regional federations. It has 140 affiliated unions and 141,000 members. Though the membership is low, MLF is considered an important trade union center. It organizes workers in the sectors of mines, fertilizer, cement, textiles, oil, engineering and other industries. MLF does not have political affiliations.

## All Pakistan Trade Union Congress (APTUC)

APTUC is independent of the government or any political group. More than eight sectors are associated with APTUC such as mixed industries, transport, employees in public service, white-collar workers, education, working women, health care, agriculture, textile, and garment. The organization has 110,000 members.

## National Labour Federation Pakistan (NLF)

NLF was formed in 2003. It has 103 affiliated unions and 100,000 members. It organizes workers in the sectors of telecommunication, shipyard, municipal and local bodies, transport, rice mills, metal, glass bangles, fertilizer, sugar, beverages, wood and engineering . NLF is considered to be the labour wing of the political party fundamentalist party -Jamaat-e-Islami.

<sup>73</sup> *Evolution of the Industrial Relations System in Pakistan, 2009*, available at: <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1079&context=intl>

<sup>74</sup> *Pakistan Labour Market Profile, Danish Trade Union, 2014*, available at: [http://www.ulussekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp\\_pakistan\\_2014\\_final\\_version\\_revised.pdf](http://www.ulussekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp_pakistan_2014_final_version_revised.pdf)

<sup>75</sup> *IndustriALL, affiliated Pakistan*, available at: <http://www.industriall-union.org/affiliates/pakistan>

<sup>76</sup> *Pakistan Workers Confederation*, available at: <http://pwf.org.pk/>

<sup>77</sup> *ILO, Evolution of the industrial relations system in Pakistan* [http://www.oit.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new\\_delhi/documents/publication/wcms\\_123344.pdf](http://www.oit.org/wcmsp5/groups/public/---asia/---ro-bangkok/---sro-new_delhi/documents/publication/wcms_123344.pdf)

Table 6. Trade Union Membership<sup>78</sup>

Trade Unions	Members
PWF Pakistan Workers' Federation	814.760
APFUTU All Pakistan Federation of United Trade Unions	510.000
MLF Muttahida Labour Federation	141.480
APTUC All Pakistan Trade Union Congress	110.000
NLF National Labour Federation Pakistan	100.311
NTUF National Trade Union Federation Pakistan	46.983
NLF General Federation of Trade Unions -Socialist Workers' Union	27.000
PNTLGWF Pakistan National Textile, Leather, Garments and General Workers Federation	12.520
QLF Quaid-I-Azam Labour Federation of Pakistan	9.179
APTUF All Pakistan Trade Union Federation	9.032
WDMF Watan Dost Mazdoor Federation	6.686
<b>Industrial/ Sectoral Federations</b>	
Pakistan Federation of Building & Wood Workers (PFBWW) RWP	13.759
Pakistan Oil, Gas & Mineral Workers Federation	8.792
All Pakistan Local Government Workers Federation, Lahore	7.054
Pakistan Sugar Mills Workers Federation	6.795
HBL Employees Federation	5.371
Cement Union Federation of Pakistan	3.184
Pakistan Construction Federation	3.000
Federation of Trade Union of Fauji Foundation	2.546
Pakistan Mines and Industrial Trade Union Federation	2.338
State Life Insurance Employees Federation of Pakistan	2.145
Pakistan Mines Workers Federation	1.541
Ittehad Labour Federation Carpet Industries	1.368
Unilever Employees Federation	1.217
National Federation of Food, Beverage and Tobac Workers	1.205
Pakistan Hotel, Restaurant, Club, Tourism, Catering and Allied Workers Federation	1.139
All Pakistan PMDC Employees Workers & Mines Federation, Islamabad	1.108
Employees Federation of CDA	978
National Federation of Grindlays Bank Employees Unions, Grindlays Bank Staff Union	863
ABL Officers/Executive Federation of Pakistan	502
Standard Chartered Bank Employees Federation	279
Pakistan Central Mines Labour Federation, (PCMLF)	199
All Pakistan Trade Union Organisation	279
Pakistan Labour Federation	199

<sup>78</sup> ITUC, List of Affiliated Organisations, 2012, [www.younionize.info](http://www.younionize.info), [www.apfutu.org](http://www.apfutu.org), ILO, Profile of Labour Federations, History of Trade Union Movement, Industrial Relations and Labour Policies in Pakistan & LO/FTF Council

Labour leaders have raised concerns about the use of “pocket unions” by employers to prevent effective unionization. Pocket unions are run by the management of the factories and form a barrier to unionization. It is estimated that the trade union density of the labour force is 2.8%, while it is 8.3% of waged workers.<sup>79</sup>

Most unions are not linked to any political party. Political parties do have labour wings. The main political parties are; the Pakistan Muslim League (N) (right-wing and conservative), Pakistan People’s Party (left-wing, socialist-progressive, and liberal), Pakistan Tehreek-e-Insaf (It is a Third Way, Centrist party which aims to create a welfare state). The country is currently being run by the Pakistan Muslim League (N) as both the prime minister and president are affiliated with the aforementioned party, and also hold a parliamentary majority<sup>80</sup>.

### Collective bargaining agreement coverage in country

A union cannot get the status of a collective bargaining agent (CBA) until and unless it has more than one-third of the total number of workers employed in a factory are members. The CBA has the right to formulate and negotiate collective agreements with employers, thus settling terms and conditions.

Due to a total lack of unionization in the textile and garment sector on the factory floors no unions have been established that are big enough to meet the requirements to acquire the status of CBA. According to the latest available official data of the Province of Punjab, there were 854 trade unions with 182,429 members officially registered in 2008. Out of which textile and hosiery trade unions were only 2 with 73 members. Currently 145 trade unions are registered with Pakistan Labour Federation and 419 with Pakistan Workers’ Federation.<sup>81</sup>

The garment and textile industry also uses home-based workers, which are paid by the piece, earn very little, and do not receive overtime pay. Furthermore, as they are not working on the factory floor, they are not recognized as official workers and are subsequently not able to organize. Brands do demand the instatement of workers council on factory floors to ensure producers comply with their standards. However they do not serve worker interests; for example, factories do not provide space for the workers council to meet, do not explain any role for the council in the factory’s policies and procedures, or dominated council membership with management representatives.<sup>82</sup>

### Export Processing Zones (EPZ)

The Export Processing Zone Authority governs the ten EPZs in Pakistan. The first were established in 1980. The Special Economic Zones Act was implemented in 2012, providing for the establishment and operation of Special Economic Zones (SEZ) and the Federal or Regional Governments may establish SEZ. The SPZs employed around 888,000 workers, exporting for around US\$8 billion, mainly to the U.S., the EU and the South-East Asia, and producing products such as electronics, chemicals, garments and leather. Workers in EPZs are denied the right to organize.<sup>83</sup> The European Parliament’s human rights sub-committee, commissioned a research on the working conditions in the EPZ which should be finalized by March 2017. Currently limited data are available on the business activities taking place in the EPZs.

### Grievance mechanisms for worker

The various steps set for dispute settlement include bilateral negotiations, conciliation, voluntary arbitration, works councils, and adjudication. The Industrial Relations Acts also create special Labour Courts to which workers, CBA, and employers may bring their grievances. If an employer or a Collective Bargaining Agent finds that an industrial dispute has arisen or is likely to arise, they may communicate their views in writing to the other party, and settle the dispute by bilateral negotiations. If the parties do not manage to reach a settlement, the employer or the CBA may serve a notice of conciliation on the other party, with a copy to the Conciliator and to the Labour Court. If the dispute is settled before the Conciliator, or a tripartite Board of Conciliators, a report is sent to the Provincial or Federal Government, with the memorandum of

<sup>79</sup> Pakistan Labour Market, Profile, Danish Trade Union Council, 2014, available at: [http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp\\_pakistan\\_2014\\_final\\_version\\_revised.pdf](http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp_pakistan_2014_final_version_revised.pdf)

<sup>80</sup> National Assembly of Pakistan, available at: <http://www.na.gov.pk/en/index.php>

<sup>81</sup> Mapping Study, Providing Additional Insights and Roadmap for the Buyers’ Forum, 2015, available at: <https://www.idhsustainabletrade.com/uploaded/2016/06/PBF-Mapping-Study-2015-1.pdf> and <http://www.pbs.gov.pk/sites/default/files/other/yearbook2014/12.19.pdf>

<sup>82</sup> 2015 Factory Assessment, Pakistan, available at: [http://www.fairlabor.org/sites/default/files/documents/reports/pakistan\\_2015\\_summary\\_findings\\_from\\_factory\\_assessments.pdf](http://www.fairlabor.org/sites/default/files/documents/reports/pakistan_2015_summary_findings_from_factory_assessments.pdf)

<sup>83</sup> Pakistan Labour Market Profile, Danish Trade Union, 2014, available at: [http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp\\_pakistan\\_2014\\_final\\_version\\_revised.pdf](http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp_pakistan_2014_final_version_revised.pdf)



settlement.<sup>84</sup> No reliable data exist on the use of these mechanisms. But overall dialogue between workers and factory management is negligible.

