

Labour Rights in Pakistan
**Declining Decent Work and
Emerging Struggles**

A Report

July 2010



Pakistan Institute of Labour Education & Research

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Foreword

Decent work and a life lived in dignity and peace is central to human aspirations, to an equitable, inclusive and sustainable development and to the existence of a content society. The terms and conditions of decent work that need to be valued in human societies encompass four elements: fundamental principles and rights at work and international labour standards; employment and income opportunities; social protection and social security; and social dialogue and tripartism.

Do industrial relations in Pakistan are governed by these values? If yes, to what extent, and if not, what is the gravity of violations of these parameters? And how the workers and other stakeholders are responding to the challenges?

The report on the status of labour rights in the country attempts to answer these questions to some extent, and very briefly. For, the issues are complex and intricately intertwined. A full and comprehensive exploration of all dimensions of the existing world of work is a gigantic task beyond the scope of this report produced by a small resource centre.

In the first section of the report, an effort has been made to present a brief macro picture of labour, economy and politics, and then focus on workers' conditions and their struggles in just a few select sectors (agriculture, textile, brick kilns and the fisheries). In the second section, seven research articles on key issues (access to resources, food security, labour legislation, social protection, minimum wages, bonded labour and migrant labour) are presented to share information and the researchers' insights. A few crucial areas remain to be explored, particularly occupational health and safety and unionization in the formal sector. Efforts will be taken to include these issues in the next report.

The current report, developed by the PILER team, is the second on the subject. The first report came out in 2007. The present report thus covers a period between 2007 and 2010, a period of great political turmoil in the country and an economic down slide, but with a silver lining...

Zeenat Hisam

Section One



1. Introduction

National Context

The closing years of the decade (2007-2010) were marked by political turmoil, escalating militancy and army operations under the 'War on Terror', economic crisis, increasing provincial disparities and a deepening divide of Pakistani society along ethnicity, religion, ideology and class, impacting the workforce adversely. Global financial crisis of 2008 added to the morass at national level. Economic growth slowed down to around 2 per cent in 2008-09. The IMF assistance through Stand-By Arrangement (SBA), approved in November 2008, led to harsh fiscal policies.¹ Under the SBA, the government agreed to 11 strict IMF conditionalities including elimination of all public subsidies, reduction in budgetary allocation for social sector from 60 per cent to 45 percent, depreciation of currency to further 6-7 per cent and imposition of value-added tax (VAT). General subsidies on fuel and food were withdrawn between March and October 2008. The core inflation went up to 17 per cent.² The number of food insecure population was estimated at 45 million.³ Military expenditure increased manifold. During the year 2009-10 Pakistan spent Rs 249.858 billion on defense. In contrast, only Rs 5.964 billion and Rs 22.6 billion were spent to health and education respectively.

Shrinking opportunities for decent employment, growing wage inequality and a rising share of informal and vulnerable employment dominated the labour market. An estimated 61.9 per cent in absolute figures around 32 million out of the total 51.78 million labour force of 15 years of age and above fell in to the category of vulnerable employment.⁴ Own-account workers and contributing family workers, categorized as 'vulnerable workers' in the current global discourse, have inadequate earnings and are denied social security and effective representation through unionization. Similar precarious conditions pre-

vailed for contract workers in small, medium and large national and multi-national establishments in the formal sector. Share of informal employment (including vulnerable employment) rose to 73 per cent.⁵

Pakistan has ratified the eight core ILO labour conventions. However, 'all the core labour standards are violated massively and flagrantly'⁶. Informal sector and agriculture sector workers remained out of ambit of labour laws. In the miniscule formal sector, labour inspection to check violations remains suspended. The most disappointing act for labour during the years was the arbitrary enactment of the Industrial Relations Act, 2008, by the newly elected democratic government without consultation with the trade unions who had waged a long struggle against the militarily imposed IRO 2002. The IRA 2008, containing several new and all previous major restrictions on workers' rights, lapsed on 30 April 2010 leaving a void, a halted labour judiciary and a disillusioned workforce. An achievement, however, of the democratic government was the 18th Amendment (signed in to law on 19 April 2010) that abolished the concurrent list and provided space to initiate the much-awaited recourse to provincial autonomy.

The silver lining in the grim scenario was the induction of democratic government that led to expanded political and social space for citizens and civil society groups and the gathering momentum of the struggles and resistance movements initiated by the informal sector workers since the beginning of this decade.

War on Terror

The most disturbing events that severely impacted people, their lives, meager assets, and livelihoods were armed conflicts and terrorists activities in the country signifying a deep-rooted malaise, related to the

increasing influence of extremist-militant religious ideology. Violent acts by extremists—destruction of girls' school, music shops and barbershops and attacks on public places and army establishments—increased in Swat when a radical cleric, Mullah Fazlullah, urged his followers to wage jihad to avenge Lal Masjid operation by the Pakistan army.

