PAKISTAN’S GARMENT WORKERS NEED A SAFETY ACCORD

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EXECUTIVE SUMMARY

On 11 September 2012, Ali Enterprises burned to the ground in Baldia Town, Karachi, killing over 250 workers, making it the most deadly factory fire ever. Today, textile and garment factories in Pakistan remain just as unsafe as they were seven years ago. Although multiple initiatives aimed at addressing workplace safety have been initiated in Pakistan since then, they lack the necessary elements that must be in place to ensure safety. All of these initiatives have limited transparency and none of them are enforceable. Most importantly, none of them have been developed with the participation of unions or other labour rights groups in Pakistan. Worker representation is missing not only in their design, but also in their implementation and governance. Pakistani trade unions and labour rights groups have now put forward their own recommendations and suggestions for a credible safety initiative following several meetings held over the past year and a half.

This report reviews current risks and violations in Pakistan’s textile and garment factories and assesses several current initiatives in the industry that include safety aspects, analysing their commitments and performance. The report concludes with the recommendation that brands and retailers sourcing clothing and textiles from Pakistan heed calls from Pakistan’s labour movement to support the formation of a legally-binding agreement between apparel brands and local and global unions and labour rights groups to make workplaces safe. Such an agreement must draw upon lessons from the Accord on Fire and Building Safety in Bangladesh, which amounts to putting transparency, enforcement, commercial obligations, and worker participation in the centre of the programme. An agreement of cooperation between all relevant stakeholders will need to be developed to ensure a Pakistan Accord will have the necessary support and engagement, and can work collaboratively with employers and authorities in Pakistan, as well as with civil society and other relevant agencies.
PAKISTAN SAFETY REPORT

In addition, the report recommends that Pakistan’s national and provincial governments take a series of steps to enhance compliance in factories that would not be covered by the foreseen labour-brand accord, focusing efforts on those factories not supplying members of the accord. Most importantly, it is essential for the safety of workers that local unions and other local workers’ rights organisation be involved in the conceptualization, design, governance, and implementation of any initiatives aimed at improving occupational health and safety in the country.

EXPORT-ORIENTED TEXTILE AND GARMENT PRODUCTION

In Pakistan, an estimated 2.2 million workers produce garments, 1.8 million make textiles, and 200,000 are employed in the footwear and leather industry.\(^1\) The industry employs at least 6.7% of Pakistan’s total labour force.\(^2\) Slightly more than half of the production stays in the local market.\(^3\) Pakistan exports over US$13.7 billion annually in textiles and garments, with textiles constituting 62% of those exports.\(^4\) The sector represents about 8.5% of the country’s total economic output of $300 billion\(^5\) and about about half of its export earnings.\(^6\)
PAKISTAN SAFETY REPORT

In international trade of textiles and clothing combined, Pakistan is the 12th largest exporter in Asia. The United States is the top destination for Pakistan’s textile and garment exports, followed by the United Kingdom and Germany. The fourth largest – and fastest growing – destination is China. Apart from Bangladesh, whose ready-made-garments industry likely uses a significant amount of cloth produced in Pakistan, all of the remaining top ten export partners are members of the European Union. Overall, textiles and garments constitute around 70% of Pakistan’s exports to the European Union.

Of the apparel companies that publicly disclose their supplier factories, the brands sourcing from more than two dozen factories in Pakistan are H&M, Next, Adidas, New Look, C&A, Target, and Zeeman. Levi Strauss, Fruit of the Loom, and Esprit are each sourcing from a dozen or more factories. In terms of percentages of total volume sourced from Pakistan, C&A discloses sourcing 7% of their goods from Pakistan and Zeeman says that 7% of their factory base is in Pakistan. Several Swedish brands (Åhlens, Ellos, Intersport, and Stadium) state that they source 5% of their total purchasing value from Pakistan.

Walmart does not disclose its supplier factories; nonetheless, an import database search for Walmart shows at least 18 factories in Pakistan producing a range of items, from towels to bedding to shirts, for Walmart.
Ikea is another significant buyer of home textiles from Pakistan, but does not disclose its supplier factories. An import database search shows four factories in Karachi and one in Lahore each shipping dozens of large shipments of textiles to Ikea stores in the United States over the past 12 months.13

These factories are primarily located in Karachi, Faisalabad, and Lahore. Many of the brands have shared supplier factories in common. Some factories supply to up to five brands that have disclosed their suppliers, and could additionally produce for a range of non-transparent brands as well.

The sector is dominated by small-scale enterprises, of six workers or less, which employ 84% of the workforce. Enterprises with staff of 20 or more employ less than 5% of the country’s textile and garment workers.14

The largest of the factories employ over five thousand workers. For example, one large textile factory with 238,032 spindles and 794 air jet looms, exported US$ 353.03 million in product in 2018, while supplying New Look, Target, Next, C&A, H&M, Levi Strauss, and others.15 One especially large garment and textile factory group, which produces for C&A, Gap, H&M, New Look, Target, and VF, owns 16 factories and has 27,000 employees, producing 60 million meters of fabric and 25 million garments per year.16

Some brands maintain their own direct relationships with factories, whereas others prefer to work through sourcing agents. Many brands sourcing apparel and textiles from Pakistan do not have their own buying office in the country. Some brands buy their own fabric whereas others do not; fabric for clothing manufactured in Pakistan may come from other countries or may be produced in textile mills within the country.