### State role in industrial relations

Labour courts deal with labour disputes and other rights guaranteed and secured to the workers or employers under the federal and provincial Industrial Relations Ordinance. A tripartite structure of governance is in place for the minimum wage boards, employees' social security institutions, employees' old age benefit institutions, workers' welfare boards, workers' education directorates, and the National Training Board. Workers and employers have equal representation on all these bodies.<sup>85</sup>

National Industrial Relations Commission<sup>86</sup> is composed of 10 members including its chairman –all appointed by the government; two of the members are appointed from workers and employers by the government on the recommendation of the chairman. It deals with labour issues which are trans-provincial and in the Islamabad Capital Territory (ICT). These include industrial disputes, registration of trade unions, collective bargaining agreements, unfair labour practices, advice to the government. Recently the Pakistan Tripartite Labour Conferences (PTLCs) has been reactivated and is currently advising the government on its labour policies.<sup>87</sup> It is financed through a levy of 7% of the wages of the workers.

<sup>84</sup> The Gazette of Pakistan, No. F. 23(22)/2012 , available at: [http://www.na.gov.pk/uploads/documents/1335934287\\_218.pdf](http://www.na.gov.pk/uploads/documents/1335934287_218.pdf)

<sup>85</sup> ILO, National Labour Law Profile: Islamic Republic of Pakistan , available at: [http://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS\\_158916/lang--en/index.htm](http://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158916/lang--en/index.htm)

<sup>86</sup> Industrial Relations Act, 2012 [Act No. X of 2012] , available at: [http://www.ilo.org/dyn/natlex/natlex4.detail?p\\_lang=en&p\\_isn=91438](http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=91438)

<sup>87</sup> Pakistan Labour Market Profile, Danish Trade Union, 2014 , available at: [http://www.ulussekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp\\_pakistan\\_2014\\_final\\_version\\_revised.pdf](http://www.ulussekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp_pakistan_2014_final_version_revised.pdf)

# 5. Stakeholders

Strategic Partnership for  
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## 5. Stakeholders

In this section a number of stakeholders active in the garment/textile industry in Pakistan are briefly presented. The focus is on stakeholders who are actively part of forming the labour conditions or monitoring the situation for workers in the industry.

### Governmental Institutions

#### **Ministry of Overseas Pakistanis and Human Resource Development (Federal)**

The Ministry makes policies for employment promotion abroad; takes measures for the welfare of Pakistani Emigrants and their dependents in Pakistan; and coordinates with provincial governments to align national labour laws with Pakistan's international obligations on labour standards.

>> <http://www.ophrd.gov.pk/>

#### **Economic Affairs Division (Federal)**

The Economic Affairs Division is responsible for assessment of requirements, programming and negotiations of external economic assistance related to the Government of Pakistan and its constituent units from foreign Governments and multilateral agencies. Furthermore it is also responsible for the implementation of the requirements of the ILO conventions in GSP+.

>> <http://www.ead.gov.pk/>

#### **Labour and Human Resource Department (Punjab Province)**

The Labour & Human Resource Department is essentially concerned with the promotion of healthy labour management and Industrial Relations, Protects the rights of the labour force, and Prevention of Child and Bonded Labour keeping in view the national and international standards.

>> <http://www.punjablabour.gov.pk/>

#### **Labour and Human Resource Department (Sindh Province)**

The Labour Department is responsible for promoting industrialization and industrial peace as well as observance of labour laws and rules. It is mandated to promote investment and employment in the province. It is also responsible for the welfare of working labour force and enhancement of its capacity through training and development.

>> [http://sindh.gov.pk/dpt/Labour\\_HRM/](http://sindh.gov.pk/dpt/Labour_HRM/)

### Employers Organizations

#### **Employers Federation of Pakistan (EFP)**

The EFP strives for poverty reduction and business promotion and pursue policies and legislation conducive to Investment, Economic Growth, Employment Generation, Decent Wages and keeping peace with socio-economic development of Country. It is also the main body representing employers in tripartite committees.

>> <http://efp.org.pk/web/>

#### **Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA)**

PRGMEA is the main trade organization representing the Readymade Garment Industry in Pakistan. As a trade organization, it is recognized by the Government of Pakistan and affiliated with the Federation of Pakistan Chambers of Commerce & Industry, and with the Employers' Federation of Pakistan.

>> <http://www.prgmea.org/intro.html>

#### **All Pakistan Textile Mills Association (APTMA)**

APTMA is the main national trade association of the textile spinning, weaving, and composite mills representing the organized sector in Pakistan.

>> <http://www.apتما.org.pk/aboutus.php>

## Trade Unions

### **Pakistan Workers Confederation (PWF)**

PWF is an umbrella origination for unions and was created after the merger of three national Unions of Pakistan, namely: All Pakistan Federation of Trade Unions (APFTU), All Pakistan Federation of Labour (APFOL) and Pakistan National Federation of Trade Unions (PNFTU). PWF is currently the largest and most active Union in Pakistan and the go to partner for the ILO and Government of Pakistan.

>> <http://pwf.org.pk/>

### **All Pakistan Trade Union Federation (APFTU)**

The APFTU It was formed in 1948 and has 240 affiliated unions, including workers in unorganized sectors such as brick kilns, oil tankers, and the carpet industry. It is the second largest trade union federation in Pakistan.

>> <https://www.facebook.com/aptuf.official/>

### **Pakistan Textile Workers' Federation (PTWF)**

The Pakistan Textile Workers Federation (PTWF) represents workers in the Textile, Garments and Power looms. The main objective of the federation is the adoption enforcement of recognized ILO declaration on fundamental rights, the uphold of the principles embodied in international labour conventions especially the core labour standards relating to Trade union activities, child labour , bonded labour and equality

>> <https://ptwf.blogspot.be/>

### **Pakistan National Textile, Leather, Garments and General Workers' Federation**

The Pakistan National Textile, Leather, Garments and General Workers' Federation Textile, Garments and Power looms works on the installment of a "Living Wage System", to end the contract system and daily wage system from financial, commercial and industrial sectors, and to end all kind of restriction in the way of union formation and make it compulsory for every establishment to have a union and restrain the employers from putting hurdles in the way of unionization.

>> [pntlgwf@brain.net.pk](mailto:pntlgwf@brain.net.pk)

### **Home Based Women Workers Federation (HBWWF)**

HBWWF's main objective is to recognize home-based work as labour in Pakistan's law and incorporate home-based workers in social security schemes that exist in Pakistan. They focus on women work in the garment and textile industry, bangle industry, sack stitching, carpet weaving, packing, hanger making, cotton filling, fabric sorting work, cutting, jewelry, shoe making, football stitching, patch work, and all kinds of embroidery. They are affiliated with Home Net South Asia a network of home based workers in South Asia.

>> [www.hbwwa.org.pk](http://www.hbwwa.org.pk), <http://www.homenetsouthasia.net/>

### **National Trade Union Federation (NTUF)**

The National Trade Union Federation (NTUF) represents worker of different sectors which include agriculture, automobile, ship building, electricians, textile, garments, leather, chemicals, food and beverages, services, local bodies, printing, processing, transport, meteorology, polyester fabric and allied industries. They are mainly active in and around Karachi. The NTUF is affiliated to IndustriALL.