The army carried out three operations in Swat from November 2007 onward, before launching the full-fledged army operation in May 2009 to clean up Malakand Division of armed extrem-

The disparities between the rich and poor have widened sharply. This, combined with growing poverty from 3 years of high inflation, is damaging social harmony. The benefits of economic development during the previous 5 to 6 years have largely accrued to the richer and more educated because the bulk of this growth was witnessed in the relatively skill-intensive sectors of finance, telecommunications, IT, oil and gas and in the capital-intensive industries of cement motor vehicles and motor cycles, in which those with limited skills, the majority of the labour force, could not participate meaningfully.

Report of the panel of Economists 2010 on Medium-Term Development Imperatives and Strategy for Pakistan, Planning Commission, GoP | April, 2010

ists. A massive exodus of over 6 million of people⁷ took place. Temporarily dislocated from the districts of Swat, Buner, Lower, and Upper Dir, the internally displaced persons (IDPs) put up in about 20 camps faced extreme hardships and the majority on return found their assets and properties damaged and sources of livelihoods ruined. Being a crucial ally to the US war on terror, Pakistan Army and the paramilitary Frontier Corps troop, along with the US and NATO forces, continued operations in FATA (subsequent to the US invasion in Afghanistan in November 2001 after 9/11), and the areas bordering with Afghanistan in their never-ending chase of 'terrorists'.

The operations, including drone attacks, intensified in Kyber Agency, Mohmand Agency, South Waziristan and Jalozaï and Orakzaï Agencies during 2008-2010, killings not only militants but civilians and army personnel. The 2008-09 also witnessed increasing terrorist activities in

Punjab and Sindh. The Southern Punjab, home to thousands of madrasahs, was termed by analysts as breeding ground of militant jihadis.⁸ According to a report, in 2009 the casualties in terrorist attacks, operational attacks by the security forces, intertribal clashes and the cross-border attacks of the US and NATO forces in FATA amounted to 12,632 people dead and 12,815 injured.⁹

Several analysts consider poverty, absence of a judicial system and writ of law, non-existing infrastructure and inequitable livelihood opportunities in the Federally Administered Tribal Areas as factors that pushed the populace towards a militant religious ideology of jihad that promises rewards and abundance of material comforts in afterlife.

The most economically deprived province Balochistan remained turbulent after the August 2006 killing of its tribal-political leader Nawab Bugti by the state. Inter-tribal and inter-clan violence continued along with skirmishes with state personnel and sabotages against state infrastructure causing severe hardships to vulnerable and poor communities displaced. In early 2007, an estimated 86,000 internally displaced people were living in make-shift huts under poor conditions sustained by UN feeding centers and UNICEF support. Though by June 2007, the government claimed majority of IDPs returned home, unofficial sources claimed thousands of IDPs from Dera Bugti Khan were still living in camps in precarious conditions.

Defence expenditure on account of continued military operations rose from Rs. 57.5 billion in 2007 to Rs. 82.2 billion in 2009 and to Rs. 86.2 billion in the fiscal year 2010. Another rising component of expenditure were the grants given to non-government entities mainly as payments to IDPs and as support programmes for the poor whose number swelled during recent years. Loss to economy incurred through war on terror has been immense. It is officially estimated that during the last three years—2007-08 to 2009-10—the economic loss was to the tune of US\$ 28.8 billion. The losses include damaged/destroyed physical infrastructure, loss of employment and income and loss of exports.

Political Turmoil and the Change of Government

It was not just the 'War on Terror' that impacted people and their livelihoods but the turbulent and chaotic events of 2007 under the military

rule of Parvez Musharraf, disintegrating democratic institutions, weakened writ of law and a total loss of culture of dialogue for conflict resolution. In March 2007 a politico-judicial crisis ensued when the President filed a reference in the Supreme Judicial Council against the Chief Justice of Pakistan and removed him. The lawyers' associations launched a movement. On 12 May 2007, street gun battles between pro and anti-government supporters left more than 40 people dead in the city of Karachi. The months' long struggle of the lawyers, media person and civil society yielded results and the Supreme Court reinstating the Chief Justice on 20 July 2007.

