HANGING ON BY A THREAD

Garment worker rights amidst rising costs and wage violations in Pakistan
Original research: Conducted by Farhat Parveen, who is a labour rights expert in Pakistan with more than three decades of experience. She has conducted similar research focusing on export-oriented tanneries, leather, footwear and accessories suppliers. The research was carried out for PILER as part of a global project to advance international labour rights in Pakistan.

Pakistan Institute of Labour Education and Research (PILER) is a Pakistani NGO that does research, advocacy, labour education, training and organisation. As a distinguished labour rights organisation with over 40 years of experience, PILER has represented labour issues for Pakistani workers nationally, regionally and internationally.

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Amidst political upheaval, economic instability and mass inflation, workers’ rights in Pakistan are in a state of crisis.

Climate change led to heat waves followed by devastating floods in 2022, which affected 33 million people and left many without their homes or livelihoods and in need of work in the cities. Economic crisis in Pakistan has further driven down quality of life for the working class in recent months, with the cost of basic goods and amenities sky rocketing.

In a time of economic downturn post-COVID, global fashion corporations continue to extract wealth from South Asian economies and mass produce clothing for Western markets, while displacing risk away from themselves, towards labour. Factory closures or downsizing of factory capacity appears common, and suppliers are increasingly informalising workers’ employment conditions. Inflation in Asian garment producing nations is far outstripping wage increases, making living conditions increasingly precarious for workers at the bottom of supply chains. Brands with the power and money at the top continue to dictate conditions for workers, through buying decisions that squeeze suppliers to deliver orders at ever cheaper costs.

This report dives down into the situation for workers in Pakistan, as a case study on how workers have been impacted by the economic downturn globally and how in the face of increasing economic pressure employers seek to cut costs at the expense of workers. Findings show suppliers cutting costs and reducing their liability, at the expense of workers, through paying illegally low wages, unpaid overtime, not providing contractual documents, increasingly moving away from permanent to temporary contracts and using third parties to sub-contract workers, in an industry already characterised by sub-contracting across borders to evade accountability for rights violations and exploitation.

There is an urgent need for governments, employers, and brands to deliver workers’ rights in Pakistan, to stop the erosion of wages and improve access to remedy.
The garment, textile and footwear industry in Pakistan employs over 4 million workers with an estimated 2.2 million producing garments, 1.8 million making textiles, and 200,000 employed in the footwear and leather industry.¹ The sector in Pakistan accounts for over 60% of the country’s exports and around 40% of Pakistan’s labour force, making it key in the Pakistani economy.² These millions of workers employed in the sector produce goods for some of the world’s biggest fashion brands, including GAP, adidas, Asda, H&M, M&S, Puma, Levi’s, Primark, Boohoo, Inditex (Zara etc) and more – brands that all came up as buyers at factories that featured in the research for this study.

Brands profiting from poverty

These global fashion brands rely on the workers, the environment and infrastructure of Pakistan to produce their goods, and extract billions of dollars in profits every year. Meanwhile, like a number of other countries where garments are made, Pakistan faces spiralling domestic debt and environmental crises. Poverty in Pakistan is estimated to reach 37% in 2023 according to world bank figures ³ with more than three million additional people falling below the lower middle income class poverty line of $3.65 (2017 ppp) per day in recent years, facing food insecurity due to rising food prices and low wages. Many of the 82 million people who fall in the category will be linked to the garment sector.

Pakistan’s exports in a slump

Pakistan’s economy is currently under severe stress with low foreign reserves, a depreciating currency, and inflation reaching record levels. In May 2023, the Pakistan Bureau of Statistics reported that Pakistan textile exports were down 14% for the fiscal year 22/2023 (runs July – June), dropping to 13.7 billion USD, compared to 15.9 billion in the previous year.⁴ The drop was attributed primarily to the value-added segment which includes bed linen, knitwear, ready-made garments and towels – all products that are sourced by big fashion and home wear buyers. Brands are reporting a global economic squeeze and cautiously reducing orders, but this is happening at the expense of economies such as Pakistan. Due to this economic pressure, in June 2023, Pakistan negotiated a 3 billion USD emergency loan from the...
IMF to push back the imminent threat of default. The bailout loan however came with various high-cost provisos, including the elimination of energy price subsidies, and export controls. These “pro-investor” measures are further fuelling inflation in a way that is impacting significantly on the working class, whose domestic energy and travel prices have increased beyond control. The depreciation of the rupee compared to the dollar is also driving up the cost of oil and other imports needed for Pakistan’s textile industry to function.

