

Briefing on the occasion of Pakistani
trade unionists' visit

December 2022



FASHIONING JUSTICE FOR WORKERS IN PAKISTAN

**Clean
Clothes
Campaign**



Pakistan is one of the cornerstones of the global garment industry. Over four million people in the country are employed in the garment sector. The majority of the clothes made in Pakistan are destined for Global North and West markets. The country's garment industry history has been marred by tragic loss of life due to failings in fire and building safety, and most recently with the impact of catastrophic floods. Without timely interventions, including by the EU, the consequences and ripple effects of the floods will, among many other ways, manifest in further layoffs, union repression and other worker right violations; in a country that is already marred with endemic rights violations.

- **Total population:** 242,9 million
- **Size and role of garment industry:**
 - 8th largest exporter of textile products in Asia
 - 4th largest producer and 3rd largest consumer of cotton
 - textile & garment/apparel sector:
 - 46% of the total manufacturing sector
 - 60% of total exports
 - 8.5% of GDP
 - employment to 40% of the total labor force -- over 4 million people employed in the garment industry:
 - 2.2 million workers producing garments,
 - 1.8 million making textiles,
 - 200,000 employed in the footwear and leather industry
- **Political & social context:**
 - ITUC Global Rights Index: 5 – No guarantee of rights
 - Freedomhouse index: 38 – Partially free
 - Corruption Perception Index (CPI): score 28 – the perceived level of public sector corruption on a scale of 0-100, where 0 means highly corrupt and 100 means very clean; rank 140 – its position relative to the other countries in the index
 - Human Development Index (HDI): dropped seven places, ranking 161 out of 192 countries in the 2021-2022 period

Main workplace issues

- Occupational/factory safety
- Freedom of association
- Wage theft
- Informalization of labour
- Gender bias & intersectional discrimination (eg gender + age)

Union representation & freedom of association

- Informalization barrier
- Weak women organizing
- Low overall level of unionization among workers
- Workers councils appointed by employers -- get misinterpreted or misrepresented as worker representation by brands and others

The aftermath of floods

- Over 1/3 of cotton crops lost
- Cotton imports set to drive up production prices
- Orders likely to reduce, leading to factory closures and workers layoffs
- One million people projected to lose work in the garment sector



Seemi Mustafa

Worked in the Denim Clothing Company in Karachi that produces for major brands like H&M, for 9 years. Seemi has first hand experience with gender based violence in the workplace and violent intimidation and deliberate neglect in response to workers, especially women, complaining or organizing about workplace issues.



Nasir Mansoor

Secretary general of the National Trade Union Federation Pakistan (NTUF). He has actively participated in organising the survivors and families of the workers who died in the Ali Enterprises fire of 2012 and is at the forefront of organising textile and garment workers in Pakistan.



Zehra Khan

Secretary general of the Home-based Women Workers Federation (HBWWF), the first trade union of home-based workers in Pakistan. HBWWF works on raising awareness of the issues surrounding home-based workers and campaigns for dedicated labour and social protection laws to cover them.

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LABOUR RIGHTS SITUATION IN PAKISTAN

The impact of recent floods adds to a history of worker **safety and wellbeing issues, low wages, high levels of overtime and low rates of worker registration**. All these are still prevalent and have been only aggravated with climate change. In the ITUC Global Index Pakistan is one of the countries with "no guarantee of rights".

Mistreatment of workers has increased since the onset of COVID. It has been particularly common in factories that have recently laid off workers. The experience of safety, health and wellbeing at work, as well as the enjoyment of all labour rights within the garment sector, is gendered. Women generally fare worse than male workers across a range of indicators.

In large part as a **consequence of garment brands' purchasing practices** – cancellations of completed orders, work-in-progress and/or withheld further orders, on top of the entrenched unfair trading practices from earlier on – factory workers have variously experienced the extremes of intensified targets and decreased workload. Non-payment of wages, delayed wages, wage cuts and forced resignations have been commonplace, with women particularly badly affected by such changes at the workplace. Factory lay-offs and closures in a range of producing countries, including Pakistan.

In addition, **informal work has been on the rise**. Home-workers are an essential part of the value chain, with an even larger share of women than in factories (see below).