President Musharraf promulgated the controversial National Reconciliation Ordinance 2007 on 5 October. Through a blanket amnesty the Ordinance absolved the leaders of the Pakistan Peoples' Party and other political parties (i.e. Mutehida Qaumi Movement, Pakistan Muslim League-Nawaz Shareef Group), bureaucrats and state officials of all corruption and other charges. On October 18, Benazir Bhutto's homecoming was marred by suicide bombing, killing over 100 of the PPP political workers and enthusiasts and injuring hundreds. Aside sufferings caused by the carnage, the resulting shut down and countrywide protests brought further hardships to the daily wage earners. On 3 November 2007 General Musharraf declared state of emergency for the second time during his tenure through the Provisional Constitutional Order (PCO). The lawyers, the media and the civil society activists came out on the streets against emergency and for restoration of the constitution. The lawyers' boycott from March to July and from November onward impacted adversely on common people as courts, including labour courts, proceedings were halted and the number of pending cases rose.

The outcry against General Musharraf's holding of the two posts-military chief and president of the country-finally made him quit his army post on Nov 27 and he took oath as the civilian president of Pakistan, an act supported by the parliament. Amidst all these turbulent changes and chaos, confusion prevailed among political parties whether to boycott or not the general election scheduled for 8 January 2008. While most of the lesser parties including religious parties decided to boycott the elections, the two major opposition parties-PPP and the Muslim League (N)-and MQM in Sindh contested elections.

The most tragic event of the year was assassination of Benazir Bhutto on 27 December 2007 while she was returning from a public meeting at Liat Bagh, Rawalpindi. Her killing sparked an unprecedented wave of violence-arson and looting-and civic mayhem that continued for three days and caused loss of lives and damage to state and private properties and assets to the tune of billions of rupees.

A PPP-led coalition formed a government following the February 2008 general elections after about eight years of military rule (October 12, 1999-November 28, 2007). Stark differences soon surfaced between the PPP and the PML, the major issues being restoration of judges that the PPP evaded. President Asif Zardari's control over key decisions further alienated the coalition partners and hampered the government functioning. The lawyers' struggle for an independent judiciary took a decisive turn when PML (N) also actively joined it. The lawyers and the PML launched a Long March from 12 to 16 March 2009. Sensing the mood of the civil society, the Prime Minister restored Chaudhary Iftikhar as chief justice of Pakistan through an executive order.

The year 2009 was marked by an upsurge in terrorist activities. A total of 2,586 incidents of terrorism, insurgencies and sectarian related violence were reported across the country. The highest number of the attacks was reported from the North West Frontier Province (1,137), followed by Balochistan (792) and the Federally Administered Tribal Areas (559). As many as 46 attacks took place in Punjab, 30 in Sindh, 12 in Islamabad and five each in Gilgit-Baltistan and Pakistan administered Kashmir.¹² The terrorists hit mosques, public places, markets and the establishment of law enforcement agencies. The situation affected the economy, trade, services and manufacturing, harshly impacting daily wage earners and low-tiered, low-wage workers.

Faltering Economy and Rising Poverty

Escalating operations against extremism was one of the major reasons acknowledged officially for unprecedented economic slow down. Policy induced imbalances of the past several years, sharp decline of investment inflows, and spike in world commodity prices were the other factors that led to a severe macroeconomic crisis, growing budget deficit and a sharp cut in critical and social development.¹³ Pakistan's GDP

growth slid down to 2.0 per cent in 2008-09 (from 4.1 percent in 2007) and inflation rose to 22.3 per cent in 2008-09.¹⁴ Pakistan's total external debt increased from \$46.3 billion at the end of June 2008 to \$50.1 billion by end-March 2009 - an increase of 8.2 percent.¹⁵ The External Debt and Liabilities as percentage of GDP increased to 30.2 percent by end-March 2009, an increase of 2.1 percentage point.

Pakistan endured a decline in exports of 6.0 per cent in 2009, while imports contracted at a much faster rate of 11 per cent. Similarly, foreign

Non-Inclusive Economic Growth

Pakistan's growth experience suggests while it has been able to achieve fairly decent rates of economic growth, the outcome has neither been inclusive in ensuring a fairer distribution of the benefits of growth nor has the process been sustainable. The reasons have included neglect of social indicators, a skewed distribution of assets, weak institutions of governance, inward looking economic policies and structures, poor levels and rates of savings and investments (largely owing to inequitable tax structure...). This has resulted in the heavy dependence on external assistance...and the accumulation and continued growth of domestic and external debt. In additions, requirements of security, further complicated by the recent surge in extremism and militancy...have resulted in scarce resources being diverted from critical investments in human development.

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direct investment (FDI) sharply declined. In November 2008, the Government of Pakistan signed a \$7.6 billion, 23-month Stand-By Arrangement with the IMF to help remedy balance of payments difficulties. The loan was borrowed on tough conditionalities including withdrawal of subsidies on petroleum products, power and food items. The Government increased the wheat support price by more than 50 per cent, which pushed up retail prices of wheat and wheat flour across the country hitting hard the vulnerable and poor strata of society.