Research methodology
In order to understand the reality of conditions for workers in the garment sector in Pakistan in the face of this economic upheaval, researchers collected detailed data for the purpose of a baseline survey, which this report is based on.

The survey was conducted in early 2023 through in-depth interviews with 273 workers. 249 of the workers interviewed worked in textile factories exporting to the UK, EU or US, while 24 were home based workers. The researched covered 62 workplaces, with 3-6 respondents interviewed per workplace. The sample of workers interviewed aimed to ensure an approximately representative spread across supplier types: homebased venues, yarn export suppliers, composite textile mills (spinning, weaving and processing factories that make fabric) and textile and garment factories where clothes and other textile products are sewn.

Data was collected from Karachi, Lahore and Faisalabad, which are the three main hubs of textile production in Pakistan. The geographical spread of interviews conducted for this research was proportionate to the size of each region’s contribution to Pakistan’s textile output: 44% of interviewees were based in Karachi, 28% in Lahore, and 28% in Faisalabad.

In addition, key informant interviews were held to corroborate the findings and provide context.
Inflation badly impacting low wage workers

Inflation hit 36% in Pakistan in April 2023. This figure was the highest in nearly five decades. While the IMF has reached lending arrangements with Pakistan since 2019, this has come at a cost. Khalid Mahmood, Director of the Labour Education Foundation (LEF) in Lahore, spoke about the impacts of inflation on garment workers as he sees it: “The petrol prices are increasing. Travel is becoming expensive. The cost of commodities is increasing because of the travel cost. House rents are increasing, Education costs are increasing. More than half of the wages of the workers are going to house bills, and in some cases now we have heard of a worker with a PRK 25,000 salary with an electricity bill of 40,000. At the moment things are getting out of control.”

Looking to the causes, Mr Mahmood said: “The problem is that the elite in Pakistan is being subsidized at the cost of the working class. The big corporations are basically the elite that is ruling the country. They are provided with around $18 billion annually in subsidies in different ways. It’s a huge amount. The deal with the IMF recently has really impacted the working class badly, because it has resulted in all the subsidies that help the working class being withdrawn, petrol prices and such.”

Our researchers asked workers what effects they saw from inflation happening in their area, and dug into finding out what the cost of living and current wage rate were doing to workers’ quality of life.

99% of the workers interviewed said they had been hit hard by inflation and that this had made their economic conditions even more precarious.

Cost of living and conditions

Researchers asked workers how inflation had impacted their costs, and 70% said inflation impacts had increased household expenses mainly, while 13% said this was mostly an increase in food costs. Looking at the average monthly costs, workers were spending significantly more on utility bills than house rent.

Poor housing, many residents

Of the workers surveyed, 2% said they live in “kachaa” houses, made of mud-clay, wood and straw, 17% in houses made with blocks and cement or with iron sheets for roofs, 41% live in houses with block walls and a precast roof. Only 30% said they lived in houses made from concrete and steel. In general, the vast majority of these dwellings would be classed as low-quality housing.

Most workers (74%) were living in houses with one to three rooms. When asked about how many residents shared these houses, 62% reported that there were between five and eight other residents. This indicates a lack of privacy and overcrowding in garment workers’ housing conditions.

Workers’ residential areas were found to often lack basic amenities, which the research found added difficulties to an already stressful life. Workers reported having to pay for garbage disposal, for sewerage, for water access, on top of gas as well as for electricity, internet and phones. Water charging in particular was said to impact negatively on families who sometimes cannot wash regularly and clean their living spaces due to water scarcity. Only 9% of the workers surveyed reported having tap water at home. Others had to buy from a tanker, draw from a well, or buy bottled and filtered water.

Education and healthcare costs as additional

Access to healthcare and education services were important costs that workers mentioned being under stress with shrinking budgets. Only 58% of workers said they sent their children to school. When the workers who did not send their children to school were asked why, around half said that they couldn’t afford to do so due to inflation. Of the workers who could afford to send their children into education, more than 70% reported that they didn’t have any choice over which school to select and that this was difficult.