>> <http://ntufpak.org/>



Table 7. Pakistan's Affiliates of the international trade union organisations

GUF	
industriALL	All Pakistan Federation of United Trade Unions - APFUTU
	Ittehad Labour Union Carpet Industries Pakistan - ILUCIP
	National Trade Union Federation - NTUF
	Pakistan Central Mines Labour Federation - PCMLF
	Pakistan Federation of Chemical, Energy, Mine, and General Workers Union - PCEM
	Pakistan Graphic Art and General Workers Union - PGAGWU
	Pakistan Metal Workers' Federation
	Pakistan National Textile, Leather, Garments and General Workers' Federation
	Pakistan Textile Workers' Federation
ITUC	Pakistan Textile, Garments and Leather Workers' Federation
	Pakistan Workers' Federation (PWF)
	All Pakistan Trade Union Congress
UNI	All PTV Employees & Workers Union
	All Pakistan PASSCO Staff Union
	All Pakistan Postal DMO's Employees & Workers' Union (C.B.A)
	National Organisation of Postal Employees
	Pakistan Bank, Insurance, Financial and Commercial Employees' Federation Pakistan Bank, Insurance and Financial Employees' Federation
	Pakistan Telecommunication Employees Union

## Labour NGOs

### Labour Education Foundation

LEF is an initiative of renowned trade union leaders, human rights and women rights activists to organize, capacitate and advocate for workers' rights and provide informed input to trade unions and various civil society organizations for promoting workers' rights.

>> <http://www.lef.org.pk>

### The Pakistan Institute of Labour Education & Research (PILER)

PILER is dedicated to promoting a democratic and effective labour movement. PILER does so by mobilizing and organizations of workers (male/female) and communities around issues of labour rights, broadly defined to include public services such as education, health and shelter that are basic to opportunities for decent living. Furthermore they assist in training and education for effective and sustained mobilization and organization of workers, both in the formal and informal economies. PILER also undertakes advocacy activities as well as research.

>> <http://www.piler.org.pk/>

### National Organization for Working Communities (NOWCommunities)

NowCommunities is to build capacity in the society for vulnerable communities with special focus on the working class realizing their fundamental human rights as granted in the Constitution of Pakistan and in the international conventions.

>> <http://nowcommunities.org/>

## Gender Focus and Women Groups

### **Aurat Foundation**

Aurat Foundation is a women's rights organization that is involved in advocacy activities to ensure women participation in political processes and governance. It furthermore aims to develop a strong network of civil society organizations to support women at the community and district level.

>> <https://www.af.org.pk/>

### **Homenet Pakistan**

Homenets goal is to develop and strengthen networks among home based women workers and organizations working with them and facilitate their cross learning and cooperation to empower women. It furthermore aims to develop a national policy for home based workers, undertake advocacy with public representatives at all levels and with government, policy makers and planners.

>> <http://www.homenetpakistan.org/>

## Sourcing Companies

### **Matrix Sourcing**

Matrix Sourcing is an ethical buying office. It links their clientele with suppliers. Matrix develops a strategy as for their clients, and then ensures that the linkages and relationships are not only monitored to meet the buyer's expectations. Matrix Sourcing is also an auditor for major brands and works for major buyers such as Inditex, Ikea and Walmart.

>> <http://www.apparelco.com/>

### **Firoz International**

Firoz International is a sourcing company that mainly works for department stores. It therefore works with a broad set of suppliers that offer clothing, home textiles, and leather apparels such as shoes and much more

>> <http://www.firozinternational.com/>

## Brands and other actors

### **Buyers Forum ( Organised by IDH and Minbuza)**

The mission of the Buyers' Forum is to create a platform to facilitate and promote discussion on Buyers' codes of conducts including national and international law as well as international best practices, and their implementation in Pakistan. The Pakistan Buyers' Forum will also seek partnerships with other stakeholders to leverage and scale improvement initiatives and create more sustainable production in the textile and garment sector. It currently involves 17 brands, the Pakistani government, IDH and the Dutch Ministry of Foreign Affairs.

>> <http://buyersforum.info/>

### **C&A Sourcing International Pakistan**

C&A has their own buying office in Pakistan to check their suppliers. Currently C&A is sourcing from 22 factories in Pakistan. It uses a three tier auditing system and aspires all their suppliers to achieve their highest rank (platinum).

>> <http://materialimpacts.c-and-a.com/supplier-list/>

### **Better Cotton Pakistan**

Better Cotton is a voluntary program who's vision is to enable millions of farmers around the world to grow cotton in a way that is healthier for the farming communities and the environment, and more economical. Pakistan is the fourth largest producer of cotton in the world, and also holds the third largest spinning capacity in Asia (after China and India) with thousands of ginning and spinning units producing textile products from cotton it is very active in the provinces of Punjab and Sindh.

>> <http://bettercotton.org/about-better-cotton/regions/pakistan/>

## Iseal Alliance

The Iseal Alliance created the Global Living Wage Coalition brings together six of the world's most influential sustainability standards to improve wage levels in certified supply chains. A living wage allows a worker to cover the essential needs of their family, with a little extra "just in case." The legal minimum wage too often falls far short of this concept, leaving workers around the world mired in poverty. Living wage is a complex topic, but is increasingly seen as a fundamental human right. It recently (2015) did a study on living wage in Pakistan.

>> <http://www.isealalliance.org/our-work/improving-effectiveness/global-living-wage-coalition>

## 6. Implementation of the core labour standards

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## 6.1 Employment is freely chosen



*“There shall be no use of forced, including bonded or prison, labour” (ILO Conventions 29 and 105)”*

Pakistan has signed and ratified both of the relevant ILO Conventions. Furthermore both conventions are part of the monitoring mechanisms of GSP+, and therefore the GOP needs to make significant efforts to implement the conventions.

No major concerns were reported by stakeholders in the formal sector. However several concerns were raised where it comes to the informal sector, such as home based workers where whole families were employed, however only limited data is available. Labour inspections, are almost non-existent, and the inspections that do occur are notoriously weak and several forms of corruption were raised by stakeholders. Therefore there is a lack of monitoring of compliance with above-mentioned conventions, and no reliable government statistics are available.

### Laws and regulations

The Bonded Labour System (Abolition) Act of 1992 was introduced with the purpose to abolish the bonded labour system. Moreover, the Constitution of Pakistan, in Article 14, explains the dignity of man as inviolable and states that all citizens are equal before law and are entitled to equal protection of the law under Article 25. Article 11(2), prohibits all forms of bonded labour and trafficking in human beings. Article 11(1) further states that slavery is non-existent and forbidden, and that no law should permit or facilitate its introduction in Pakistan in any form. Article 9 of Pakistan’s Constitution is also relevant in that it states that no person can be deprived of its liberty in accordance with the law. Article 15, dealing with freedom of movement, gives every citizen the right to enter and move freely throughout Pakistan and to reside and settle anywhere.<sup>88</sup> The province of Punjab is currently reviewing the existing laws on forced labour, as was announced in its Labour Policy (2015). The province of Sindh did not introduce any specific legislation that aligns with conventions 29 and 105.<sup>89</sup>

### Stakeholders’ opinion and analysis on implementation

No forms of forced labour were reported on the factory floors. However, given the pervasiveness of the informal industry, through illegal third party contract system, home-based work and workers employed on piece work basis, stakeholders did raise the involvement of whole families, including children, in the production of garments. This was most common during peak production period. Considering these circumstances it is likely that workers are not able to freely choose their employment.

## 6.2 There is no discrimination in employment



*“In recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, color, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps” (ILO Conventions 100 and 111)*

Pakistan has signed ILO Conventions No.100 and No.111 and discrimination in employment on the basis of race, color, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps is illegal. Furthermore both conventions are part of GSP+.

In reality, due to the social and cultural context of Pakistani society which has historically been predominantly patriarchal, women continue to have a lower social, economic and political status in comparison to men. Furthermore discrimination on the basis of ethnicity, religion, or caste is common place.