The share of agriculture in total GDP kept falling. In 2008-09 its share was 21.8 per cent. Despite its decline, agriculture remains the single largest

sector employing 44 per cents of labour force. Its decline indicates massive neglect of policy-makers towards this crucial sector. Manufacturing sector also registered a decline. Particularly large scale manufacturing went through a negative growth of 7.67 per cent during 2008-09 due to power shortage, shrinking demand in the export sector and deteriorating law and order in the country.¹⁶ Shrinking large scale manufacturing led to a steady cut in the protected (formal) employment and slipping of workers in to vulnerable employment. In contrast, small and medium manufacturing sector maintained its growth at 7.5 per cent. Again, this growth resulted in expansion of the informal labour faced with precarious work conditions.

In 2009 , Pakistan slid to 141st position out of total 182 countries on human development index that takes in to account the population's education, life expectancy, standard of living and the country's GDP.¹⁷ In 2010, Pakistan is confronted with a dismal state of human development characterized by extreme social deficit in health, education, gender equity, decent living and social protection: 30 per cent poverty head-count ratio, 58 per cent literacy rate, 76 per cent households with access to safe drinking water and 70 per cent households with access to sanitation.¹⁸

Pakistan, classified as low-income country, had 84.6 percent of its population earning less than US\$2 per day.¹⁹ A 2008 UN assessment found vulnerable households spending up to 70 per cent of their earnings on food, but remain unable to afford an adequate diet. ■



2. Legislation, Policies and Tri-partite Consultations

The Gaps and the Widening Chasm

Last three years of the decade were not only politically and economically tumultuous but marked curiously by a mix of hopes and disillusionment, expectations and disappointments. The labour movement—though fragile and divided—was unified in its struggle against the Industrial Relations Ordinance (IRO) 2002 promulgated by the military regime of General Pervez Musharraf. With the induction of democratic government, trade unions, workers' organizations and labour/human rights activists hoped for an inclusive and pro-worker legislation and expected the proposed amendments, arrived through consensus of workers and employers at the platform of WEBCOP and presented to the elected government, would be taken in to consideration. But the PPP-led government arbitrarily enacted the Industrial Relations Act 2008 in November 2008 for an interim period of 18 months (up to 30 April 2010) without consulting the labour and employers' representatives. Strong protests from stakeholders led the government to call the Tri-Partite Labour Conference belatedly in February 2009 with a proclaimed objective to consult on the draft that would replace the IRA 2008. The Tri-Partite Conference, violating its form and essence both, was instead a gathering of PPP functionaries and its political activists. Also, the government failed to formulate a labour policy and neither did it revise the minimum wages in 2009.

Trade union federations, workers' organizations and labour unions continued to hold consultations, meetings in 2010 demanding to bring labour laws in conformity with the guarantees given in the country's constitution and with the ILO core conventions ratified by Pakistan. But the efforts against the interim law IRA 2008 lacked cohesion due to the division within labour bodies and activists along political lines and the

discord between workers and employers representatives. The situation aggravated when the IRA 2008 lapsed on 30 April 2010 creating a void and closure of labour judiciary in the absence of a new law. The National Industrial Relations Commission, labour appellate tribunals, labour courts and registrar trade unions at the provincial and district level ceased to function temporarily. The uncertainty and confusion was compounded with the passage of 18th constitutional amendment that abolished the concurrent list and devolved labour in totality to the provinces.

IRA 2008

Like the preceding laws—the IRO 1969 and IRO 2002 promulgated by military regimes—the Industrial Relations Act 2008, enacted by an elected government, did not conform to the spirit of the Constitution embodied in its various Articles, specifically Article 17 (which ensures the right to form association or trade union to every citizen). Neither the Act was in compliance with the ILO Conventions No. 87 (freedom of association) and No. 98 (right to collective bargaining). In addition, it ignored earlier commitments made through tri-partite agreements and labour policies. That the government did not consult its draft prior to enactment either with the workers' representatives or employers was another breach of trust.

With the exception of a few positive clauses, the essential character of the IRA 2008 was restrictive and exclusionary, as was the case with the IRO 1969 and IRO 2002. The IRA 2008 excluded workers from the largest sector—agriculture, forestry, hunting and fishing—that tops the official list of 'Major Industry Divisions'. This amounted to denial of rights to 22 million workers in this category alone. It also excluded civil service, teachers, para-medical, contract labour. In addition, a significant number of public sector establishments, besides police and the armed

forces, were explicitly excluded from the ambit of this law. The IRA 2008 compromised established structures for dispute resolutions by promoting and encouraging individual employee-employer agreements (Sec 2 (XXV)), undermined the bargaining position of workers and unions by reducing the CBAs' tenure to two years (Sec 24 (11)), encouraged formation of paper federations (Sec 2(xxvii)) and promoted policing on labour through the NIRC, while making labour law violation an easy proposition through inadequate deterrents (Sec 72 to 78). The IRA 2008 was, thus, steeped in the restrictive spirit of the old law of 1969 drafted 40 years ago at the height of the Cold War era, a time when workers' rights were deemed inimical to the imperatives of economic development as well as the defence of the state, and democratization was absent from the agenda of the then government. With the exception of PPP-aligned trade unionists, the labour bodies were unanimous in their critique of the IRA 2008.