The data also indicated a lack of choice over healthcare services. 30% of workers said they did not have access to healthcare services at all. For those who did have access, 86% said they could not go to the hospital of their choice, predominantly for economic reasons.

On this topic, Khalid Mahmood from LEF said: “The state is not providing for the workers. There is little
support for the workers' medical needs. Although there are government hospitals, the workers are so burdened that they cannot leave their jobs and go to the hospitals. They end up getting medicine from the quacks. In education there are not enough primary schools in localities where workers live so they have to spend from their wages on the education of their children. Housing is not subsidised. The state is not taking on these responsibilities and then the minimum wage is not enough.”

**Household income not enough**

The average household size for the sample was 6.3 members, so we looked at the number of income earners and household income and budget, to see how total household finances supported living costs. 30% of the workers had 1 income contributor per family, while 43% had 2-3 income earners, and 26% had 3-4 income earners. When asked about whether there were children under 18 contributing towards household earnings, there was a mean of 1.36 children per household contributing to income. Despite this high skew towards multiple household income contributors, total household incomes for an average household of 6.3 were remarkably low.

Half of the workers surveyed reported that their total household income was below PKR 45,000 (around £122 a month), and over a third said that household income was under PKR 35,000 (£95 a month).

Living wage estimates for Pakistan for a family vary based on methodology, but the Asia Floor Wage Alliance put a family decent basic income at 67200 PKR in 2022 and the Global Living Wage Coalition put a family income for a decent living between 49677 and 52749 PKR for 2022. These estimates from last year will not have taken into account the sky-rocketing cost of living this year with inflation rates the highest they have been in five decades. Even so, these estimates outstrip current average household incomes significantly.

One worker stated: “I am a skilled worker but we do not get the salary for our skill. Minimum wage should be 60,000 rupees to make both ends meet. We have to buy everything; water for drinking and other usage so 32,000 will not be enough.”

A rally held by Labour Education Foundation in May 2023, calling for a minimum wage of PKR 50,000 to be set, and dignity for workers.
Minimum wage commonly violated

Minimum wages are ratified by regional governments in Pakistan. At the time of the survey, the minimum wage in Sindh and Punjab provinces was PKR 25000. It further increased to PKR 32000 in June 2023 in Sindh, but workers in Punjab province, which covers textile hubs in Lahore and Faisalabad, are still waiting for the region to officially ratify the increase (as of 1 September 2023).

Whatever the rate, unions find that fighting for implementation of the minimum wage is a constant battle in Pakistan. Due to the lack of contracts and wage slips, and heavy reliance on cash for wages (43% of workers surveyed were paid in cash), they report minimum wage violations as common. Researchers asked workers what they were being paid.

34% of workers were making total take home pay of less than PKR 25,000 (£68) per month - below the minimum wage.

The vast remainder of the workers surveyed (42%) said they were making between PKR 25,000 and 30,000 – which at the time of survey in spring 2023, was marginally above the minimum threshold in all districts, but would be below the new minimum wage threshold currently being rolled out.

There are multiple ways that the minimum wage is reported to be violated, but one that was highlighted by unions was the increased use of piece-rate contracts in recent years. 37% of workers reported being on piece rate, compared to 64% on monthly wages. More than half did not know the price of the end product they were helping to make. Khalid Mahmood from LEF, explained more about this type of wage violation: “The piece rate means there is very minimum basic assurance like PKR 5,000 to 10,000 per month, and then you earn based on how many pieces you have made. That depends on the level of orders. If there are no orders the workers are not able to earn the minimum wage. And if there are more orders they have to work long hours, but then they are not getting the double overtime rate. There is a single piece rate, even after 5 o’clock. That is not legal.”

Researchers asked workers if they were satisfied with what they were paid. 91% of workers said no. When asked what they should be paid, a majority of workers surveyed said they should be earning salaries of between 35,000 and 50,000 for their work.