CLIMATE CHANGE IMPACT

Pakistan has emitted less than 0.4% of global carbon emissions since 1959 but is one of the countries already suffering the most from climate change. Due to the recent catastrophic floods, when one-third of the country was under water, **a large part of cotton production in Pakistan is lost for the coming season**. With Pakistan being the fourth largest producer and the third largest user of cotton in the world, this is bound to have grave consequences, with one million jobs in the garment industry feared to be at risk.

Cotton for garment production will have to be imported which will drive up production prices. The fear is that this is **the next big crisis to strike**, especially as 40% of the workforce of Pakistan is related to the textile industry.

With rising cost of production and brands' tendencies to move to ever cheaper sourcing locations – pushing down prices for ready-made garments to the point where producers are not covering basic production cost – further worker lay-offs and factory closures are likely. In such situations workers frequently do not receive their severance pay-outs and final wages.

Clean Clothes Campaign has been appealing to brands to sign **binding and enforceable agreements on Severance Payment Guarantee**, to ensure workers are not as badly hit when layoffs happen. Please see #PayYourWorkers for more information.

THE STRUGGLE FOR SAFE FACTORIES

In 2012 Pakistan was shaken by the most deadly factory fire in the history of the garment industry. Over 250 workers died in the fire of the Ali Enterprises factory. This happened mere weeks after the factory had been certified as safe by an Italian auditing company (Rina) that has never faced accountability for this.

The Rana Plaza collapse in Bangladesh in 2013 led to the creation of a binding safety programme – the Bangladesh Accord on Fire and Building Safety, now usually just “the Accord” or “Bangladesh Accord – agreed between garment brands and unions. Yet, no such safety programme has addressed the concerns of garment workers in Pakistan. Where measures are claimed to be in place, there have been no regular inspections to ensure these systems and equipment work safely.

Recent research and public factory incidents tracker showed deadly and near lethal factory incidents continue to take place, and severe safety risks persist, including in the supply chains from major international brands like H&M, Inditex, Bestseller and C&A. A Clean Clothes Campaign factory incidents tracker that lists deadly and near lethal factory incidents since January 2021 shows over three dozen of such incidents in Pakistan over the past twenty months.

Worker safety: research highlights

Recent research in Pakistan (see references) revealed extreme deficiencies in some of the most basic provisions for factory safety, including:

- Only 15% of workers reported proper fire exit stairwells in case of a fire
- One in five workers reported their workplace lacked fire drills and were unaware of emergency escape routes and exits.
- Factory inspections were not found to be happening so there was no regular inspections to ensure the equipment was working safely.
- In female-dominated factories, only three quarters of workers reported having access to escape routes free from obstruction.
- The report also highlights other important issues ongoing within the sector such as worker wellbeing issues, low wages and low rates of worker registration.

“FOR US AS TRADE UNIONS ONE OF THE MOST IMPORTANT PRINCIPLES FROM THE ACCORD IS THE EQUAL SHARING OF POWER. UNDER THE PAKISTAN ACCORD WORKERS AND COMPANIES EACH SHOULD HAVE THE SAME AMOUNT OF POWER. THEN WE CAN TRUST THE ORGANISATION TO BE TRULY INDEPENDENT AND TO MAKE WORKPLACES SAFE IN A CREDIBLE AND TRANSPARENT WAY FOR ALL WORKERS IN THE GARMENT SUPPLY CHAIN.”

ZEHRA KHAN, HOME BASED WOMEN WORKERS FEDERATION I

“EVEN THOUGH THE HEALTH AND SAFETY LAWS IN SINDH AND PUNJAB PROVINCES HAVE BEEN STRENGTHENED IN THE LAST FEW YEARS, WITHOUT PROPER IMPLEMENTATION OF THESE LAWS AND ABSENCE OF EFFECTIVE LABOUR INSPECTIONS, WORKERS’ SAFETY CANNOT BE ENSURED.”

KHALID MAHMOOD, DIRECTOR OF LABOUR EDUCATION FOUNDATION IN PAKISTAN.