Labour Charter 2008

Prior to the announcement of general election in late 2007, labour organizations, facilitated by the Pakistan Institute of Labour Education and Research, initiated a process to bring the trade unionists, informal workers' representatives, labour and human rights activists and concerned citizens on a single platform to lobby for pro-labour legislation and reforms in labour judiciary. Informal meetings with trade unionists and key labour leaders in ten cities of Sindh, Punjab and North West Frontier Province were held till January 2008. With the induction of the elected coalition government of the PPP and PML-N after February 2008 elections, these efforts gathered pace and a charter of demands was drafted for submission to the newly elected government. The draft was finalized in March in a 2-day national consultation of 65 representatives of national trade union bodies, grass-roots workers' movement, civil society organization and labour/human rights activists. For the first time, national trade union bodies consulted with the leadership of grass-roots labour movements and informal workers' unions. The Labour Charter 2008 demanded the government to strike down restrictive clauses and introduce the long sought-after and much-awaited fundamental changes in labour laws to ensure basic rights, including the rights of freedom of association and collective bargaining, to all workers, inclusive of agricultural workers. The Charter was shared with the government functionaries, par-

liamentarians, media and concerned stakeholders.

Stakeholders' Efforts

The arbitrary passage on 19th November of the IRA 2008 by the National Assembly triggered a series of meetings, consultations and press conferences by trade unionists, workers representatives, civil society organizations and employers' bodies. While a section of trade bodies, aligned with the PPP, were quick to praise the legislation, the largest trade union body-Pakistan Workers' Federation-and smaller federations (Trade Union Action Committee and National Trade Union Federation) rejected the IRA 2008.²⁰ Earlier, the Workers Employers Bilateral Council of Pakistan (WEBCOP) initiated a process of dialogue between partners on IRA 2008 and organized a consultation on 5 November 2008 at Karachi. Consensus recommendations were submitted to the Government for approval.²¹ In January 2009, Pakistan Institute of Legislative Development and Transparency, a civil society organization, briefed the parliamentarians and workers representatives on the legislation's pro- and anti-workers clauses. The need for tri-partite consultation for a new industrial relations law was reiterated in several more consultations. During 2009, the WEBCOP held three provincial consultative meetings in Karachi, Lahore and Islamabad followed by a national stakeholders' consultation in 15 February 2010 in Islamabad.²²

Representatives of Pakistan Workers Federation, Workers-Employers Bilateral Council of Pakistan, Muttahida Labour Federation, All Pakistan Trade Union Congress met the members of the National Assembly and Senate's Standing Committees on Labour on 2 April 2010 to submit their inputs.²³ By mid-April, the Workers-Employers Bilateral Council of Pakistan and three trade union bodies-Pakistan Workers Federation, Trade Union Action Committee and Muttahida Labour Federation-had submitted separate proposals/drafts/recommendations for incorporation in the new law expected to replace IRA 2008 on 30 April 2010. Meanwhile, the other key stakeholders-employers/industrialists-held their own meetings with the government functionaries and the Employers' Federation of Pakistan submitted its recommendations and many of these were in conflict with those of the workers' proposals.

It was not only the elected government that did

not re-formulate an industrial relations law in conformity with the country's constitutions and ILO conventions, the trade union bodies and labour representatives' efforts were not cohesive and fell short of reaching consensus on many proposed amendments/recommendations. No unified alternate draft law was submitted by the stakeholders to replace the IRA 2008.

Labour Conference 2010

The Tri-Partite Labour Conference was called on 16 Feb 2010 after a lapse of eight years. Besides the Industrial Relations Act, the government had put on the agenda three other drafts legislation—Employment and Service Conditions, Occupational Safety and Health, and Social Safety Nets—for discussion. Ironically, the Conference turned out to be the ruling party (Pakistan People's party) functionaries and political activists' gathering rather than a platform for dialogue between contending stakeholders. The Tri-Partite Conference 2010 was neither representational nor consultative.