In 2013, Pakistan ranked 135th out of 136 countries in the Global Gender Gap Index Report of the World Economic Forum. In 2014, eight more countries were included in the report, but Pakistan remained second last at 141 out of 142 countries. It is significant that Pakistan ranked at 112 in 2006, the first year of the report, and since then, its position has been steadily deteriorating every year.<sup>90</sup>

<sup>88</sup> Constitution of Pakistan, available at: [http://www.na.gov.pk/uploads/documents/1333523681\\_951.pdf](http://www.na.gov.pk/uploads/documents/1333523681_951.pdf)

<sup>89</sup> Labour and Human Resource Department Government of Punjab 2015, Labour Policy, available at: <http://www.dgpr.punjab.gov.pk/vd/dgpr/media/policies/Punjab%20Labour%20Policy%20Final,%202015.pdf>

<sup>90</sup> World Economic Forum, 2015 Global Gender Gap Report, available at: <http://reports.weforum.org/global-gender-gap-report-2015/economies/#economy=PAK>

Labour Force Participation rate (LFPR) of women is relatively low in Pakistan but slowly on the rise. In 1990 12.7% of women were in the labour force, and in 2014 this is up to 29.88%. In Figure 7 an overview of LFPR is given of South Asian countries with a large scale garment sector. In 2014. In comparison to Bangladesh LFPR of women is 68.57%, India 33.79 and 88.73% in Vietnam.

*Table 8. Labour force participation rate, female [% of female population ages 15+] in selected garment producing countries<sup>91</sup>*

Country Name	2010	2011	2012	2013	2014
<b>Bangladesh</b>	67.58	67.90	68.13	68.25	68.57
<b>India</b>	35.40	34.62	33.67	33.79	33.79
<b>Pakistan</b>	28.86	29.07	29.43	29.67	29.88
<b>Vietnam</b>	88.93	88.85	88.89	88.81	88.73

Where it comes to wage differences by occupation, there is a clear dissimilarity between the income of men and women. In regards to the garment industry women are represented in occupations such as, plant and machine operators and assemblers, where the income is only 58.5% of their male counterparts.

*Table 9. Ratio of Female to Male Wages by Occupation (2012-2013)<sup>92</sup>*

Occupation	Average Wage per Month (PKR)					
	Female		Male		Ratio of Wage%	
	Share %	Wage	Share %	Wage		
Managers	0.9	34618	2.4	38113		90.8
Professionals	23.8	15051	7.1	24326		61.9
Technicians & Associate Professionals	6.1	13429	5.9	19801		67.8
Clerical Support Workers	0.8	13720	3.9	19029		72.1
Skilled Agricultural Workers	1.0	3246	1.1	9703		33.4
Service and Sales Works	1.2	9516	14.2	11052		86.1
Craft and Related Trade Work	15.4	4563	23.2	11031		41.4
Plant and Machine Operators and Assemblers	0.4	6862	9.3	11729		58.5
Elementary Occupations	50.3	4309	32.7	8826		48.8

Besides the formal participation of women in the workforce, according to various estimates, over 12 million Pakistani women are engaged in home-based work in garments, shoe stitching, embroidery, carpet weaving, jewelry, and leather production.<sup>93</sup>

## Laws and Regulations

In accordance with the article 27 of the Constitution, no citizen shall be discriminated against. However this article is only about the public sector jobs<sup>94</sup>. No such laws exists for the private sector. In accordance with the section 15 of the West Pakistan Minimum Wage Rules, 1962, the principle of equal remuneration for work of equal value between men and women workers will be applied while fixing wages.<sup>95</sup>

An overview of labour laws of Pakistan points out that in general there is no provision in the labour law which goes against ILO Conventions 100 and 111, but at the same time these laws do not contain any single provision indicating equal remuneration for equal value of work for both men and women as committed by Pakistan in Convention 100. Similarly, there is no separate law or any legal provision in any labour law clearly indicating that there is no discrimination in respect of employment and occupation for both sexes.<sup>96</sup>

<sup>91</sup> World Bank, Labor force participation rate, female, data available at: <http://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

<sup>92</sup> Pakistan Statistical Survey, 2012-2013, data available at: [www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs\\_Annual\\_2012\\_13/t38-pak.pdf](http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs_Annual_2012_13/t38-pak.pdf)

<sup>93</sup> ILO, Women and Men in the Informal Economy: A Statistical Picture, 2013, available at: [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms\\_234413.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_234413.pdf) p.145

<sup>94</sup> Constitution of Pakistan, available at: [http://www.na.gov.pk/uploads/documents/1333523681\\_951.pdf](http://www.na.gov.pk/uploads/documents/1333523681_951.pdf)

<sup>95</sup> West Pakistan Minimum Wage Rules, available at: <http://www.ilo.org/dyn/travail/docs/970/West%20Pakistan%20Minimum%20Wages%20Rules%201962.pdf>

<sup>96</sup> [http://pu.edu.pk/images/journal/csas/PDF/17%20Muhammad%20Javaid%20Iqbal\\_30\\_1.pdf](http://pu.edu.pk/images/journal/csas/PDF/17%20Muhammad%20Javaid%20Iqbal_30_1.pdf)

Section 27 of Constitution of Pakistan 2010 provides for gender based occupational segregation. Contrary to the above provisions, article 18 of the Constitution gives every citizen the right to enter upon any lawful profession or occupation, and to conduct any lawful trade or business subject to qualification and licensing requirements.<sup>97</sup> Protection Against Harassment of the Women at the Workplace Act<sup>98</sup>, was introduced in 2010, aiming at providing a safe working environment for women.

### Stakeholders' opinion and analysis on implementation

Due to a lack of legislation, poor enforcement and low awareness of rights, workers in Pakistan are facing a multitude of challenges. This is certainly the case for women workers. Only 15 percent of the factories follow minimum wage laws. There is no uniform implementation of minimum wage law. Women are contract workers and sometimes they get enough work and sometimes they do not. It was also highlighted that most factories have no medical facilities and no compensation for accidents.

Employers never enquired about the wellbeing of the workers or about the family and about the work conditions. It was reported on several occasions that salary receipts were in English, a language many workers cannot read. Often the salary slip did not contain the name of the factory, therefore it was unclear to the workers who employed them. Further issues were the lack of evidence of their employment with the factory, and no training was given to increase their skill levels. Furthermore it was mentioned that labour inspectors and employers work in close coordination. Court procedures are too long and expensive, so fired workers do not go court for rehabilitation. An estimated 12 million female home based workers are currently not protected by any laws or regulations.<sup>99</sup>

## 6.3 No exploitation of Child Labour



*"There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [under the age of 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals."*

*(ILO Convention 182)*

Massive poverty, high youth unemployment, unchecked population growth, neglected education and socio-cultural conditions are some major reasons on the supply side for the child labour to thrive in Pakistan. Technology, cheapness, expansion in the demand of the products prepared by children, and less likeliness of the children to change jobs are major reasons on the demand side for employment of children. Children are generally found in agriculture, food processing, brick making, carpet weaving, footwear, leather and leather items, laundry, tailoring, restaurants, and garment sector. Despite the recurring threat of child labour, the latest information about its magnitude and gravity is lacking in the country. The first ever survey on child labour was held during the year 1996. According to that survey, the total number of economically active children in the age group of 5-14 was 3.3 million in the country.<sup>100</sup>

### Laws and regulations

There are several constitutional provisions in regard to child labour. Article 11(3) states that no child below the age of 14 shall be engaged in any factory or mine or any other hazardous employment. Furthermore article 25(A) ensures free and compulsory education for children up to sixteen years.<sup>101</sup>

<sup>97</sup> Constitution of Pakistan, available at: [http://www.na.gov.pk/uploads/documents/1333523681\\_951.pdf](http://www.na.gov.pk/uploads/documents/1333523681_951.pdf)

<sup>98</sup> Gazette of Pakistan, Protection of Women at the Workplace Act, 2010, available at: <https://www.qau.edu.pk/pdfs/ha.pdf>

<sup>99</sup> The News, '12 million home-based female workers exploited daily', available at:

<https://www.thenews.com.pk/print/78679-12-million-home-based-female-workers-exploited-daily>

<sup>100</sup> Protection of Rights of Vulnerable Labour Groups, Government of Punjab, available at:

<http://www.punjablabour.gov.pk/file/Protection%20of%20Rights%20of%20Vulnerable%20Labour%20Groups.pdf>

<sup>101</sup> Constitution of Pakistan, available at: [http://www.na.gov.pk/uploads/documents/1333523681\\_951.pdf](http://www.na.gov.pk/uploads/documents/1333523681_951.pdf)

The existing Employment of Children Act (ECA) 1991 is not in line with the Government of Pakistan's commitment made on the ratified ILO Convention 138 on Minimum Age of Employment and Convention 182 on Worst Forms of Child Labour. However the Four provincial labour departments have agreed to draft a law to eliminate child labour from Pakistan. The new provincial law prohibiting child labour will replace the existing ECA 1991. The proposed new law which is in compliance with the ILO Conventions No. 138 and No. 182, will ban the employment of children below 14 years of age, and also restrict the employment of children less than 18 years of age in hazardous occupations and processes.<sup>102</sup>

### Stakeholders' opinion and analysis on implementation

The informal sector, by its very definition, refers to any economic activity that is neither taxed nor monitored by the government, and is not included in the counting of official statistics.<sup>103</sup> Everyone who works in the informal sector, which includes not just women and children, but also men, work longer hours for lower wages without any benefits (medical insurance, paid leave, sick leave), have less job security than their formal sector counterparts, and are also more likely to be exploited by their employers.