Worker testimony: The piece rate shift

“What happened after the minimum wage increase announcements during the past many years was that workers were asked to resign or sent for a few days off and reemployed on the basis of piece rate. There are more workers working on piece rate than before. There used to be 7,000 workers working in our factory, but now only 4,000 are working as salaried workers. The rest have been fired and most of these were rehired on a piece rate. It happens every time there is an increase in the minimum wage. Workers protested outside the factory but to no avail.”
Working hours excessive

Workers were working between 8 and 12 hour days, and 84% of workers were working 6 days a week. A small sample at 5% said they were doing 7 days. Long hours were particularly notable for homeworkers where over two thirds said they were doing 12 hour days as standard. One worker said: “I work as a machine operator in the label line. Mine is an eight-hour shift but usually I work overtime for another six hours.”

60% of workers said they were doing some overtime, and of these 89% said the overtime they were doing added up to 2 hours or more per day. But the majority of workers reported that they weren’t being paid fairly for their overtime under the law. Only 36% said they were receiving the double overtime rate, and almost half said they were just getting a single rate pay, the same as their normal hours.

This form of wage theft has increased in recent years according to Zehra Khan from HBWWF, who said that overtime is considered simply a part of regular working hours: “The majority of the workers, even the workers working in the brands factory, are not getting the minimum wage. If they are getting the minimum wage it depends on the length of service over the whole day. They go to the factory at 9am then leave at 9pm which is 12 hours of work. Overtime is not seen as overtime, it is seen as mean working hours. They are not paid the minimum wage because the minimum wage is for 8 hours of work, not for 12.”

No contracts, no proof of work

A large majority of workers still do not have proper proof of work, which is necessary in order to claim their wages and other rights.

73% reported having a duty card but this only serves to mark attendance, and in the vast majority of cases does not show the workplace, address, department or employment ID needed to prove work and claim workers’ rights.

Farhat Parveen, researcher for this report said: “It is worrying that all of the factories that we have covered in our sample are working for the export-oriented market, and these factories are supposed to go through some audit process. So the fact that only 23% of workers have received an appointment letter is alarming. A large majority does not have a proper proof of work, necessary to claim salaries and other rights at the workplace. It also reflects on the quality of audits that are undertaken at the workplace.”

Increasing informalisation through contractors

Although 53% of workers researchers spoke to were permanently employed, a significant proportion were on temporary contracts (29%) or employed via a contractor to work in the factories (15%). Zehra Khan said that informalisation has increasingly been used by employers to deny workers their rights: “After covid, informalisation has increased. I know many factories where previously the unit was working as permanent workers, but now the whole unit shifted and all the workers are now the employee of the contractor. Management in some cases said to us, these workers are not our employees, but at the same time, said to the contractor not to hire someone they don’t like.” Some factories had many contractors supplying workers to the factory, making it difficult for auditors to track data on employee numbers and employment rights. From the worker perspective also, the legal link between workers and factory management as employer, meaning workers have limited recourse to justice if they need to raise
WORKING CONDITIONS, CONTINUED...

complaints about conditions in the factory.

Leave denied or unpaid
Paid maternity leave is right under the law in Sindh and Punjab, but 88% of workers said they either didn’t get maternity/paternity leave, or they were allowed to take leave but it wasn’t paid. This statistic shows how widespread the denial of parental rights are in the Pakistani garment industry. Other leave allowances were more respected, although not universally granted. 24% of workers said they cannot take sick leave, and 25% of workers said they were denied casual leave when requested.

Child labour not common but present
Only 2% of workers said that there were children under 14 working in their factories. Of these, when asked to estimate how many children were working, estimates averaged at 56 children in a factory, with slightly higher numbers for boys than girls. Mostly children in factories were reportedly employed as helpers or in stacking. One child worker that researchers spoke to said: “I am 8 years old. I still have my milk teeth. I work manually, and I particularly handle leather products. I earn 1,000 rupees in a week, working from 8:30am to 9:00 pm. I take a break for one to two meals, and go home to eat.”

Social security severely lacking
Social security in Pakistan requires registration of private sector workers in order for them to access medical care, maternity care, housing provision, marriage grants, death grants, and old age pensions. Millions of workers, and in particular informal workers and homeworkers, are excluded from these schemes as employers need to formally recognise and register all their workers. 25% of workers surveyed were not registered with any social security institutions at all. Only 28% of workers were registered with EOB (Employees’ Old-Age Benefits Institution) and 26% with SESSI (Sindh Employees Social Security Institution) or PESSI (Punjab Employees Social Security Institution).