Tripartism, or dialogue between the government, workers and employers on equal terms, plays a crucial role in formulating labour policy and legislation. The principle is embodied in the ILO Convention 144 Tripartite Consultation (International Labour Standards Convention) 1976 which Pakistan ratified in 1994. The government though recognizes the significance of tripartite consultations, does not abide by its principle. Even when the criteria of representation and agenda are observed, the consensus reached on policy and legislative matter is ignored while drafting the law as happened in the enactment of IRO 2002 which negated the outcome of the Tripartite Conference held in 2001.

The issues in tripartite consultations were submitted by the Pakistan Workers Federation (PWF) in its complaint to the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) in 2008 and again in July 2009. The PWF also noted that the Government constituted two national tripartite boards for two important federal institutions (the Workers Welfare Fund and the EOBI) and the selection process of the representatives of workers in the tripartite boards did not comply with the Convention. Taking into account the concerns of the PWF, the Committee asked the Government to provide detailed information on how Articles 1, 2, 3 and 5 of the Convention were applied, so as to ensure that the most rep-

resentative organizations of workers participate fully in the tripartite consultations required by the Convention.²⁴ The government, however, rarely replies to the ILO Committee's observations and queries.

Services Tribunal Bill 2010

Two anti-workers laws, the Removal from Service (Special Power) Ordinance 2000 and the Section 2A of the Services Tribunal Act 1973 were repealed on 5 March 2010 with the passage of the Services Tribunal (Amendment) Bill 2010. The draconian legislative pieces violated basic human rights, the Constitution and the ratified ILO Conventions, and had deprived certain categories of employees of government, semi-government and autonomous corporations of their right to access labour judiciary subsequent to their arbitrary removal, often enmasse, from services. These laws, used against union activists as one-sided and punitive by the management and government, had created insecurity among workers and impacted unionization. According to an estimate, the Removal from Service (Special Power) Act 2000 had affected 37,000 workers in the public sector (i.e. WAPDA and its distribution companies, PTCL, financial institutions, commercial banks, provincial departments) in the last ten years.

Labour Policy 2010

Labour policy is a time-bound blueprint formulated by the state in consultations with other stakeholders that defines broader principles and guidelines related to the world of work and workers' rights. A labour policy, in its essence, affirms economic, social and political rights guaranteed to all citizens by the country's constitution and the international covenants and ILO conventions. It suggests a concrete road map to legislative reforms. Labour Policy 2010 announced on 1 May was noted by analysts as grossly deficient on all accounts. It fell short of a policy document, lacking in research and insights on ground realities and ignorant of the government's own past and current initiatives. Constitutional experts raised the question of its validity after the abolition of the concurrent list under the 18th Amendment which rendered labour a provincial subject.²⁵ Full of sweeping and redundant statements, rhetoric and a hasty cut-and-paste of information, the Labour Policy 2010 is full of blunders.

In Pakistan. labour policy has, by and large,

remained divorced from legislation. The previous five labour policies-1955, 1959, 1969, 1972 and 2001-did not materialize in to pro-labour legislation. The Labour Policy 2001 that came out after a long wait of 29 years, did not even acknowledge the right of association for all workers and neither envisioned extending basic rights to agriculture and the informal sector workers. Labour Policy 2010 is also silent on agricultural workers' rights of unionization and collective bargaining. It only accedes to cover agricultural workers in mechanized farms (read corporate farms) for compensation on death or injury under the Workmen's Compensation Act 1923. On crucial issues of child labour and forced labour, the policy made cursory remakes. The policy failed to outline strategic actions to address gender disparity in the work force and in workplace. Rampant violation of ILO Convention on equal remuneration for equal work and low participation of female workers is indicative of anti-women work environment. Yet, on women's economic participation, the policy noted a couple of projects funded by international donors. The policy talked of Smart Cards for registration of a minute section of workers already registered under Social Security and EOBI, and of payment of wages via banks, ignoring the fact that less than 15 per cent of the country's population has access to the banking facilities.

The labour Policy 2010 promises to consolidate and rationalize labour laws in to five core laws. The writers of the policy forgot that in 2001 the Labour and Manpower Division shared six drafts of consolidated proposed laws with the stakeholders. The drafts had included the Industrial Relations Ordinance, the Wages Ordinance, Conditions of Employment Ordinance, Occupational Health and Safety Ordinance, the Human Resource Development Ordinance, and the Labour Welfare and Social Security Ordinance. In October 2002, General Pervaiz Musharraf enacted the Industrial Relations Ordinance 2002, over-riding stakeholders' comments and suggestions. The remaining five drafts were put on hold.