Primarily those garment factories producing for Pakistani brands may use home-based workers, mainly women, on a per order or seasonal basis. There is no official data on the number of home-based workers producing garments in Pakistan. Whereas many garment workers in Pakistan may not know the name of the brands whose clothes they are producing, some home-based workers do not even know the name of the contracting factory.17
WORKING CONDITIONS IN PAKISTAN’S TEXTILE AND GARMENT INDUSTRY

Pakistan primarily produces low-priced items in garment manufacturing and does not rely on high-skilled workers or advanced technology. The country’s textile and garment workers come from a predominantly low education background. The sector absorbs the largest segment of the workforce following the agricultural sector, where production is also characterized by low skill requirements and low technology. The textile and garment workers are generally from the low strata of society and many are originally from Pakistan’s rural areas. In Karachi, the country’s largest industrial base and most culturally diverse city, many workers come from migrant communities, ranging from Afghanistan, controversially-titled Bengali and Burmese migrants, and people from Khyber Pakhtunkhwa. These communities are extremely economically vulnerable and marginalized.

The average age of the workers is 29. Some of the smaller factories producing for the domestic market employ children 13 years old or younger. Some employers also violate the Pakistani law restricting children between the ages of 14 and 18 from working more than five hours a day.

Unlike in most other garment-producing countries, men account for 59% of all garment workers, although the industry is increasingly employing a greater share of women. On average men earn more than three times as much as women in the industry, with 93% of female workers earning below minimum wage, compared to 44% of the male workers.

The wages at most levels of the supply chain remain below the minimum wage (Rs 17,000 (US$109) in Sindh and Rs 16,500 (US$106) in Lahore, which is at most only 55% of what a living wage would be. Most textile and garment workers (85%) are without formal contracts and therefore not registered with the provincial security institution.
Interview findings

In July and August 2019, the Labour Education Foundation of Pakistan interviewed 54 workers from around 15 factories in Lahore and Faisalabad for this report. The youngest workers interviewed were 20 years old and the oldest 55. They reported extremely low wages and several said they were being paid below the legally-mandated minimum wage. In addition to long workdays due to unrealistically high production quotas, some spoke about the denial of weekends and maternity leave pay, or their salary being deducted for sick days or other time off. They complained about the lack of gloves or other protective gear. Needing to pay out of pocket for healthcare was a common concern, as these workers are not able to access their social security benefits when their employers fail to register them.

Several workers said they have been sexually harassed on the job. This includes supervisors asking for a worker’s phone number and offering to take her to lunch. A woman who refused her supervisor’s sexual advances was fired as a result. Another indicated that it is commonly known that women workers must put up with harassment and sexual advances from their supervisor in order to keep their job.

Some of the workers mentioned observing factory inspections or buyer visits, but said that these had not led to any notable improvements. They were generally informed of the factory inspections days in advance and were instructed strictly by their employers to not say anything negative in front of the inspectors. and seemed to believe that inspections are focused on increasing production rate and quality, rather than on helping to improve working conditions.
“There is no dignity of workers. We have to face insults everyday. They call us names and shut the gate on our face. Two days back, a few of us were shut out because we had complained against the attitude of the management... There are no fire alarms or safety systems. We are not provided any gloves or masks... A worker lost his leg during a workplace accident. He was given no compensation.” – 21-year-old woman, packer

“The salary is very low. The factory has poor lighting and ventilation. When I got injured at work, I paid for my own treatment.” – 29-year-old woman, clipper

“Many units are very hot, especially the ones where falalen (flannel) is produced. Workers often faint in those sections. There needs to be adequate ventilation in such units.” – 27-year-old man, folder / packer

“The biggest hurdle in unionization is that they expel workers seeking to organize. Even if they see two people talking to each other, they expel them from work.” – 40-year-old woman, clipper

“Brands do visit for inspection, but it serves no purpose. They just pick faults with our work.” – 25-year-old woman, clipper

Relative of an Ali Enterprises fire victim. She has no connection to the adjacent quotes.
PAKISTAN SAFETY REPORT

“We are not given any gloves or protection gear to work with. When I got injured during work, I did my own first aid. I was not given any time off for rest. They deduct our salaries if we take a day off.” – 24-year-old woman, cleaner

“There is no system of weekly holiday. This is grave injustice. We are also paid below minimum wage, at the most Rs 13,000. In the unit where they produce flannel (flannel), the temperature is very high.” – 50-year-old woman, stitching operator / presser / packer

“My supervisor made sexual advances towards me. When I resisted, he expelled me from the job. He uses abusive language towards other workers... They let us take only one day off in case of illness. If we take more time off, we are shown the door... We have been given no safety training... We are required to complete the target even if it gets to 12 o’clock at night. They manipulate the clock-in system, evading paying overtime for our work.” – 22-year-old woman, table checker

“A year ago, some workers tried to organize and submitted an application to the labour department. They were subjected to violence by the employers and forced to disassociate from the union, at gunpoint. They eventually gave in... We have been given no fire safety training. The fire equipment is outdated. Even the first aid box is empty. Workers are not provided any gloves or masks.” – 38-year-old man, stitching operator
PAKISTAN SAFETY REPORT

“My supervisor made sexual advances towards me. When I resisted, he expelled me from the job. He uses abusive language towards other workers... They let us take only one day off in case of illness. If we take more time off, we are shown the door... We have been given no safety training... We are required to complete the target even if it gets to 12 o’clock at night. They manipulate the clock-in system, evading paying overtime for our work.” – 22-year-old woman, table checker

“Sexual harassment is common practice here. I have been subjected to sexual harassment several times... There are no dispensary facilities here. A woman died during work. They did not even arrange a vehicle to transport her to the hospital. Our salaries are deducted when we take a day off. There is no financial assistance for illness.” – 55-year-old man, cotton cleaner

“It’s too hot at work. There are no ACs or even exhaust fans, which is having an impact on the workers’ health. Many are suffering from kidney illnesses... We have no social security card. I end up spending all that I earn on my treatment from private healthcare service... Brands maintain a tight supervision on production. But we are mostly asked to improve the quality and speed up the production. They don’t ask about workplace facility or social security... Two, three years ago, five workers died in a boiler blast. There was once fire incident too. Yet there has been no arrangement for fire safety. The doorways and hallways are sometimes clear and sometimes not.” – 32-year-old man, machine operator
Worker organisation