Children are generally attached to the ring sheds of spinning mills, in the weaving sheds, and machinery maintenance departments as helpers. These children are generally the relatives of workers already employed in the factory, and work to supplement family income.<sup>104</sup> A home-based workers bill is being considered in Sindh province, that would aim to end elimination of home-based girl-child labour, and to end the worst forms of child labour, exploitation and bonded labour.<sup>105</sup>

A further indication of the prevalence of child labour are the labour surveys that are produced by the Government of Pakistan on a regular basis, which indicates that the working age of the labour force starts at the age of 10.

## 6.4 Freedom of Association



*"The right of all workers to form and join trade unions and bargain collectively shall be recognized." (ILO Conventions 87 and 98) "Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions." (ILO Convention 135 and Recommendation 143)*

Pakistan has ratified ILO Conventions 87 and 98, however it has not ratified ILO Convention 135 and 143. At an estimated 63.34 million workers in total, Pakistan has the 10th largest labour force in the world. Besides federations and confederations, there are 945 trade unions currently active in Pakistan, with their combined membership standing at 1.8m. In absolute terms, the number appears gigantic; in the larger picture, only three per cent of the Pakistani labour force is unionized<sup>106</sup>. Restrictive legislation imposed by both military and democratic regimes in the last several decades has considerably diminished the number and strength of the trade unions.

However, it is privatization that broke the back of trade union movement in Pakistan. Historically, strong unions existed in public sector utilities (railways, electricity, water, sewage, gas), corporations (telecom, airlines), and large-scale industrial units (textile, cement). Trade unions failed to resist privatization unleashed in the neo-liberal economic era. From 1991 up to December 2008, a total of 167 federal government assets (in the banking, energy, telecommunications and industrial sectors), were privatized impacting millions of workers. After downsizing, the management of almost all privatized factories resorted to hiring employees on contract basis or through third-party employment system which led to the disintegration of trade unions.<sup>107</sup>

A further crucial reason of weakened labour movement was inability of the trade union leadership to come to terms to the changing demands and emerging challenges. The leadership did not include contract labour or informal labour

<sup>102</sup> ILO, Consensus on new child labour prohibition law, available at: [http://www.ilo.org/islamabad/info/public/pr/WCMS\\_173194/lang--en/index.htm](http://www.ilo.org/islamabad/info/public/pr/WCMS_173194/lang--en/index.htm)

<sup>103</sup> CCC and SOMO Report "Fatal Fashion: Analysis of recent factory fires in Pakistan and Bangladesh: A call to protect and respect garment workers' lives" March 2013

<sup>104</sup> Dr. H.R. Sheikh, "Social compliance in Pakistan's textile industry" 2004, available at: [http://www.ptj.com.pk/Web%202004/04-2004/general\\_artical.html](http://www.ptj.com.pk/Web%202004/04-2004/general_artical.html)

<sup>105</sup> Draft National Policy on Home Based Workers, available at: [http://www.homenetpakistan.org/draft\\_np\\_for\\_web.pdf](http://www.homenetpakistan.org/draft_np_for_web.pdf)

<sup>106</sup> Dawn, On death's door: trade unions in Pakistan, available at: <http://www.dawn.com/news/1255333/on-deaths-door-trade-unions-in-pakistan>

<sup>107</sup> Status of Labour rights in Pakistan: 2014, PILER, available at: <http://www.piler.org.pk/images/pdf/Status%20of%20Labour%20Rights%20in%20Pakistan%202014%20compressed.pdf>



in to its cadre. Gender discrimination and paternalistic attitudes made them exclude women workers from trade union activities. Internal fragmentation, lack of an educated cadre, and committed leadership, ethnic and sectarian divides, and undemocratic practices within trade unions led to further downfall.<sup>108</sup>

## Laws and regulations

Article 17 of the constitution guarantees, subject to the law the right of every worker to form associations or unions.<sup>109</sup> On the federal level the rights of workers to form a trade union is guaranteed in section 3(a) of the Industrial Relations Act 2012. It further stipulates that each worker can only be a member of one union, and that their membership will be canceled when joining another union.<sup>110</sup>

Section 3(d) stipulates that workers organizations can also join or establish federations and affiliates with international confederations. Similar provisions are upheld in Punjab IRA 3(i)-(ii)<sup>111</sup> and Sindh IRA 3(i)-(ii).<sup>112</sup> Despite these provisos unionization levels remain very low. Industrial Relations Act 2012 (section 19 onwards) allows employees to bargain collectively through their representatives.

The right to strike is not considered a fundamental right. Moreover, go-slow actions are considered an unfair labour practice, strikes longer than 30 days can be prohibited by government order, and a party or the government can unilaterally compel arbitration, undermining the right to strike (Industrial Relations Act 2012, section 41-48). However there are some exceptions for those workers in trade unions, including those working in export Processing Zones (Notification S.R.O.1004 (1)/82 which exempted EPZs from labour laws).<sup>113</sup>

It should be added that the situation of the workforce in Pakistan's Export Processing Zones (EPZs), which includes 30 to 40 per cent female garment workers, seems rather appalling, at least formally. Labour laws exclude workers in EPZs from trade union membership. Furthermore, in Pakistan's EPZs nine major labour laws have been declared inapplicable.<sup>114</sup>

## Stakeholders' opinion and analysis on implementation

According to the stakeholders there are currently no Unions of significance active in the garment sector on a structural basis that have any impact. They furthermore highlight that trade union rights are not fully guaranteed by law at the federal or provincial level.

In practice this means that; 1) anti-union discrimination when union leaders were attacked during negotiation over wages, benefits and job security reached a deadlock; 2) dismissal for strike action; 3) barriers to the recognition of collective bargaining agents, and 4) undue interference by authorities or employers during the course of a strike, e.g. police intervention in a strike or a refusal by factory owners to negotiate.

If a union is able to register in the garment sector, it can also apply to the Register for the status of Collective Bargaining Agent (CBA) of a particular establishment, by proving one third of the employees of the establishment as its own members. A CBA union is thus considered an agent of workers employed in a particular establishment.

The CBA union is entitled to undertake collective bargaining at the factory level with the employer on matters connected with employment or any rights guaranteed or secured to it or any worker by or under any law, or any award or settlement. More than one union can be registered at a factory level. For the registration of the first two unions the size of membership does not apply. However for the registration of third or any more union in the same establishment the applicant union needs to prove and provide its own membership of at least 20 per cent employees of the establishment.

To hamper the creation of larger unions, factory owners resort to the creation of pocket unions for the first two unions. Thereby undermining the ability of small groups of workers to organize, and growing their membership to eventually form a CBA.

<sup>108</sup> Ibid.

<sup>109</sup> Constitution of Pakistan, available at: [http://www.na.gov.pk/uploads/documents/1333523681\\_951.pdf](http://www.na.gov.pk/uploads/documents/1333523681_951.pdf)

<sup>110</sup> Gazette of Pakistan, No. F.23(22)/2012, available at: [http://www.na.gov.pk/uploads/documents/1335934287\\_218.pdf](http://www.na.gov.pk/uploads/documents/1335934287_218.pdf)

<sup>111</sup> Government of Punjab, Punjab Industrial Relations Act, available at:

<http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/86140/97006/F626362755/PAK86140%202016.pdf>

<sup>112</sup> Government of Sindh, NO.PAS/Legis-B-23/2013-The Sindh Industrial Relations Bill, available at:

<http://www.pas.gov.pk/uploads/acts/Sindh%20Act%20No.XXIX%20of%202013.pdf>

<sup>113</sup> Government of Pakistan, SROs, STANDING ORDERS & PUBLIC NOTICES, available at: <http://www.epza.gov.pk/sro1.pdf>

<sup>114</sup> Pakistan Labour market Profile 2014, Danish Trade Union, available at:

[http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp\\_pakistan\\_2014\\_final\\_version\\_revised.pdf](http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp_pakistan_2014_final_version_revised.pdf)

## 6.5 Payment of a living wage



*“Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income” (ILO Conventions 26 and 131, the Universal Declaration of Human Rights, art 23(3) and art 25(1)). “Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.”*

Pakistan is not a signatory to the ILO conventions 26 and 131 and therefore has not specific policies that align with the aforementioned conventions. However it does have minimum wage policies that differ per province.