The Labour Policy 2010 states that: "A full-fledged labour Market Information System shall be established..." The policy makers, ironically, are unaware that the Ministry of Labour and Manpower, Islamabad, has already established a Labour Market Information and Analysis (LMIA) system in collaboration with the ILO and the United Nations Development Programme (UNDP). Operational since 2006, the unit has

brought out till today five valuable analyses as published documents which can be downloaded from the website. The system 'aims to provide up-to-date and timely Labour Market Information and Analysis that serves as an input into the formulation and monitoring of labour and employment policies.²⁶ ■



3. Status of Labour Rights and the Workers' Struggles

Officially the country's workforce is divided under six major sectors. Data is collected and tabulated on these sectors alone. Various sub-sectors under each major sector are not investigated. The most labour intensive sector is agriculture/forestry/hunting and fishing. Currently 45.1 per cent of the total 50.79 million workforce is engaged in this sector.²⁷ The next sector in terms of workforce strength is wholesale and retail trade which employs 16.5 per cent of the workforce. Manufacturing engages a mere 13 per cent, a sad reflection on the state of the country's economy. Construction involves 6.6 per cent and transport and communications employs 5.2 per cent.²⁸

The terms and conditions of work differ in each sector and its sub-sectors. The most crucial factor determining the status of workforce is its exclusion from the ambit of national labour laws. The largest component of the workforce, i.e. in agricultural and fisheries, is excluded from all labour rights, i.e. pertaining to wages, work time, social protection, health and safety. Profiling all the major sectors and/or sub-sectors is a mammoth task requiring matching human and financial resources, and beyond the scope of this report.

The following profiles attempt to give an overview of the selected sectors based on primary and secondary data, specific case studies and limited interaction with representative constituencies. The selection of the sectors for profiling the status of labour rights and the workers' struggles is based on the following criteria:

1. PILER's linkages with, and support to workers' organizations, groups and movements in the sector;
2. Small surveys (on 1000 power loom workers and 500 garment factory women workers in Karachi), a research project (on 2500 retrenched football stitchers in Sialkot) and case studies (tenants and brick kiln workers) under taken by PILER team members during 2007 - 2010;
3. Vulnerability and exclusion of workers;
4. Lack of official data on informal sector workers' status and struggles.

PILER has been engaged with the workers in the textile sector since the last two decades, with fish workers since 15 years, with brick kilns worker since 12 years and with workers in agriculture since recently. Agriculture, fisheries and brick kilns fall under the informal sector and it is only recently that the brick kilns are being registered under the Factories Act 1934 subsequent to the kiln workers' campaigns. The textile sector, once a formal and unionized sector, has slowly metamorphosed in to informal clusters of small and medium-sized units and large factories run by contract workers under global supply chain production or for domestic market.

Manufacturing Sector Workers in Textile: Far from win-win situation

Overview

Textile industry is in decline since the post quota (post-2004) period. Its share in exports decreased from 66 per cent in 2004 to 53.7 per cent in 2008-09.²⁹ Pakistan, being the 4th largest cotton growing country, exports 75 to 80 per cent of its total produce of cotton and synthetic textile in the form of yarn, fabric, ready-made garments and made-up articles. Textile sector employs 38 per cent of total manufacturing labour force, or 6.7 million workers.³⁰ Textile industry comprises three sub-sectors: cotton spinning, cotton cloth and textile made-up. Over the years, spinning expanded, partly due to access to cheap raw materials and in part due to protectionist fiscal policy and export subsidies provided to influential owners of ginning factories. In contrast, the growth in the labour-intensive weaving and value-added textile manufacturing was low.

The recent years witnessed severe yarn crisis despite bumper raw cotton production in the country. As international prices of yarn increased, the spinning sector, in a run to rake profits, exported cotton yarn in larger quantities, leaving little for the local industry. Yarn exports amounted to 54 per cent of Pakistan's total exports recorded during July-February 2009-10.³¹ The weaving sector, comprised mainly of medium and small-sized enterprises, suffered closure of thousands of power loom units and a decreasing production in the absence of yarn in the local market. The crisis hit hard the unorganized power loom sector. Price of a 48-kg yarn bag rose from Rs 1200 to about Rs 1500-1800 and led to the closure of about 100,000 power looms leaving about 15,000 to 20,000 workers jobless.³² The Ministry of Textile restricted the export of yarn from 50 million kg per month to 35 million kg from March 2010. In May 2010, the government imposed a 15 percent tariff on export of yarn.