According to an ILO study, only 2.3% of Pakistan’s total labour force of 60 million are unionised, and there are 7,096 unions in the country.24 Many of those unions are worksite-level unions. Some of them are part of the approximately 50 trade union federations in the country.25 Among those unions are several that report in the range of 1,500 to 2,500 members who are working in textile power looms or other textile industry jobs. The National Trade Union Federation claims 35,000 members across the whole textile and garment sector sector supply chain, including both formal and informal sector workers. The basic procedures such as union registration, right to strike, and collective bargaining have been made very cumbersome, to restrict trade unions from effectively functioning and representing their constituency. On the membership level, workers refrain from joining unions fearing the wrath of the employer. In addition, the industrial sector relies heavily on contractual labour – mostly hired through third parties. Only five percent of women and 48% of men in the industry are regular paid employees with fixed wages.26
PAKISTAN SAFETY REPORT

The Standing Order, the basic law applicable to industrial employment, does not cover these contract workers. Moreover, the Standing Order excludes all workers in establishments with fewer than twenty workers (or as specified by the law of any given province). These workers are thus not protected by key provisions of the legislation, including the right to written contracts, termination notices, and the regularisation of wages.

Fire and building safety risks

Since September 2012, not including the Ali Enterprises factory fire, over 120 workers have died in factories in Pakistan due to unsafe conditions. More than fifty of these workers were employed in garment, textile, or shoe factories. Other industries with significant numbers of deaths were plastic and steel. Most of the deaths occurred in fires or building collapses. Electrical short circuits and boiler explosions were common causes of the fires. Workers have also been killed in chemical tank accidents and as a result of generator fumes.

SINCE SEPTEMBER 2012, NOT INCLUDING THE ALI ENTERPRISES FACTORY FIRE, OVER 120 WORKERS HAVE DIED IN FACTORIES IN PAKISTAN DUE TO UNSAFE CONDITIONS.
The Ali Enterprises fire is emblematic of how unsafe factories lead to worker deaths. Despite regularly having over 1,200 workers inside the factory at once, Ali Enterprises only had one exit point as the two exits on the second floor were permanently locked. Additionally, the factory had no functioning fire alarms, the windows were barred with iron grills, and hallways were restricted with finished merchandise.

On the same day of 11 September 2012, 25 workers died in a fire at a shoe factory in Lahore. The fire broke out when people tried to start a generator after the electricity went out, igniting chemicals in the factory. The generator was in the garage of the factory compound, which was also the factory’s only exit.

Pakistan’s worst mass fatality factory disaster since Ali Enterprises was the collapse of four-storey polythene bag factory Rajput Polyester in 2015. The factory was located at the Sundar Industrial Estate southwest of Lahore and employed children as young as twelve. At least 45 people died in the building collapse. Three days prior, the workers had held a protest drawing attention to the cracks in the walls that had appeared after an earthquake the previous week. But the owner ignored their pleas and continued with adding a new floor to the building.
In addition, during the past seven years, there has been a series of devastating factory fires that did not result in the same scale of loss of life, but did have blazes that took firefighters even up to 12 hours to douse, gutting buildings and consuming millions of Pakistani rupees worth of clothes and machinery. News media often describe piles of finished product or rejected clothes as slowing workers’ exit, barred windows, malfunctioning or non-existent fire alarms, or a complete lack of emergency exits.

Research for this report revealed that nearly all of the factory disasters since 2012 were in multi-storey buildings. These buildings, which are common for garment factories throughout the region, pose unique and significant fire and building safety concerns. For example, ensuring that workers can safely escape from a multi-storey building in the event of a fire requires emergency exit routes that are fully enclosed and separated by fire-proof materials from the rest of the structure. This necessitates, among other measures, the installation of fire-rated doors that are kept closed and unlocked at all times.32 If a major fire were to break out in a multi-storey factory lacking fire doors, the risk of loss life is high. It appears that fire-rated doors are largely absent in Pakistan’s textile and garment factories.

The safety risks posed by multi-storey buildings are compounded by the fact that the government – both national and provincial – is ill-equipped to inspect factories and unable to adequately hold factory owners accountable when violations are identified.33 Recent garment industry tragedies demonstrate that this dangerous combination results in the loss of lives.34
INITIATIVES SINCE THE ALI ENTERPRISES FIRE

Government regulations on occupational health, building, and fire safety
Pakistan lacks a comprehensive nation-wide law on occupational health and safety (OHS). Since the 2010 devolution of certain powers from the central government to the provinces. OHS is now in the purview of each of the four provinces. Nonetheless, after the Ali Enterprises fire, as the result of a Supreme Court directive, a specific law on Occupational Safety & Health has been drafted by the Ministry of Overseas Pakistanis & Human Resource Development. The law, however, still needs to be passed.

Following a series of consultations among stakeholders in Karachi after the Ali Enterprises fire, the Labour Department of the Sindh provincial government, along with the Employers Federation of Pakistan (EFP) and Pakistan Workers Federation (PWF) and with technical support from International Labour Organization (ILO), prepared a “Joint Action Plan for Promoting Workplace Safety and Health in Sindh, 2013-2016.” So far the provincial Sindh government has completed most of its commitments made in the Joint Action Plan’s “Key Deliverables,” including the formation of a first-ever provincial policy on occupational safety and health, passage of the law, and establishment of a safety council to supervise its implementation.