Homeworkers unseen and exploited
The situation for home-based workers we spoke to was significantly worse than the factory workers, largely due to their unmonitored and unseen status in the supply chain. In a global garment industry already characterised by sub-contracting in a manner designed to preclude access to remedy against the actors most responsible for violations, home-based workers are even further sub-contracted and precluded from access to rights and remedies.

In general, home-based workers we spoke to were older than the factory workers. Only 32% of the home-based workers were 18-35 (51% of the female factory workers fell into this age bracket), while 59% were 35-50. Their level of educational achievement also was generally lower. 68% of the home-based workers surveyed hadn’t obtained primary education, whereas the majority of the female factory worker sample had achieved a middle school qualification. 73% were living in rented accommodation as opposed to accommodation they owned – a significantly higher percentage than the female factory workers at 49%.

91% of the home-based workers reported that they were making less than PKR 25,000 (an illegal rate of pay) and were almost all employed on piece rate contracts. In terms of working hours, 94% of workers said they worked 10-12 hours a day. The working hours and income situation combined, shows that home-based workers are routinely being exploited and illegally underpaid.
Although researchers asked workers if they had experienced harassment in the workplace, just 13% of respondents, both men and women, confirmed that this was the case.

We asked Zehra Khan from HBWWF why this statistic was so low. She said that workers were afraid to talk about harassment:

“With an increasing number of women, there are increasing incidents of harassment. Not only sexual harassment, but physical, verbal and psychological harassment. We often miss the aspect of psychological harassment in our conversations on this, how women workers are particularly targeted or teased – this is never seen as an important issue. For example, there was an issue at a garment factory. We [the union] went there and resolved the issue by sitting inside the factory with the management and the labour department. I tried to speak with the women workers, but it became clear that they were all inside the factory and management was not permitting them to come outside to speak to me or their co-workers. I had to say to management ‘you let me inside so I can speak to these women’. They let me in, I informed the women workers the outcome of the discussions with the labour department officials and management. When I tried to come outside, the management began to harass the women workers – shouting at them in front of me. If management behaves like this in front of me, a trade union official, and in front of labour department representatives, how do they treat these women workers when we are not present? In these circumstances, it is really a jail for these women.”
Health and safety has repeatedly been identified as an area for grave concern in Pakistan’s garment and textile sector. The International Accord on Health and Safety has started work in Pakistan to conduct its first set of factory safety assessments at 400 factories and work will increase to support worker education, trade union power, install the Accord’s complaints mechanisms, ensure transparency and reporting on the topic and more. We asked workers what they had witnessed in terms of safety issues.

One worker who works in a factory supplying a UK brand said: “Light is good at the workplace, but dust and temperature are terrible. Women tend to faint due to the temperature, and I feel suffocated due to the dust of cotton at the workplace. We are offered to use masks but that too becomes difficult due to temperature.” Another worker who works in a factory supplying UK and European brands stated: “Our workplace is not a very safe place. Due to cotton dust and fumes, workers find it difficult to breathe. Overlock machines are particularly bad in this regard. A worker died but the doctor was asked that working conditions should not be mentioned as the cause of death. His family was not paid any compensation.”

While only a small number of respondents confirmed they had witnessed significant issues, these sums add up to the need to ensure all factories are made safe. Almost 8% of workers surveyed said there was unprotected machinery in their workplace, some not electrically earthed. On the topic of fire exits and fire prevention, 5% said there were no fire exits, and 11% said there were not fire extinguishers installed in their workplaces. When asked if they knew how to use a fire extinguisher or had been given training, 44% of workers said no.

In terms of training and protection, 42% of workers said they were not given any training for handling machines or undertaking hazardous tasks. 42% further said they were not provided with protective gear at the workplace.

23% of workers said they had seen serious OHS incidents happen at their factories, and 4% of these said they had resulted in the factory being closed down.

Health issues a worry

The health impacts that workers experienced over time came up strongly. The health impacts of constant noise was identified as an issue with 22% of workers saying that the noise in the factories had affected their health. 24% identified that the noise pollution was causing them anxiety, 38% that it gave them headaches, 27% that they had lost hearing.

While only 12% of workers said they worked with chemicals in their jobs, these workers identified that their work was causing skin problems (24% identified this), asthma (55%), and other health issues (21%).