Specially constituted tripartite provincial minimum wage boards recommend minimum wage rates to the provincial governments. These tripartite boards are constituted at the provincial level and they are entrusted with the statutory task of recommending the minimum wage rates for time work; piece work; overtime work; work on weekly rest day; paid holidays and the minimum time rates for workers employed on piece work so as to guarantee minimum wages for such workers on a timely basis. Wages are increased in an ad-hoc basis and are based on the need “if there are any changes in economic conditions or the cost of living”.<sup>115,116</sup>

The status of the provincial minimum wage boards is only advisory and the power rests with the provincial government to declare these wages. These recommendations become enforceable only when accepted and notified by the respective provincial governments. The Minimum Wage Boards can also periodically review these wages and recommend any amendments to their respective governments. However, authority again rests with the government whether it adopts and gives these recommendations a legal status.<sup>117</sup>

### Laws and regulations

Minimum wages are set by Government, either after consultation with the social partners i.e. worker organizations and employer associations or unilaterally, below which it is illegal for the employer to pay his/her employees. Minimum Wage in Pakistan is set by the following act in The Sindh Minimum Wages Act 2015<sup>118</sup>, and The Minimum Wages Ordinance, 1961 (adapted in Punjab by 2012 Amendment Act).<sup>119</sup>

In 2015, both Punjab and Sindh governments increased the minimum wages for unskilled workers and apprentices from PKR 13,000 to PKR.14,000 (USD 140) per month effective from July 2016. Government of Punjab revised and notified minimum wages in 51 industries, increased the death grant from PKR 200.000 to 400.000 (USD 4000) through amendment in the Workmen’s Compensation Act 1923 and enhanced the workers’ group insurance from PKR 200.000 to 400.000 (USD 4000), through amendment in the Industrial and Commercial Establishment Ordinance 1968.<sup>120, 121, 122</sup> No similar data were available for the province of Sindh.

<sup>115</sup> Government of Punjab, minimum wage boards, available at: [https://www.punjab.gov.pk/provincialdepartments\\_labour\\_mwb](https://www.punjab.gov.pk/provincialdepartments_labour_mwb)

<sup>116</sup> The Minimum Wages Ordinance 1961, Article 7, available at: <http://punjablaws.gov.pk/laws/800a.html>

<sup>117</sup> Government of Punjab, minimum wage boards, available at: [https://www.punjab.gov.pk/provincialdepartments\\_labour\\_mwb](https://www.punjab.gov.pk/provincialdepartments_labour_mwb)

<sup>118</sup> Sindh Minimum wage Act, 2015, available at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/102145/123391/F792140668/PAK102145.pdf>

<sup>119</sup> The Punjab Minimum wage for unskilled workers ordinance, 1969, available at: <http://punjablaws.gov.pk/laws/234.html>

<sup>120</sup> <http://www.glxspace.com/2016/10/18/minimum-wages-rates-2016-sindh-govt/> and

<sup>121</sup> The Workmen 1923, Compensation Act, available at: <http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/96232/113668/F-1457656098/PAK96232.pdf>

<sup>122</sup> The industrial and commercial employment (standing orders) ordinance, 1968, available at: <http://punjablaws.gov.pk/laws/222.html>

Table 10. Sample of the official salaries in the RMG Industry in Punjab <sup>123</sup>

Nomenclature	
	Approved minimum rates of wages per month for 26 days
	Rs.
<b>Highly Skilled-A</b>	15,647/- (156 USD)
Cutting Master	
Knitting Master	
Mistry	
Mechanic	
Patter Maker	
Senior Dyer	
Assistant Supervisor	
<b>Highly-Skilled-B</b>	14,995/- (149 USD)
Deputy Dying Master	
Senior Soft Flow Iperator	
Quality Inspector	
Rowing Inspector	
Assistant Knitting Master	
Assistant Pattern Maker	
Inspector/ Trims Inspector	
<b>Skilled-A</b>	14,691/- (146 USD)
Junior Dyer	
Collar Man	
Electrician	
Fitter	
Qutifit Tailor/ Karigar	
Knitting Operator	
Jet Operator	
Soft Flow Operator	
Vinch Operator	
Hydro Operator	
Lab Operator	
Boiler Oerator	
Winder	
Sample man	
Line Checker	
Table Checker	
Rafugar	
Quality Checker	
Painter	
Lot Maker	
Darner	

Comparing the minimum salaries to the salaries of skilled workers there is not much difference, thereby inferring that unskilled labour most likely will not be getting the minimum salary set by government policies.

### Stakeholders' opinion and analysis on implementation

According to the stakeholders the limited bargaining capacity of garment workers was related to their lack of alternative employment opportunities and to the easy availability of new workers at the present level of wages and conditions. Moreover workers face formidable barriers to unionization like authoritarian factory regimes, and discrimination and harassment against union activists and workers who raise concerns against employer practices. Collective bargaining in Pakistan exists mainly at factory level, albeit on a limited scale.

<sup>123</sup> Minimum wages applicable to Applicable to workers employed in Surgical, Medical and Dental truments and Equipments Manufacturing Industry , available at: <http://www.paycheck.pk/files/punjab-minimum-wage-r-s>

The stakeholders expressed Pakistan's labour legislation as too lenient. On top of this, the labour inspection system was seen to be weak. Compliance with the minimum wage was low as well. There were no proper mechanisms in place to ensure compliance. Poor governance, corruption and highly politicized decision-making all played a role in this outcome. Where it comes to living wages it was viewed that Pakistan's garment workers would amount to between PKR 13,500 and PKR 15,000. Living wage in Pakistan could only be attained with the involvement of global garment industry actors such as international buyers. Coordinated regulatory actions of low-cost garment manufacturing countries could also be supportive in the local quest for living wages. Within the country, further unionization would be the most important factor to support this quest, along with the relaxation of legislation that is not supportive of unionization.

Within the country, government action would be necessary to ensure a thorough and effectively functional tripartite system of social dialogue, to promote free collective bargaining and to strengthen the country's labour inspectorate.

## 6.6 No excessive working hours



*"Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate." (ILO Convention 1)*

Pakistan is a signatory to ILO Convention No.1, and normal working hours have a maximum of 48 hours per week over five or six days, with 26 working days in a month. However overtime is a serious issue in Pakistan as well as compliance due to a weak labour inspectorate. Reports of overtime without being properly compensated are plenty. No official and reliable data exist on overtime in Pakistan, neither specific data on the garment industry.

Table 11. Average working hours male / female in Pakistan 2012/ 2013<sup>124</sup>

	Total	Male	Female
not worked – up to 24 hours	1.68	0.73	0.95
25 – 34 hours	6.78	2.64	4.14
35 – 39 hours	13.68	6.21	7.47
40 – 41 hours	6.36	5.05	1.3
42 – 48 hours	26.31	22.38	3.93
49 – 55 hours	13.05	11.71	1.34
56 hours and over	27.79	26.63	1.16

If you look at the data of 2013-2014 on average more than 40% of the people that were employed worked more than 48 hours per week. The bulk of which was done by male employees.