In late 2017, the province of Sindh passed the Sindh Occupational Health and Safety Act 2017, which is a comprehensive law. Most recently, in August 2019, it announced the establishment of the Occupational Safety and Health Council under this law. (For further details on government regulations, see Appendix 3.)
PAKISTAN SAFETY REPORT

On the other hand, it is particularly concerning that in September 2019 the government of Punjab province banned the inspection of factories by the labour department; this will likely result in more injuries and loss of life in factory accidents. Without the national law and a more serious commitment to worker safety and health by all provincial governments, employers, and buyers, workers remain at serious risk while covered by a fractured and weak approach to regulation and working in multi-story, poorly maintained buildings.

Even if an adequate government-run inspectorate and regulatory body existed in Pakistan, there is a critical role sourcing brands need to play in the safety of supplier factories that must nonetheless be addressed. Although brands rarely own and operate the facilities producing their goods, their sourcing practices dictate their conditions and drive factory owners to cut corners where they can, ultimately at the expense of workers and their safety. Supplier factories cannot be expected to fund and maintain safety improvements on their own.
In order to create the incentive and financial feasibility for factories to undergo safety renovations, brands must be obligated to negotiate prices for garments that ensure that factories can afford to operate safely. Furthermore, brands are responsible and must be held accountable to the progress of safety renovations carried out at their supplier factories.

**ILO, IFC, Netherlands’ Embassy in Pakistan, and IDH: ‘Pakistan Buyers’ Forum’**

The International Labour Organisation (ILO), International Finance Corporation, and the Netherlands’ Embassy in Pakistan set up the Pakistan Buyers’ Forum in December 2014. The Forum is managed by the Dutch sustainable trade organisation IDH. It represents 23 international brands and retailers, representing about half of Pakistan’s apparel and home-textile export business.

By joining the Forum, these companies profess to commit to sustainable practices, improve compliance with all requirements under Pakistan’s GSP+ country status, and report on environmental, labour, and health and safety standards. The Forum focuses on risk remediation, retention of Pakistan’s GSP+ status, positive exposure, and functions as a means for raising policy and regulatory concerns including in dialogue with the Pakistan government.

For this business-driven coalition, safety is one among many sustainability issues. The Forum recognizes that “ineffective labour inspection and absence of building safety and fire codes” provide particular challenges in Pakistan. A 2015 mapping study in the early set-up phase of the initiative identified safety as a key issue of concern, but also stated that compliance with safety standards “in most of the large and export industries is from good to excellent.” which stands in sharp contrast to our findings. The coalition of brands is currently shaping three working groups focused on reaching the Forum’s goals of risk mitigation and improving the industry’s image. As part of this, the advocacy working group is slated to build capacity for labour inspections in Pakistan.
The Buyers’ Forum is a business coalition that connects stakeholders for dialogue, advocacy, and risk mitigation. The Forum is not set up to coordinate efforts to address safety issues or provide a unified standard. There is a strong emphasis on the voluntary nature of its activities.44 While the Forum has interacted with the Lahore-based Labour Education Foundation and the Karachi-based Pakistan Institute of Labour Education and Research, and member companies have shared information on measures taken in the field of safety,45 this has been mainly for sharing recommendations and exchanging information. The Forum is not working towards more robust approaches such as a legally-binding and enforceable process.

**IDH: ‘Life and Building Safety Initiative’**

The Life and Building Safety (LABS) Initiative for the apparel and footwear sector is a self-professed “industry-driven”46 programme by IDH – the Sustainable Trade Initiative, based in the Netherlands. In August 2019, after two years of consultation and pilot projects, it launched programmes in India and Vietnam with sign-on by Bestseller, Cap Inc., PVH, Target, VF Corporation, and Walmart. LABS is currently evaluating Pakistan and Cambodia as areas for expansion and plans to start initial pilot activities in these countries in 2020.47

While managed by the same organisation as the Buyers’ Forum, LABS has the distinct purpose of setting and monitoring a benchmark safety standard.48 LABS uses language focused on risk mitigation, increasing productivity, and preventing “loss of production facilities and product,”49 however, rather than language relating to the safety of workers. LABS promises to build on learnings and experiences from Bangladesh, but its structure and orientation show it is much more akin to the less accountable and more business interest-oriented Alliance for Bangladesh Worker Safety than the Accord on Fire and Building Safety in Bangladesh.50 Contrary to the Accord, LABS is a voluntary, non-transparent initiative without labour governance. Tellingly, in the development stage of the programme, IDH identified the most urgent health and safety needs by consulting brands and retailers, rather than
workers’ organisations. It merely aims to involve workers and local civil society through roundtables, helplines, and requiring factories to set up Occupational Health and Safety (OHS) committees, rather than making space for these vital actors in its governance. LABS offers no collective leverage to force factory compliance, but leaves it “up to the Brands and Retailers individually to make the decision to continue or suspend their commercial relationship with the non-compliant factory.” LABS promises that its monitoring of remediation will be done by “vetted experts.” Contrary to the Accord, it will not hire and train its own engineers, but instead LABS puts its trust in the same corporate social auditing model that has failed to prevent structural workplace safety violations and mass casualties in the past, by working with firms such as Bureau Veritas, Elevate, and TÜV SÜD. While LABS claims that transparency is one of its core principles and aims to share information “wherever feasible,” vital resources that LABS promised to make public are only accessible with a member log-in.