However, when we asked workers whether working in the factory had affected their health, 85% said no. Khalid Mahmood from LEF spoke about what he witnessed: “There is little recognition of the health problems for workers. Workers think they will continue working like this for years. But by the end of their service, they face a lot of health issues, especially lung diseases and joint pains, hearing loss, and the eye sight depletion. All these are health issues which are connected to the work and there is really no recognition in the industry of the need to take care of this or support worker health. But whenever we talk with older workers they say that we are facing problems. And these are workers not registered for social security and the old age benefits.”

A worker in their forties, working at a factory supplying US and UK brands stated: “I now feel very weak, feeling pain in my knees and my body aches. My sight has been affected as well and there is a general weakness but I am waiting to fulfill my family responsibilities before looking after myself.”
Audits not picking up violations

Looking to labour department inspections and third-party auditing as one of the current solutions put forward by brands and government to check on health and safety, workers had very little confidence in the effectiveness of these systems. Only 30.5% of workers said that they had seen the labour department inspect their factory. 65.1% of workers said they didn’t think they inspected efficiently. 72% of workers said that inspectors didn’t even speak to workers at their suppliers.

When asked if they thought their factory abided by the labour law, 59% of workers said no. One worker said: “Auditors come to our factory but they do not talk to us. We have not heard of the labour department inspection but auditors do come. They always meet with the management, check the machines, take a round, enjoy the hospitality of the employers, and leave.” Another worker stated: “We are asked to lie or keep quiet during the audit process. We are being told to say that we get minimum wages, leaves, and holiday, and are registered in social security, EOBI, and the Workers Welfare Board.”

On auditing, Zehra Khan, of the HBWWF trade union, stated: “The main issue with auditing is that the employer hires the auditor. They can simply ask them to write what they want the report to say. The other key issue is that the auditors do not share the reports with employers, workers, or the labour department. When I read the auditing reports from before the Ali Enterprises fire for 3 years they had mentioned that there was one unit in which there was a wiring issue. But if workers are not informed, if they do not have a trade union, if they do not have an appointment letter, then they cannot speak out on these issues. This is why we demand a tripartite auditing system, in which workers representatives sit in to ensure we get accurate reports, amendments can be demanded, and followed up by workers representatives. After all, workers are the ones spending most of their time in the factory, all workers want and need a safe workplace.”

Khalid Mahmood stated: “Things can only develop when the workers have a voice. The workers on a daily basis need to highlight the issues and be sure they will be heard. Safety committees are not currently working. If there were true representation from the workers in safety committees, then this culture could be developed. We hear of certain incidents of fire, building collapse from time to time. This is not stopping. I would say this is still a big problem in the industry. The industry will not develop until there are systems that are able to take care of health and safety. Freedom of Association is vital for this.”

Nasir Mansoor, general secretary of the National Trade Union Federation in Pakistan said: “We need all brands with production in Pakistan to sign the Accord as soon as possible. And, once brands sign, they must not sit back and relax. Only after inspections begin and workers can hand in complaints, will the risk of the next factory fire or collapse actually start to lower.”
While workers in Pakistan do have on-paper rights to form plant-level unions, in practice levels of unionisation remain very low, and there are many obstacles to collective bargaining. Trade union membership across industries in the country is estimated to be as low as 2%. Of the workers surveyed for this research, only 8% were members of a union and almost 80% of workplaces had no unions. 71% of workers said they faced resistance from their employers to forming a union.

Researchers spoke with one garment worker, employed in a factory supplying a big UK brand, who said: “Unionisation efforts are dealt with a heavy hand whenever workers try to form a union. Managers and employers come together and make an example out of such workers who are trying to organise.” Another worker, working in a factory supplying well-known UK and European brands said:

“If we try to form a union we will be kicked out.”

While the number of unionised workers is low, the results of our research provide a clear indication of the ways in which organised workers, who are members of independent trade unions, are better off with respect to a whole range of other labour rights.

**Unionised workers know their rights**

71% of unionised workers surveyed, compared to 53% of non-unionised workers surveyed, knew the number and types of leave from work that they are entitled to take. As many as 89% of unionised workers, compared to 44% non-unionised workers said they were working in a factory that is registered under the Factories Act 1934, while 53% of non-unionised workers compared to only 9% unionised workers said they did not know whether their factory was registered under the Factories Act or not. This demonstrates better knowledge of rights and compliance where workers are members of unions.