### Laws and regulations

In accordance with the section 47 of Factories Act, 1934; if a worker works beyond the stipulated working hours, i.e., 9 hours a day and 48 hours a week, he is entitled to an overtime pay that is twice the rate of his ordinary pay (200% of the normal wage rate). In seasonal factories, workers may work up to 56 hours a week. Extra pay for overtime is only applicable for non-seasonal workers that works for more than 9 hours, or for more than 48 hours in a week. In a seasonal factory, overtime is only paid when an employee works for more than nine hours in any day or for more than fifty hours in any week. The Factories Act is applicable mainly to the manufacturing processes and is applicable on any factory where ten or more people are working or were working on any day in the preceding 12 months. Factories Act, 1934 (adapted for the Province of Punjab by the Factories (Amendment) Act 2012)<sup>125</sup> The Standing Orders Ordinance is applicable to the commercial or industrial establishments where 20 or more workers are employed or were employed during the last 12 months.<sup>126</sup>

<sup>124</sup> Pakistan statistical survey 2012-13, Average working hours male/ female in Pakistan 2012/ 2013, available at: <http://www.pbs.gov.pk/sites/default/files/Labour%20Force/publications/lfs2013-14/t22-pak-fin.pdf>

<sup>125</sup> The Punjab Gazette, Factories Amendment Act 2012, available at: <https://www.ilo.org/dyn/natlex/docs/SERIAL/99254/118388/F-1880478565/PAK99254%20Eng.pdf>

<sup>126</sup> Government of Pakistan, The Industrial and Commercial Employment, (Standing Orders) Ordinance, 1968, available at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/86160/97030/F-114188043/PAK86160%202010.pdf>



## Stake holders opinion implementation

According to the experts, most contracts of garment workers were temporary and on a part-time basis however, working 10-12 hours a day was common practice.<sup>127</sup> There is either too much work or too little. During peak orders, the working day can be 10 -16 hours a day or even more, and no days off. To make up low wages, workers must accept overtime. Sometimes overtime is unpaid but workers have to do it for fear of losing their jobs.

## 6.7 Safe and Health working conditions



*“A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (following ILO Convention 155). “Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited.”*

Pakistan is currently not a signatory to ILO conventions 155, but the Federal Government announced its intention to initiate social dialogue on the ratification of Convention 155 concerning Occupational Safety and Health and the Working Environment.<sup>128</sup>

Pakistan lacks a basic statutory and administrative health and safety system for its workforce. The existing requirements for safety are obsolete, inadequate and for the most part nonexistent. The existing safety enforcement bodies are corrupt, dysfunctional and incompetent. Pakistan lacks an independent and autonomous Occupational Safety and Health Authority for establishing and enforcing standards.<sup>129</sup>

Systemic hazardous conditions represent a common feature of many factories in this sector. The rapid expansion of the industry has led to the adaptation of many buildings, built for other purposes—residential, for instance—into factories, often without the required permits. Other plants have had extra floors added or have increased the workforce and machinery to levels beyond the safe capacity of the building.<sup>130</sup>

### Laws and regulations

Chapter 3 of the Factories Act makes it obligatory on the employer to provide for a safe and healthy working environment to the workers. (Section 13-33Q. In the same way, (section 23-A) provides for compulsory vaccination and inoculation of workers and expenses are to be borne by the employer. In accordance with the Factories Act, it is the responsibility of an employer to provide instruction, training and supervision as is necessary to ensure health and safety at work of his employees. (Section 38) labour laws provides for an independent labour inspection system in the country. However, the inspection system is province based and there is no central inspection authority. )<sup>131</sup>. Labour Protection Policy 2006 directs the enterprises to provide workers with protective clothing and equipment.<sup>132</sup>

The province of Punjab indicated in its Labour policy of 2015 that it aims to improve legislation and regulation regarding Occupational Health and safety.<sup>133</sup> The Sindh government has prepared a separate law on occupational health and safety (OHS) at the workplace. For this purpose a tripartite consultation process has been initiated to get recommendations which would then be forwarded to commercial establishments.<sup>134</sup>

<sup>127</sup> Wages in Context in the Garment Industry in Asia , available at:

<http://www.wageindicator.org/documents/publicationslist/publications-2016/van-klaveren-m-2016-wages-in-context-in-the-garment-industry-in-asia-amsterdam-wageindicator-foundation-april-28-2016>

<sup>128</sup> ILO, Government initiates dialogue on the ratification of convention 155- Occupational safety and health and the working environment , available at:

[http://www.ilo.org/islamabad/info/public/pr/WCMS\\_366148/lang--en/index.htm](http://www.ilo.org/islamabad/info/public/pr/WCMS_366148/lang--en/index.htm)

<sup>129</sup> The News, Baldia Factory Fire become 'Bhuladia' (Forgotten) Fire , available at:

<http://www.aboardthedemocracystation.com/baldia-factory-fire-becomes-bhuladia-forgotten-fire>,

<sup>130</sup> DunyaNews, Pakistan has no industrial safety law, government admits, 2016, available at:

<http://dunya.com.pk/News/Pakistan/318430-Pakistan-has-no-industrial-safety-law-government-admits>

<sup>131</sup> Government of Pakistan, Factories Act 1934, available at: <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/35384/64903/E97PAK01.htm>

<sup>132</sup> Government of Pakistan, Labour Protection Policy 2006: [http://labourwatchpakistan.com/wp-content/uploads/2011/04/LABOUR\\_PROTECTION\\_POLICY\\_2006.pdf](http://labourwatchpakistan.com/wp-content/uploads/2011/04/LABOUR_PROTECTION_POLICY_2006.pdf)

<sup>133</sup> Government of Punjab, Punjab Labour Policy 2015: <http://www.dgpr.punjab.gov.pk/vd/dgpr/media/policies/Punjab%20Labour%20Policy%20Final,%202015.pdf>

<sup>134</sup> Sindh to have separate occupational health and safety laws', Labour Watch, 2014 , available at: <http://labourwatchpakistan.com/sindh-to-have-separate-occupational-health-and-safety-laws/>

In 2012, after a deadly factory fire in Baldia Town Karachi the ILO extended technical support to the tripartite constituents and after a series of detailed deliberations, came out with a 'Joint Action Plan for promoting workplace safety and health in Sindh'. Similarly, the capacity of labour Inspectors was enhanced through customized training courses.<sup>135</sup>

### Stake holders opinion on implementation

Majority of the workforce in Pakistan is illiterate and not trained in occupational safety and health. Moreover occupational health and safety is not included in any curricula in Pakistan. The number of occupational health physicians and nurses is far less compared to the total workforce in Pakistan. This means that occupational health system is basically not established in the country.

Although OSH conditions in export oriented industries (sports goods, surgical instruments manufacturing and textile industries) is encouraging but generally they are poorly organized in most of the industries.

There is a great need for the industries to improve the status of Occupational Safety and Health in Pakistan in order to meet the demands of the client and to compete on the international market.

## 6.8 Legally binding employment relationship



*"Working relationships shall be legally binding, and all obligations to employees under labour or social security laws and regulations shall be respected."*

There are important differences between workers depending on whether they are hired by large factories as core or contract workers, hired by small units, or work under subcontracts from their homes. There are also self-employed garment makers who produce for local customers or markets.<sup>136</sup> However a majority of workers in the garment sector work without proof of employment, thereby exempting them for social benefits, or medical care.<sup>137</sup> Subcontracting is common, intermediaries bring down costs, and production lead time plays an increasingly important role. Competition is high at all levels, and players are constantly seeking ways to decrease costs and maintain or improve profit margins. Industry experts predict that brands that are also retailers will face smaller margins and rising costs, and that more retailers will go out of business or have to reduce their operations.<sup>138</sup>

### Laws and regulations

The constitution of Pakistan affords every one of us with the right to enter upon any lawful profession or occupation (Article 18).<sup>139</sup> The Standing Orders Ordinance, promulgated in 1968, also requires every employer to provide every worker an employment contract, showing terms and conditions of his/her service.<sup>140</sup> The employer is responsible to provide this contract at the time of your appointment, transfer or promotion. An employment contract must state the nature of your employment (permanent or temporary, nature of duties i.e. job description, terms and conditions of service etc. A worker is officially entitled to a permanent contract after a period of continuous work for of 9 months and have satisfactorily completed the probationary period of three months. Casualization of employment and subcontracting emerged as a strategy to circumvent labour laws while cutting labour costs.<sup>141</sup>

<sup>135</sup> Government of Punjab, Punjab Employment Trends Report Occupational Safety and Health 2014 , available at: [http://www.punjablabour.gov.pk/download/PET\\_OCCUPATIONAL\\_SAFETY\\_AND\\_HEALTH\\_14\\_-\\_new\\_1.pdf](http://www.punjablabour.gov.pk/download/PET_OCCUPATIONAL_SAFETY_AND_HEALTH_14_-_new_1.pdf)

<sup>136</sup> WIEGO, Garment Workers, <http://wiego.org/informal-economy/occupational-groups/garment-workers>

<sup>137</sup> Ibid.