GIZ: ‘Improving Labour Standards in Pakistan’s Textile Industry’
GIZ’s project Improving Labour Standards in Pakistan’s Textile Industry, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), started in 2017 and is slated to run to 2020, focusing on the Punjab province. Its explicit focus on health and safety sets it apart from the preceding 2012-2014 project, which aimed to incentivise local producers to invest in health and safety as one of many goals.
The current project aims to improve implementation of labour standards in Punjab, develop the capacity of the labour inspectorate and related institutions, and improve dialogue. The programme rests heavily on capacity-building through trainings and review of training materials. Its eventual goal is to contribute to better cooperation in the areas of inspection, prevention, rehabilitation, and compensation. Through a dialogue-based programme, it “aims to help private sector actors succeed in complying with labour standards, while simultaneously boosting productivity.”56 The attempt to improve safety and other labour conditions through enhanced dialogue within factories is also one of the pillars of a regional GIZ garment-industry-focused programme.57

Contrary to LABS, the GIZ programme primarily focuses on strengthening state inspectorates rather than business-driven initiatives, although using the same productivity-oriented narrative. It does pay attention to gender aspects by training female safety inspectors and worker safety committee members, as well as aiming to expand its programme to home-based workers.58 Rather than a programme that aims to improve factory safety directly, it is a project that seeks to improve the framework conditions for factory safety in the country.
PAKISTAN SAFETY REPORT

ILO: ‘Strengthening Labour Inspection System for Promoting Labour Standards and Ensuring Workplace Compliance in Pakistan’

The ILO programme Strengthening Labour Inspection System for Promoting Labour Standards and Ensuring Workplace Compliance in Pakistan (2015-2018) was financed by the Dutch Ministry of Foreign Affairs and carried out with Pakistan government agencies and worker, employer, and industry associations.

The project intended to work towards “a comprehensive, effective, modern and transparent system, which is free of malpractices, acceptable to all stakeholders, and in line with national and international standards” through policy reform, capacity development, and increased stakeholder dialogue. Desired outcomes included upgrades to legislation and human resource systems for labour inspection, computerization of the labour inspection system, and the establishment of at least one new private sector initiative for expanding the outreach of labour inspection.59

Like the GIZ programme, this project primarily focused on improving the state inspectorate system and the framework for factory inspections, rather than inducing factories or companies directly to invest in factory safety, despite intending to support this goal by stimulating involvement of industrial associations and “the promotion of corporate social responsibility (CSR) and awareness.”60
PAKISTAN SAFETY REPORT

ILO and IFC: ‘Better Work’

The Pakistan Textile Exporters Association announced in 2019 that Pakistan will join the Better Work programme, founded by the International Labour Organization and the International Finance Corporation in 2006. Six years ago, Pakistan had been refused participation in the project, because Better Work did not have capacity to accept any more countries. Now, the funds will reportedly come from Pakistan’s Export Development Fund.61

Better Work aims to bring together key stakeholders in the garment industry – governments, employers, trade unions and brands – to improve working conditions and “boost the competitiveness of apparel businesses,” improving compliance with ILO core labour standards in participating factories. The programme, which does not have a specific focus on safety, is active in 1,600 factories employing more than 2.2 million workers in seven countries – Pakistan could be the eighth.62

Better Work provides assistance to individual factories and tries to leverage national and international change. On the factory level, the programme aims “to help workers and employers in the workplace to engage and cooperate effectively, to self-diagnose and to fix problems themselves.”63 promoting dialogue in factories and providing financial incentives through IFC-developed trade-financing packages to factories making improvements. It also claims to harness commercial buyer influence by providing buyers “with compliance assessments reports of their suppliers and in turn, ask[ing] them [to] commit to use their commercial influence to encourage needed improvements.”64 It discloses serious non-compliances.65 believing that reputation management is an important incentive for improvement. In Vietnam, for example. Better Work developed a framework to address persistent non-compliance among factories, aiming to change the behaviour of factories not willing or able to comply through active outreach to the factory and buyers – asking buyers to remain involved in the factory to help improve the issues at stake. Lastly, the programme tries to show “the business benefits of decent work” and uses a productivity narrative similar to many other projects in the sector. The individual factory support is offered against an annual fee and includes one assessment and two progress reports.66
Better Work focuses on a range of labour issues, of which occupational health and safety is one of many. A Tufts University report from 2017 showed slightly declining non-compliance rates in factories under Better Work’s purview on issues such as safe use of chemicals and slightly growing awareness about safety concerns among workers, as well as more dramatic results in the field of access to toilets and drinking water.67

Better Work engages with global brands and retailers through partnerships, in which the brand signs a public-private partnership agreement with the ILO and IFC, which articulates the benefits and responsibilities of being a partner.68 Another way brands participate is by replacing their compliance programmes with Better Work’s, to reduce audit duplication. In addition, Better Work provides brands with incentives to use their power to influence working conditions in the factories they source from.69

Initiatives from Pakistani unions and labour rights groups
After the Ali Enterprises fire, the main focus of Pakistani labour rights groups and unions representing workers in the textile and garments sector, jointly with their international allies, was on ensuring that the family members of the workers who died would receive adequate compensation, a campaign that was finally successfully completed in 2018.70
Attention then turned to prevention and, as a first step, an exchange visit was organised in July 2018 with staff from the Accord on Fire and Building Safety in Bangladesh for Pakistani unions and labour rights groups and the Clean Clothes Campaign, which acts as a witness signatory to the Bangladesh Accord. This was followed by a larger consultative meeting in September 2018 with over 25 unions and labour rights groups attending, who reached mutual agreement that there should be an Accord for Pakistan along the lines of the Bangladesh Accord and with certain additional elements. These agreed-upon necessary features include: ensuring the programme would cover textile mills as well as garment factories; be statutory and legally binding, and be transparent and enforceable both globally and in Pakistan; create a worker complaint mechanism covering all legally-required wage standards, workers’ rights, and women’s rights, with option of judicial review; and provide employment letters to all workers and register all employees with the Social Security institutions. See Appendix 1 for a full list of recommendations and the unions and labour rights groups supporting them.