**Unionised workers receiving better wages**

Only 16% of unionised workers were being paid on a piece rate basis, compared to 38% of non-unionised workers. 78% of unionised workers versus 59% of non-unionised workers were receiving their wages in the form of a monthly salary. A difference was found also in terms of total monthly income between unionised and non-unionised workers. 33% of unionised workers received more than PKR 30,000 per month, compared to just as against 24% of non-unionised workers.

**Unionised workers experiencing better working conditions**

Across working hours, availability of leave and nature of contracts workers in unions were experiencing better working conditions than those who were not members. 86% of unionised workers compared to 73% of non-unionised workers reported receiving sick pay when they are off work due to illness.

A significantly higher percentage of unionised workers (75%) as compared to non-unionised workers (47%) reported being on a permanent contract, and a smaller proportion of unionised (15%) than non-unionised (33%) workers were on temporary contracts.

34% of unionised workers surveyed had received an appointment letter, while only 19% of non-unionised workers had been provided with this key document setting out terms and conditions of their employment. Similarly, 1% of non-unionised and 5% of unionised workers had a contract. 1% of non-unionised factory workers surveyed had no proof of their employment.

A woman worker calls on the government to protect worker freedom of association.
Collective bargaining is the key

These findings from the baseline survey data support an argument that the labour movement in Pakistan – and internationally – has always made: the surest way to ensure improvements for workers across every area of labour rights is to facilitate an enabling environment for freedom of association. This means treating democratically elected trade union workplace representatives as the voice of workers, and recognising independent trade unions of workers’ choice as the legitimate collective bargaining agent rather than the worker-management joint councils with supposed workers representatives who are too often hand-picked by management.

Khalid Mahmood from Labour Education Foundation had this to say about worker-management joint councils: “The brands have to get rid of workers management joint councils. They think that this is the replacement of the trade union and freedom of association. They have to clearly say that we need CBAs in the factories. We do not need joint workers management joint councils. This is one important thing. And when we see CBAs they need to see the process as well. They have to involve themselves or involve independent people from outside, in the process of ensuring collective bargaining and union elections are fair. They have to ensure that these things are happening.”

Zehra Khan from HBWWF added this: “The key is collective bargaining, because through collective bargaining workers can bring all the other issues. And when one win is achieved, workers can fight for more. For example, the minimum wage is 25,000. But through collective bargaining we can fight for more, for 30,000, for 50,000. We do not have to stop once we achieve compliance with the law, we can ask for more. The mindset of employers needs to change: workers are not their slaves, workers are increasing the employers’ profit so they should recognise their value.”

From wages, to working conditions, to occupational health and safety, the findings of our research provide a snapshot of the many ways garment workers in Pakistan face systematic violations of even the most basic legal standards. But as Zehra Khan says, these workers, whose labour makes clothes people around the world wear, and the profit global fashion corporations pocket, deserve far more than just the bare legal minimum needed to scrape by.
RECOMMENDATIONS
AND CONCLUSIONS

“International buyers are the driving force. If they want to source products from Pakistan, they should at least take responsibility for ensuring that conditions for workers who make their profits are in accordance with the law. Workers rights should not be exploited in Pakistan, or anywhere. If brands really want change, they could easily give a little from their surplus value to ensure workers conditions are good. And to push the brands, the catalyst can be the consumer in Europe and western countries. This solidarity is important for our movement.” (Zehra Khan, HBWWF)

The emphasis of the recommendations in this report will focus on the action fashion brands as international buyers, and their suppliers, can take to ensure garment workers rights in Pakistan are upheld. There is however a significant role also for governments, provincial labour departments, the legal system, social auditors, international finance institutions, and more in delivering changes needed.

Brands and suppliers must work together to:

1. Stop the increasing informalisation in factories in Pakistan
   • Brands and suppliers must ensure formal contracts and a letter of appointment are provided to all workers with key terms and conditions particularly regarding pay, leave, overtime. Duty cards are no replacement for this.
   • Suppliers should employ their workers directly, on permanent contracts, rather than using contractors or temporary contracts in their operations. Where contractors are used, suppliers must ensure their role is visible and that contract workers are afforded the exact same rights and privileges as formal workers, and their role is transparently declared with auditors, registered in labour office statistics, and workers employed under all kinds of contract are registered officially for social security.