"I HAVE EXPERIENCED FIRST HAND THAT FACTORY MANAGERS OFTEN IGNORE WOMEN WORKERS SPEAKING UP FOR THEIR RIGHTS AND RESPOND WITH INTIMIDATION AND VIOLENCE. STRONG LAWS ARE NEEDED TO MAKE SURE WORKERS IN GARMENT FACTORIES ARE TREATED DECENTLY."

SEEMI MUSTAFA



Dr Javaid Iqbal Gill, a representative of the Labour Department, said labour laws in the country were biased against women and the government was working towards making them women-friendly. He referred to a gender-based survey of existing labour laws, which he had conducted recently, and said the law had very few provisions for women workers. "Most of these laws were drafted in times when it was hard to imagine women working in the public sphere," he said.

The participants said most women had no access to first-aid facilities, there were barely any anti-harassment committees in workplaces, employee retention rates were poor, women workers had no linkages with safety-nets, their right to association was compromised due to a lack of trade unions, transportation was available to few, their wages were far less compared to what their men colleagues earned for the same amount of work and maternity laws were applied partially or not at all.

"IT'S CLEAR THAT WORKERS' SAFETY IS A GENDERED ISSUE, WITH WOMEN FARING CONSISTENTLY WORSE THAN THEIR MALE COUNTERPARTS IN THE GARMENT INDUSTRY. IMPLEMENTING THE ACCORD WOULD HAVE ENORMOUS BENEFITS FOR WOMEN'S SAFETY IN THE WORKPLACE AND WOULD GIVE US A MECHANISM TO HAVE OUR COMPLAINTS PROPERLY HEARD AND RESPONDED TO."

ZEHRA KHAN, GENERAL SECRETARY OF HOME BASED WOMEN WORKERS FEDERATION IN PAKISTAN



SEEMI'S EXPERIENCE SEWING GARMENS FOR MAJOR BRANDS



My name is Seemi Mustafa and I worked for the Denim Clothing Company for 9 years. I have faced gender base violence issues in my company, multiple times. Whenever a woman raises her issue regarding any problem at the workplace, she faces verbal abuse and threats. This issue is faced by many women working in different factories. When I heard about these issues from other co-workers, I felt like raising my voice for them and fighting for their rights. But I couldn't do that because women don't have any kind of support in Pakistan.

In 2021, in the denim clothing company, 200 women workers from the stitching and finishing department went to factory management to ask for their bonus as advance payment before EID holidays. The company refused. Management's goons abused and harassed us, and threatened to assault us in front of HR. They also threatened to close down the company.

After work the same day, when we were about to leave for our homes at 5pm, I was with my younger brother and cousin who were also working in that factory. Management asked us to wait to discuss the issue. After waiting for an hour they asked us to leave and when we came out from the factory to leave for home, the rogue co-workers, hired by the factory, beat me and my brother outside the factory. They attacked me and my brother with bike lock wire. My hand got injured and my brother got 9 stitches on his head. No one from the factory came to help us, the people on the street helped us get to the hospital. Administrators and managers know no one supports women here, no one stands for women, that's why they feel it is fine to threaten us. The management then asked us to not file a police complaint and that they will resolve the issue.

The next day we tried to reach the higher authorities for help. There is no committee or regulation for women's complaints. We went to the labor department for continuously two to three months. Every time they made some excuse and didn't help to resolve the case by saying that this issue is not under their authority. And the issue remained unsolved.

In June 2022, the company announced it's closing down and asked all workers to take their payments, with any notices submitted to the labour department and factory's notice board. They laid off 4000 workers. Seven workers have filed a complaint asking for reinstatement of all workers and the payment of their legal dues. But this issue has also been unsolved.

They owed us 25000 PKR for the month of June 2022 (as announced by Sindh minimum wage board), but the management has paid 20,000PKR as workers salary for the month of June.

Furthermore, I worked in the company for last 9 to 10 years, but I got paid severance for only 7 years, and there are a few workers who didn't even receive any severance at all.

Four thousand workers became unemployed and didn't get paid according to their service. Unemployment rate is increasing drastically and there are increasing pressures of giving double work load on single worker on a single salary. Some factories also don't give much time for lunch break. Workers are not registered with social security. Women harassment in workplaces is growing including using abusive language, violation of laws, they don't even allow women to drink water. Women workers who stay quiet are treated better than those who stand up for their rights.