The September 2018 conference was followed by a programme of bilateral awareness-raising and discussion. And, in April 2019, a second consultation was organised in Pakistan to discuss in further detail the proposals and next steps. The labour leaders and civil society organisations representing workers in Karachi, Lahore, Faisalabad, and Balochistan again urged the international apparel and textile brands to agree to a Pakistan Accord before the next fire or building collapse happens. The declaration of this meeting can be found in Appendix 2.
Seven years after over 250 workers died because their factory did not meet basic safety standards, little has improved for the millions of textile and garment workers in Pakistan. Despite several international initiatives reviewed in this report, there are significant gaps that leave worker organisations outside the solutions proposed and there is still no meaningful commitment from brands. The GIZ and ILO programmes are focused on strengthening labour inspectorates and standards, yet progress is slow given that the regulatory system continues to be fragmented and the national law has not been passed. LABS does not incorporate any meaningful role for worker organisations and its transparency is thus far only for its member companies.

Brands and retailers continue to channel their energies through the very same corporate auditing schemes that have failed to meaningfully improve the industry or prevent mass casualties in the past; Pakistan’s government inspectorates remain understaffed, underfunded, and unable to meaningfully cover a growing industry; and workers continue to risk their lives in unsafe factories and mills every day.
PAKISTAN SAFETY REPORT

It is high time that all stakeholders in Pakistan’s textile and garment industry, locally and internationally, take responsibility to ensure safety for these workers.

Brands and retailers sourcing clothing and textiles from Pakistan need to heed Pakistan’s labour movement’s calls to support the formation of a legally-binding agreement between apparel brands and local and global unions and labour rights groups to make workplaces safe. Such an agreement must draw upon lessons from the Accord on Fire and Building Safety in Bangladesh, which amounts to putting transparency, enforcement, commercial obligations, and worker participation at the centre of the programme.

An agreement of cooperation between all relevant stakeholders will need to be developed to ensure a Pakistan Accord will have the necessary support and engagement, and can work collaboratively with employers and authorities in Pakistan, as well as with civil society and other relevant agencies. In addition, this report recommends that Pakistan’s national and provincial governments take a series of steps to enhance compliance in factories that would not be covered by the foreseen labour-brand accord, focusing efforts on those factories not supplying members of the accord.
Governments in countries that headquarter major garment brands and retailers can and must end unaccountable self-monitoring by major actors in the garment industry by putting in place mandatory human rights due diligence legislation, thus enforcing supply chain accountability. To make a real difference in the field of worker safety, social auditing firms must furthermore be held liable for faulty audits that may cost lives and have done so in the past.

Most importantly, it is essential for the safety of workers that local unions and other local workers’ rights organisation be involved in the conceptualization, design, governance, and implementation of any initiatives, including independent inspection and complaints mechanisms, (both by government agencies and commercial buyers) aimed at improving occupational health and safety in the country.
APPENDIX 1: LABOUR GROUPS' STATEMENT OF SEPT. 2018

Karachi, Pakistan
13 September 2018

Participants in Consultation on ‘Fire and Building Safety in Pakistan Garment and Textile Sector’ Urge Brands to Support a Pakistan Accord

During 12-13 September 2018, we, the undersigned unions and labour organisations from Karachi, Lahore, Faisalabad and other cities held a consultation on Fire and Building Safety in Pakistan Garment and Textile Sector at the Pakistan Institute of Labour Education & Research offices in Karachi. The meeting was held during the sixth anniversary week of the Ali Enterprises factory fire, which had been audited under a failed confidential, voluntary auditing model lacking union participation.

The meeting was jointly organised by the Pakistan Institute of Labour Education & Research, the National Trade Union Federation of Pakistan, and the Labour Education Foundation. It was attended by trade unions representing workers in the textile and garment sector and others - list attached.

The meeting has resulted in awareness and understanding among the participants about the Accord on Fire and Building Safety in Bangladesh, which is a legally-binding agreement signed between garment brands and unions that was formed in May 2013 after the Rana Plaza building collapse. The meeting participants noted the many similarities between the lack of workplace safety in Bangladesh prior to the Bangladesh Accord and the current lack of implementation of fire and building safety standards in garment and textile factories and mills in Pakistan. They affirmed that the fire and building safety improvements accomplished by the Bangladesh Accord are improvements that should come to the industry in Pakistan. In major industrial zones of Pakistan, especially Karachi, Lahore, and Faisalabad, many factories are at risk of fire and other building safety challenges and workers do not have a safe escape route during a fire. A number of these factories are supplying to major international brands and retailers.
Participants concluded the meeting having reached mutual agreement that there should be an Accord for Pakistan along the lines of Bangladesh Accord, with key elements to include:

- Negotiated and signed directly by local unions, global unions and brands, with local and global NGOs as witness signatories, and equal or majority participation from local and global unions in programme governance;
- Statutory and legally binding, transparent and enforceable both globally and in Pakistan;
- Cover all main aspects of factory building safety, including fire, electrical, structural, boiler, gas, and chemical safety, and potable drinking water and hygienic toilet facilities – all through a programme of independent inspections by qualified engineers, with corrective action plans and follow-up inspections;
- Establishment of safety committees, with genuine representative union participation and trainings provided for the committee members;
- Mandatory safety trainings for all employees in a factory;
- Creation of a worker complaint mechanism covering all legally required wage standards, workers rights and women’s rights, and that complaints be investigated, with option of judicial review;
- Protections for workers’ right to refuse dangerous work and to exercise the right to freedom of association and collective bargaining; and
- Provide employment letters to all workers and register all employees with the Social Security institutions.

We agree to develop a proposal for the details for a Pakistan Accord that can be the basis for negotiation as a next step, and to share this with global partners, including the Clean Clothes Campaign Network, IndustriALL and UNI global unions.