<sup>138</sup> ILO, Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries, 2014 , available at: [http://www.ilo.org/wcmsp5/groups/public/@ed\\_dialogue/@sector/documents/publication/wcms\\_300463.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@sector/documents/publication/wcms_300463.pdf)

<sup>139</sup> Constitution of Pakistan , available at: [http://www.na.gov.pk/uploads/documents/1333523681\\_951.pdf](http://www.na.gov.pk/uploads/documents/1333523681_951.pdf)

<sup>140</sup> Government of Pakistan, The Industrial and Commercial Employment, (Standing Orders) Ordinance, 1968 , available at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/86160/97030/F-114188043/PAK86160%202010.pdf>

<sup>141</sup> Living in the background: homebased women workers and poverty persistence, 2007 , available at: <http://www.chronicpoverty.org/publications/details/living-in-the-background-homebased-women-workers-and-poverty-persistence>

Working conditions in the clothing industry and some industry practices can be particularly challenging for female workers. Informal and home-based work is more common among women than men. Long and unpredictable working hours and safety concerns make it difficult for women to combine family responsibilities with work. Low wages, weak collective bargaining opportunities and lack of equal pay for work of equal value can make women vulnerable to exploitation inside and outside the workplace. Poor or non-existent maternity protection and various forms of violence, abuse and harassment are still present in the textile and garment industries.<sup>142</sup>

## **Stakeholders Opinion**

Millions of garment workers are vulnerable to losing their jobs at a moment's notice. Even workers who are paid very badly for long hours and high output can be laid off, as orders are moved to places where other workers can be employed more cheaply. Garment workers also face daily insecurity. Employers want to hire workers when they have many orders and fire them again when work is scarce. So they employ people on short fixed-term contracts, as 'seasonal' workers, or as 'probationers'. Or they send work out to home-based workers, to whom they can give orders as and when there is work to be done. Many garment employers fail to give a contract of employment, meaning that the workers have no legal rights.

Industry sources indicated there was a need to use third party contract workers highlighting stiff competition from other garment producing countries. Especially Bangladesh, which is seen as Pakistan's main competitor, as it produces similar goods.

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<sup>142</sup> ILO, *Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries*, 2014, available at: [http://www.ilo.org/wcmsp5/groups/public/@ed\\_dialogue/@sector/documents/publication/wcms\\_300463.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@sector/documents/publication/wcms_300463.pdf)

## 7. Recommendations and Good Practices

Strategic Partnership for  
Garment Supply Chain Transformation





## 7. Recommendations and Good Practices

Due to a lack of unionization in the garment sector there is a need to build the movement from the ground. In the Pakistani context it is especially pertinent to give proper attention to the labour position of women, who are particularly disenfranchised as their role in the unions that do exist are minimal. Proper enforcement of existing policies, and an effective labour inspectorate could in theory promote the position of workers in the garment sector. But given the weak government institutions, involvement of brands, possibly C&A, and buyers in CNV Internationaals' activities is highly recommended.

### Social dialogue



The lack of unionization of garment workers and the inability to become collective bargaining agents undermines the working conditions of garment workers. Bipartite consultative committees have taken over in most factories processing orders for major international brands.

The confederation, such as PWF, operating on the federal level, have limited members in the garment sector.

Unions that are currently operating in the garment industry, use aging tactics, such as rallies, and are mainly confrontationally and are more focused on garnering media attention, then improving the situation of workers, through constructive dialogue. Their involvement in social dialogue is minimal to non-existent and here again their willingness to negotiate is minimal, as they view their opinion does not matter and does not positively improve working conditions in the garment sector.

The position of women in operating Unions is also minimal, although an important share of women work in the garment sector, both formal and informal. So if a project to promote social dialogue will be developed, there is a need to develop unions from the ground up, with an emphasis on women workers, who are currently largely disenfranchised from social dialogues. The best way to proceed to achieve this goal would be to work with labour or women rights NGOs directly, and garner their support to develop a labour movement that focusses on women's rights.

### Living Wage



In a context where a large tier of society lives on the less than \$3.10 a day the concept of a living wage seems farfetched. As a minimum standard the enforcement of the minimum-wages by a competent and reliable labour inspectorate would be a good first step, before addressing living wage. This is particularly pertinent given the use of third-party contractors and piece rate production processes that are wide spread in the garment sector.

### Gender-based Violence



Gender-based violence remains a major challenge in Pakistan as a whole, which will require a change of mindset in society at large. The rising need for women to work, especially in urban areas, to supplement family income, has at least provided a way for women to demand more rights, and challenge gender roles in society. Women lack basic understanding of their rights, therefore there is a need to raising awareness on

factory floors, and to support the development of a women's labour movement that looks beyond the rights of home-based workers. A complete lack of unionization in the garment sector highlights the need to initially work with labour NGOs to develop a women's movement in the country to identify priorities for actions to counter gender based violence on the work floor and society at large. Engaging with labour NGOs that work on the promotion of rights of home-based workers could be one avenue to pursue.

## Occupational Health and Safety



Pakistan does not have a basic statutory and administrative health and safety system for its workforce. Therefore it needs to create, through an act of Parliament, and autonomous Occupational Safety and Health Authority (OSHA), for establishing and enforcing Occupational health and Safety Standards throughout the country, an Occupational Health and Safety Statutory Act, OHS Operational Regulations and supporting reference codes. Having these standards in place, combined with proper enforcement, and training of work force has the ability to improve working conditions in the formal sector on a large scale.

## Agreement on Sustainable Garment and Textile (IMVO Covenant)

In line with the Agreement on Sustainable Garment and Textile cooperation could be sought with several of the brands that are active in Pakistan. Possibly cooperating with C&A, would be particularly interesting given their commitment to the Agreement on Sustainable Garment and Textile. Possibly this could be extended to all members of the Buyers Forum which is active in Pakistan.

## Reliability of Data

Although the Government of Pakistan and Unions report data on membership of Unions, and CBAs the information is often outdated and not reliable due to political influence. Therefore the collection of reliable data would improve the understanding of the Union density in the country. Furthermore It would be good to have an understanding of the accidents, and deaths that occur on the work floor to understand the actual extend of the dangers workers face, and which specific challenges exist in the textile and garment sector.

## 8. Sources used in this country study

The information gathered in this study was collected through desk research as well as interviews with stakeholders in Pakistan. Most important stakeholders can be found in Karachi, and Lahore, while more international institutes can be found in Islamabad.

### List of Abbreviations

<b>APFUTU</b>	All Pakistan Federation of United Trade Unions
<b>APTUC</b>	All Pakistan Trade Union Congress
<b>CBA</b>	Collective Bargaining Agent
<b>ECA</b>	Employment of Children Act
<b>EFP</b>	Employers Federation of Pakistan
<b>EU</b>	European Union
<b>FY</b>	Fiscal Year
<b>FDI</b>	Foreign Direct Investment
<b>GDP</b>	Gross Domestic Product
<b>GOP</b>	Government of Pakistan
<b>GSP+</b>	Generalised System of Preferences Plus
<b>ICT</b>	Islamabad Capital Territory
<b>LFPR</b>	Labour Force Participation Rate
<b>LSM</b>	Large Scale Manufacturing
<b>MLF</b>	Muttahida Labour Federation
<b>NLF</b>	National Labour Federation Pakistan
<b>PNTLGWF</b>	Pakistan National Textile Leather, Garments and General Workers Federation
<b>PTLC</b>	Pakistan Tripartite Labour Conference
<b>PWF</b>	Pakistan Workers Federation
<b>RMG</b>	Ready Made Garment
<b>SEZ</b>	Special Economic Zone
<b>U.S.</b>	United States

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The Foundation CNV Internationaal is a civil society organisation connected to the National Confederation of Christian Trade Unions in The Netherlands (CNV). CNV Internationaal has been working with trade unions in developing countries for more than 50 years. Together with its partner organisations CNV Internationaal protects and promotes workers' rights by means of a consultative and coherent model in which social dialogue, pluralism of the trade union movement and workers' individual responsibility are key values. CNV Internationaal's mission is to contribute to Decent Work in developing countries through strengthening the position of workers in both the formal and informal economy. The work of CNV Internationaal is centred on the themes of social dialogue, labour rights in supply chains and (youth) employability.

## CNV Internationaal

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