There should be a proper anti-harassment committee at each workplace that works for women's rights. Buyers should involve themselves in these sensitive matters, as the factory management never supports women workers. Labor Department should conduct inspections and talk directly with the workers to get a better understanding of working environment in such factories. There should be a proper complaint mechanism so workers can approach it without any fear.

INFORMALIZATION OF WORK

Pakistani trade unionists observe increasing informalization of work. Typically women receive orders from factories or intermediaries, completing them from their homes where they are frequently accompanied by daughters as young as seven. In effect, one person is getting paid – a piece rate, at as low as one-third of minimum wage – but three or four people are actually putting in the work, including completely unpaid child labour. These workers receive no contracts, have no social security and are paid a piece rate at about one-third of minimum wage.

Another aspect of informalization are the short-term hirings at factories as workplaces. In these situations workers also frequently work without contracts, or these are issued but do not cover all the working time. Overtime gets unpaid, and workers are dismissed at short notice without any further rights. Informal employment is ubiquitous and is a high barrier for freedom of association. Namely, workers must be able to prove that they are employed by a certain employer to be able to form a recognized trade union – but many workers do not have any written confirmation of their employment and are therefore prevented from formal organizing and representation.

From factories to homes

"The resounding call is for the EU sustainable corporate governance regime to apply to all workers in all tiers of the chain, irrespective of their employment status. Why is this important?"

First, by targeting only tier-one factories, the Directive would ignore the real structure of the chain and leave most workers unprotected, enabling suppliers to violate workers' human rights with impunity. Subcontracting is ubiquitous in supply chains, not only in the garment sector. In India for example, almost 90% of garment sector workers are employed in small and medium enterprises, many of which subcontract to homeworkers. A survey of 340 garment factories in Delhi and Bengaluru showed 58 percent of surveyed factories outsource to homeworkers. Factories subcontract to homeworkers for many reasons: some work, like embroidery, cannot be done in factories and homeworkers constitute a flexible workforce for big or rushed orders. Because homeworkers are not legally protected, they can be paid slave wages. Before the pandemic, homeworkers earned between half and one third of the minimum wage. The cost of the space they work in, electricity and equipment such as sewing machines, needles and scissors, comes out of their own pockets.

Social auditing also drives subcontracting. A study of 40 factories in eight garment and footwear producing countries found it is common practice for suppliers to maintain

one factory that complies with codes while subcontracting to unaudited factories. Auditors themselves recognise this.

Researchers' interviews with auditors revealed significant blindspots. They showed that "because many exploited workers are technically employed by labour providers and contractors or at off-site production facilities, they are thus not officially on the books, and so auditors had little scope to detect or address this issue."

It follows that if human rights due diligence legislation applies only to employees in factories, the human and labour rights of workers in workshops and homes can be violated with impunity.

Finally, in most production countries, even in tier-one factories, only a small percentage of the largely female workforce is permanent and full-time, meaning few are legally classified as employees. The remainder are fixed-term contract workers, often employed through intermediaries and casual workers paid by the piece. Workers have reported to the Asia Floor Wage Alliance that many audited factories provide fixed-term contract workers and casual workers paid by the piece with ID cards so that auditors record them as employees who receive social protection."

Extracted from a longer text by Marlese von Broembsen: "From factories to homes: Why human rights due diligence must extend to all workers in the supply chain" (2022)

WAY FORWARD: GARMENT BRANDS

"THE FACTORY INCIDENTS HIGHLIGHTED BY THE WORKERS IN PAKISTAN SHOW HOW DIRE THE NEED IS FOR ACCORD EXPANSION. WORKERS DESERVE TO FEEL SAFE AND PROTECTED WHEN GOING TO WORK, AND THE ACCORD SHOULD START ITS OPERATIONS BEFORE THE END OF THE YEAR. THE PAKISTAN ACCORD SHOULD PROTECT WORKERS IN GARMENT FACTORIES, IN TEXTILE MILLS, AND IN INFORMAL SMALL WORKPLACES ALIKE. WE UNDERSTAND INSPECTING ALL UNITS WILL TAKE TIME, BUT ALL THOSE WORKERS SHOULD HAVE THE RIGHT TO FILE COMPLAINTS IF THEY ARE IN DANGER FROM THE START OF THE PROGRAMME."