Signed by:
All Pakistan Federation of United Trade Unions (APFUTU)
Home Based Women Workers Federation (HBWWF)
Hosiery Garment Textile Workers Union (HGTWU)
Labour Education Foundation (LEF)
Labour Quomi Movement (LQM)
Mehnatkash Labour Federation KPK
National Trade Union Federation (NTUF)
NOW Communities
Pakistan Central Mines Labour Federation (PCMLF)
Pakistan Institute of Labour Education & Research (PILER)
Pakistan Textile Workers Federation (PTWF)
Textile Power Loom Garments Workers Federation (TPGWF)
APPENDIX 2: LABOUR GROUPS' DECLARATION OF APRIL 2019

Karachi, Pakistan
25 April 2019

Leaders and representatives of various key unions and labour organisations emphasized the need for safer textile and garment factories and jointly developed plans to work towards a Pakistan Accord on Occupational Health, Fire and Building Safety.

In a consultative meeting jointly organised by the Pakistan Institute of Labour Education & Research (PILER), the National Trade Union Federation of Pakistan (NTUF) and the Labour Education Foundation (LEF), the representatives of trade unions and federations, workers from the textile and garment sector and labour supporting organisations across Pakistan convened at the PILER centre on 25 April 2019.

It was a follow-up meeting of the earlier meeting held on September 12 and 13, 2018 at PILER Centre, Karachi, in which the groups unanimously agreed on the need for brands to sign a Pakistan Accord. The participants willingly signed a declaration and endorsed introduction and implementation of a similar Accord in Pakistan. The participants agreed to have a 'Pakistan Accord' for workers' safety with support of international brands on the similar pattern of Bangladesh Accord, which has been successfully implemented since 2013. The key agenda of the April 25, 2019 meeting was to discuss modalities of introducing an Accord for Pakistan on the lines of the Bangladesh Accord, discuss key action points along with roles and responsibilities.

Building on the discussion of the previous consultations, which raised awareness about Bangladesh Accord on Fire and Safety and need for an Accord for Pakistan; the participants discussed components of Bangladesh Accord and its relevance to the local context. Keeping in view the need to learn from the global best practices, they also discussed local dynamics such as process of collective bargaining. All agreed on the need for a Pakistan Accord with a thorough plan and engaging all relevant stakeholders on board.
The meeting concluded with participants having reached the mutual agreements on the dire need of introducing a Pakistan Accord on the similar lines of Bangladesh Accord along with keeping local challenges and ground realities in consideration. In addition to this, roles and responsibilities of all stakeholders involved were also discussed. The following points were agreed upon:

- All participants agreed to work for the previously signed declaration and include all the relevant clauses from the Bangladesh Accord in the Pakistan Accord. In addition to this, include aspects that require attention such as factory building safety which includes – fire, electrical, boiler, gas and chemical safety. Also strengthen inspection and complaint mechanism.
- Cover all aspects of the Occupational Health and Safety protocols along with adequate infrastructure such as access to clean drinking water, a separate area for food consumption and adequate sanitation facilities.
- Promote Labour Rights and Freedom of Association in Pakistan through raising awareness and advocating for law enforcement.
- Creation of a workers complaint mechanism covering all legally required wage standards, workers’ rights and women’s rights, and that complaints must be investigated, with option of judicial review.
- Strengthening the existing Safety mechanism, mandatory safety training programs for all workers in a factory along with establishment of dedicated safety committees with all relevant procedures in place.
- The Pakistan Accord will cover all levels of supply chain including textile production and home based workers.
- The structure of communication includes a principle agreement for all stakeholders on board. The second is brands, local and global unions and civil society. The Pakistan Accord will be led by a Steering Committee.
- The Accord should be negotiated and signed directly by genuine union federations that represent Pakistan garment/textile workers and brands, with NGOs as witness signatories, and equal or majority participation from unions in programme governance. An international foundation should be on board as well.
- The Pakistan Accord will entail a cooperation agreement with the National and Provincial Government authorities.
- It is expected that the factory workers and all parties involved will abide by laws and Pakistan Accord.
- Engage with other relevant stakeholders including media, European Union office, Bangladesh Accord staff, IndustriALL and UNI. ILO. Home Net Pakistan, Employer Association, Human Rights Commission of Pakistan, youth and all members of the civil society.
The labour leaders and civil society organisations representing workers in Karachi, Lahore, Faisalabad, and Balochistan urged the international apparel and textile brands to agree to a Pakistan Accord before the next fire or building collapse happens. A proposal will be prepared in this regard and further shared with global partners including the Clean Clothes Campaign Network, IndustriALL and UNI global unions.

Signed by:
All Pakistan Federation of United Trade Unions (APFUTU)
Home Based Women Workers Federation (HBWWF)
Hosiery Garment Textile Workers Union (HGTWU)
Labour Education Foundation (LEF)
Labour Quomi Movement (LQM)
Mehnatkash Labour Federation KPK
National Trade Union Federation (NTUF)
NOW Communities
Pakistan Central Mines Labour Federation (PCMLF)
Pakistan Institute of Labour Education & Research (PILER)
Pakistan Textile Workers Federation (PTWF)
Textile Power Loom Garments Workers Federation (TPGWF)
APPENDIX 3: PAKISTAN'S OHS REGULATIONS

Factories Act

The Factories Act of 1934, which includes OHS provisions, allows provincial governments to make rules under it. The Act is in force in Punjab and Balochistan and Khyber Pakhtunkhwa and Sindh have enacted their respective Factories Acts in 2013 and 2015 respectively. The Factories Act of 1934 consolidates the laws relating to the regulation of labour in factories in the country and is applicable to industrial establishments with ten or more workers. The provincial governments may extend the provisions of the Act through a notification in the official Gazette to those industrial units employing five or more workers.

Chapter II of the Factories Act makes provisions for inspection systems and certifying surgeons. Chapter III provides for combating industrial hazards, covering ventilation and temperature to precautions against fumes, and fencing and casing of machinery. Hazardous Occupations Rules are issued under the authority of the Factories Act 1934 and require medical certification and examination by certifying surgeons, and preventive activities.72

Under the Factories Act 1934, the Labour Inspector – working under the provincial labour department – may inspect the factory premises to review the safety of the building, the manufacturing process, and the machinery as part of an overall factory inspection report. The Labour Inspector issues a “Stability Certificate” upon satisfactory review of the safety provisions.