2. Ensure the minimum wage is paid for all workers and adopt progressive policies that work towards payment of a living wage
   • Brands and suppliers must ensure that the minimum wage is paid to all workers, regardless of their position within the supply chain.
   • Workers must be paid at least the minimum wage in return for an 8 hour day of work, with the double overtime rate paid on top for any additional overtime undertaken
   • Suppliers should stop using piece-rate contracts, and stop unilaterally transferring workers to these systems to save costs.
   • Workers should be paid by bank transfer, an electronic record kept of wages, and wage slips provided to workers.
   • Brands must factor in full cost recovery wage prices into purchasing practices, ensuring all costs relating to worker pay and benefits under the national labour law are taken into account in their calculations. The new PKR 32000 minimum wage should immediately factor in prices increasing.
   • Brands should price in living rather than minimum wages into their purchasing practices with suppliers.

3. Fix monitoring and complaints mechanisms
   • An effective worker-driven complaints mechanism should be present in all suppliers, with a transparent process for resolution and protection for workers. Where no record of complaints and resolutions is kept, brands should take action to investigate.
   • Social auditing is currently failing to pick up most worker rights violations in Pakistan. Brands should actively engage in finding solutions to the causes of this. Brands should also publish all audit reports and keep public records of aims and progress by supplier, to ensure better remediation efforts, in collaboration with national labour inspectorates, unions and workers’ rights groups.
4. Take a zero tolerance approach to workplace gender based violence and harassment (GBVH)
   • Brands must ensure factories form independent committees with democratically elected trade union worker representatives to deal with GBVH issues
   • Confidential complaint boxes to raise GBVH issues should be installed, investigations conducted by the committee, and resolutions reported on transparently to management and brands, with a guarantee of zero retaliation for workers.

5. Ensure health and safety for Pakistan’s garment and textile workers
   • Brands sourcing in Pakistan must sign the Pakistan Accord to ensure worker safety, and encourage their suppliers to actively engage in its operations
   • Suppliers must ensure there is true representation of workers on any health and safety committees, through engaging with unions and ensuring fair and transparent democratic elections to committee positions.

6. Ensure all workers are recognised
   • Brands should map their whole supply chain – including home-based workers, contracted workers, subcontracted workers, piece rate workers and cotton pickers – and work with suppliers to ensure pricing and processes are sufficient for all of these workers to be afforded their rights.
   • Supply chain data must be transparent, public, and regularly updated.

7. Ensure Social Security is accessible to all workers
   • Brands and suppliers must ensure all workers, on all kinds of contracts, are registered with the labour office officially, and are registered with social security institutions.
   • Particular effort must be made to ensure informal workers have access to these vital resources.

8. Actively promote genuine freedom of association, which is key to improvements in all other labour rights
   • Suppliers must treat democratically elected trade union representatives as the voice of workers, and recognise independent trade unions of the workers’ choice as the legitimate collective bargaining agent rather than the worker-management joint councils with supposed workers representatives too often hand-picked by management.
   • Brands must monitor CBA numbers and work to ensure CBA negotiations take place, and that the clauses are implemented, to progressively improve workplace rights and wages.
References:


[4] Ibid 2, p.4


[8] GLWC estimates for 2022, rural and urban benchmarks, estimating costs of a basic but decent living for a family of 5.5 and 5 respectively https://globallivingwage.org/living-wages-benchmarks/rural-pakistan/

[9] On 11 September 2012, the Ali Enterprises factory in Karachi burnt down just three weeks after being awarded SA8000 certification upon inspection overseen by RINA. At least 250 workers were killed. The audit failed to notice that the factory had a number of glaring safety defects that violated both Pakistani safety regulations and the auditor’s own guidance, including locked fire escapes; blocked windows; a defunct fire alarm system; a wooden mezzanine; piles of garments blocking exits; unsafe escape routes; and a lack of measures to keep a fire from spreading, including insufficient firefighting equipment.

We all have a role

As an individual, a campaigner, a wearer of garments, you can use your voice to call on the global fashion corporations who wield power to do the right thing by Pakistani garment workers. Please do join the struggle to uphold labour rights in global fashion supply chains by following Labour Behind the Label, the Clean Clothes Campaign or any other organisations listed in this report.