NASIR MANSOOR, NATIONAL TRADE UNION FEDERATION

The creation of the International Accord on Health and Safety in the Textile and Garment Industry in 2021, as a successor of the Bangladesh Accord, has opened up the road toward a Pakistan country programme.

A coalition of Pakistani unions and labour rights organisations has formulated a vision of what they would need a Pakistan factory safety programme to look like for it to be successful in their national context – one that is binding, enforceable upon signatory brands, transparent and worker-centred. After a year of consultations, local unionists and other stakeholders are now waiting for the Accord SC to give the green light, so that operations can start by early next year.

Brands' must immediately act on factory safety

Brands must take responsibility for the safety of their workers in their supply chain; they are the ones directly profiting from it. The first step would be to expand – from the current scope of Bangladesh – to Pakistan and implement the legally binding agreement of the International Accord for Health and Safety in the Textile and Garment Industry.

The involvement of local unions and other local workers' rights organisation in the design, governance and implementation of such initiatives will be of key importance.

Only a programme such as this – with binding, enforceable commitments and strong local unions' involvement – can be credible in safeguarding the health and welfare of garment workers in Pakistan.



WHAT WE WANT TO SEE: EUROPEAN UNION

GSP+

- EU Commission highlights to the Council of the EU the importance of finalizing the revision of the GSP+ regulation so its improvements pertaining to the inclusion of additional labour rights conventions or the requirements for a plan of action in GSP+ countries can be implemented.
- EU institutions (EU Commission, EU Delegation, parliamentary visits) systematically and continuously engage with Pakistani stakeholders - in particular trade unions and labour rights organisations - to gather a comprehensive overview of the national context.

DUE DILIGENCE, CORPORATE SUSTAINABILITY REPORTING AND PURCHASING PRACTICES

- The upcoming Corporate Sustainable Due Diligence directive (CSDDD) **covers all workers in all tiers** of the chain, including informally employed workers and homeworkers.
- Enforcement mechanisms address **access to justice** barriers for workers from production countries such as the burden of proof, statutory limitations, representative and class action.
- Due diligence obligation encompasses **purchasing/procurement practices**. This is reflected throughout the CSDDD as the first step toward legislating this overlooked underlying cause of rights violations in third countries. The next step is a sectoral directive on Unfair Trading Practices (example: agriculture).
- Value chain **mapping** is a precondition for due diligence, and value chain **transparency** is a precondition for worker organizing and international remediation. Therefore they are both required under the CSDDD.
- The EU enacts the **right to information** (example: Norway) by requesting public disclosure of value chain information and including other requirements in the CSDDD, in conjunction with the CSRD (Corporate Sustainability Reporting Directive).
- The **CSRD** is monitored and enforced as complementary to the CSDDD, and there are sanctions for non-compliance.
- **Auditing and certification** are no longer marked by complete lack of accountability; administrative liability under CSDDD is a first step. Auditors' and certifiers' liability is further strengthened through civil liability and other provisions.
- **Stakeholder engagement** is a critical ingredient of appropriate measures across the value chain. Done the right way, it includes access to an effective grievance mechanism and continued worker engagement. This is replacing auditing as risk detection, and it is helping ensure that all due diligence related measures and processes are designed and implemented with active engagement of rights-holders and other stakeholders.
- **Gender specific** rights impacts and issues are reflected throughout the CSDD directive. These are seen in the context of intersectionality of different forms of discrimination and accordingly tackled in comprehensive ways.

TEXTILE STRATEGY implementation and revisions extend beyond environmental sustainability and capture **social aspects** such as wages, occupational health and safety, freedom of association and other labour rights. The same goes for all future and complementary policy initiatives – eg product passport – that affect the garment sector. There are no sustainable T-shirts while people are paid poverty wages and working unpaid overtime in unsafe factories.