In 2012-2013, the ILO reported that there were only 337 government labour inspectors in Pakistan, to cover all issues.73 In June 2019, the ILO reported on providing training to 450 government labour inspectors on effective labour inspection, occupational health and safety, and accident investigation.74

The form used by the Punjab Labour Department was acquired by PILER. Key points from it relating to building safety include questions about the cleanliness and latest whitewashing and painting of the factory; the availability of first aid equipment; fire fighting arrangements; medical examination of workers; building safety measures such as protection of electric circuits and the maintenance of safety valves on boilers; and the need for remediation of safety defects. It also asks about arrangements between the factory and local authorities, for example whether a certificate of stability was sent to the Chief Inspector of Factories. Lastly, the form collects information about the number of accidents in the factory over the past year, inquiring whether the incident was duly researched and whether the worker or their family was compensated.75
Section 33-I of the Factories Act contains the guidelines for filling out the checklist. These require the inspectors to issue an order in writing specifying the measures which should be adopted and required to be carried out before a specified date.

The Sindh Government makes its format of monthly reporting on occupational accidents publicly available. According to the Sindh Labour Department Joint Director Gulfam Memon, building inspections are carried out by inspectors with an engineering background, but their questionnaire lacks important questions regarding fire safety.

**National and provincial responsibilities**

The following chart shows that safety regulation, permitting, and inspections are spread across multiple ministries and local government, meaning that there is not a single authority ensuring a comprehensive approach or covering all areas of occupational health and safety in textile and garment factories. The Ministry of Textiles at the federal government level was established to formulate strategies and programming to enable the textile sector to attain global competitiveness. Provincial ministries are responsible for overseeing labour-related issues. Similarly, the ministries for industries and environment are also at the provincial level. Commerce remains the responsibility of the federal government, which mainly focuses on export-related issues.

<table>
<thead>
<tr>
<th>Safety-Related Areas of Regulation</th>
<th>Ministry of Environment</th>
<th>Provincial Ministry of Labour</th>
<th>Local Government</th>
<th>Provincial Industries Department</th>
<th>Ministry of Labour</th>
<th>Ministry of Textile</th>
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</thead>
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<tr>
<td>Boiler safety</td>
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<tr>
<td>Chemical safety</td>
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<tr>
<td>Building Permits</td>
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<tr>
<td>Labour Inspections</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ENDNOTES

1 Phu Huynh. "Employment and wage rising in Pakistan's garment sector." ILO. Asia-Pacific Garment and Footwear Sector Research Note. Issue 7. February 2017. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_544182.pdf. The number we’ve used here is based on 2014/2015 employment number used in this ILO Research Note and therefore the current number is likely higher. However, we were unable to find a more recent reliable statistic. The statistic used by some other sources stating that the industry employs 15 million people appears that it must include the production of cotton yarn and other cotton industry related labour and may include cotton picking as well. In this report, we focus our analysis on the parts of the industry involved in the production of cloth, whether for home textiles or to be used in sewing clothing, and the production of garments. The array of differences in the publicly available statistics on certain numbers in Pakistan’s textile and garment industry points toward the need for more reliable and updated publicly-available information.


11 Research conducted by ILRF; on file with ILRF.

12 Research by Schone Kieren Campagne and Fair Action (CCC members in the Netherlands and Sweden).

13 Import Genius database search conducted on 4 September 2019.


PAKISTAN SAFETY REPORT


22 The Asia Floor Wage Alliance estimates a living wage for garment workers to be Rs 32,886 in 2018.

23 Recommendations to address sexual harassment are outside of the scope of this report. However, because several workers interviewed spoke about the issue and because it is part of the broader framework of occupational health and safety, we felt it important to include their experiences. For labour groups and apparel brands looking to take action on gender-based violence and harassment, we recommend learning from the August 2019 agreements reached in Lesotho. See: Worker Rights Consortium. "Landmark Agreements to Combat Gender-based Violence and Harassment in Lesotho's Garment Industry," 19 August 2019. http://workersrights.org/commentary/landmark-agreements-to-combat-gender-based-violence-and-harassment-in-lesothos-garment-industry/.

24 Zafarullah Khan Khalil. "A Profile of Trade Unionism and Industrial Relations in Pakistan." ILO. 2018. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-islamabad/documents/publication/wcms_626921.pdf. Pakistan's population is 204 million. Within Pakistani law, agriculture is not defined as an industry, therefore, agricultural workers are not counted as workers and no labour laws apply to them.


27 This data is based on a review of the Institute of Labour Rights' Occupational Accidents Map, news reports, and information received from the Fire Protection Association of Pakistan. Given that there is no comprehensive source for this information, the actual number of deaths is likely significantly higher.


34 Research on recent garment factory fires on file with the authors.
35 While there are a range of general and sector-specific laws that include aspects covering occupational health and safety and some limited to particular industries, as listed in Appendix 3, apart from the newly enacted law in Sindh, none provide the protections and remediation needed to ensure safety for textile and garment workers.


PAKISTAN SAFETY REPORT


57 GIZ. “Implementation of Social Standards in the Textile and Garment Industry in Punjab.” Accessed 29 August 2019. https://www.giz.de/en/worldwide/32073.html. The programme Promoting Sustainability in the Textile and Garment Industry in Asia (FABRIC) runs across Asia. This particular dialogue training was carried out in 60 factories in Cambodia, Myanmar, and Pakistan employing over 20,000 workers and claims to have led to explicit results such as improved ventilation.


74 The form used by the Punjab Labour Department was acquired by PILER in a meeting with Labour Department officials in Lahore.