Workers in Garments/Apparel /Textile Made-up

The share of apparel manufacturing is 11.73 per cent only, with around 4000 manufacturing units of garments, knit-wear and made-ups in the major cities-Karachi, Lahore, Faisalabad, Multan, Gujranwala, Sialkot. According to the Pakistan Hosiery Manufacturers Association,

3,500 units of various sizes which had more than 700,000 workers on their payrolls were affected and 245 hosiery and knitwear producing units closed down over the last five years including 99 shuttered down just in 2008.³³

There is no official data available on number of factory closed down during 2008-09 and neither on the working hours lost. According to unofficial estimates about 1,500 garment units in Karachi alone, employing about 500,000 people and as many as 300 garment units, i.e. 20 per cent, have closed down in Karachi (year of data was not mentioned).³⁴ It was reported by the Ministry of Textile that 94 big units each employing more than 1,000 workers in the hosiery, knitwear, polyester filament, spinning, garment, denim, silk and rayon sectors were closed in 2008.³⁵

The Pakistan Readymade Garment Manufacturers and Exporters Association (PRGMEA) estimated that about 40 per cent of readymade garment factories were closed down and 50 per cent of factories cut their production. 'The government exports yarn to China who processes it and re-sell to Pakistan but as the price is higher, the local industry cannot buy it'.

The study conducted by a community-based group, Child and Labor Rights Welfare Organization, in 2009 about the impact of global economic recession on factory workers in Bin Qasim, Landhi and Korangi industrial area in Karachi found massive entrenchment in the garment factories. From the seven factories surveyed in Malir industrial area, three factories were completely shut down and 2,500 workers lost job. Two of the surveyed factories cut down their workforce by 600 and 300, respectively. Two large and well know factories also retrenched 30 per cent workers. In the Korangi industrial area, the factories slashed workforce by 30 to 92 per cent. Some factories reduced number of working days from 30 days to 20 days per month. This had serious impacts on the workers' households as they struggled to survive during unemployment of the main bread winner of the family.

Garment/Apparel industry is a labor intensive industry and relies on the skills of individual workers in Pakistan. Garment industry consists of a large number of small and medium sized firms sandwiched between the two giants - big textile firms that sell yarn/raw fabric and the mega-sized retailers who buy the finished prod-

uct. Small and medium-sized enterprises have little negotiation power in setting prices, and essentially they are rendered as 'price takers'. This structure has made the industry difficult to offer workers benefits and better wages.³⁸ The industry seems to be stuck in a low-skill and low-productivity rut, which could be the reason that cutting labour cost is the only way they find to bring down production expenses to compete in the global market.

The sector is dominated by units comprising 50 machines or below.³⁹ There are 326 reporting establishments in apparel industry⁴⁰ but official data on units that include unregistered units and the employed workforce is lacking. Even the registered units do not disclose the exact workforce. The units registered with the PRGMEA gives the number of workers but only of those who are registered with the EOBI and SESSI. 'If a unit has 2,000 workers, and only 500 are regular workers, the member reports just 500 workers. The Association knows it to be false but is not mandated to physically check the manufacturing unit.' The workers in each registered unit include a certain number of salary based registered workers, a larger number of piece rate unregistered contract workers at production line (in the factory premises) and piece rate home-based workers.

Government's initiative

With an objective to encourage registration of informal textile/apparel units, the Ministry of Textile Industry issued the Drawback of Local Taxes and Levies Order 2009 allowing the garments, home textiles and processed fabric manufacturing units to claim drawback of taxes and levies. This law has motivated garments units to register themselves with the PRGMEA and other registration authorities and since September 2009 the PRGMEA is receiving a larger number of applications for membership.

The Ministry of Textile Industry also issued Reimbursement of EOBI Contribution Order 2009 to encourage women employment in textile industry. Under the first ever Textile Policy 2009-14, the government has sought to induct women and disabled persons in the industry. Hence under the SRO (1)/2009, the government has picked up the cost of Social Security Institution and the EOBI of these two categories of workers. It is applicable only to the extent of payments made by textile units towards EOBI and SSI contributions for women and disabled workers employed in the respective units.

Cutting labour cost

Comparative data of production cost show that even though labor cost in Pakistan is 2nd lowest among 5 countries listed in the table, average unit price of the products are almost same as other countries where labor costs are higher than Pakistan. This implies Pakistan is neither competitive nor the dividend are shared with workers. The workers are the real 'price takers'.

TABELS?

Employers/manufacturers floated an even more unjust strategy: two scales of wages for workers in urban and rural areas and relocation of some of the apparel and garment units to rural areas to bring down the cost of production. The Pakistan Readymade Garment Manufacturers and Exporters Association (PRGMEA) proposed new parameters for establishing low-value production units in rural areas which would allow the industry to hire workers with the minimum wages of Rs 4,000. (The minimum wage was raised from Rs. 6000 to Rs 7,000 on 1st May 2010). The PRGMEA also suggested that average units should not have more than 250 to 500 stitching machines and female workers should be given the job in these units.⁴² The PRGMEA stance indicates the mindset of employers for whom cutting labour cost is the remedy of all ills befalling the industry. It also implies that women's lack of empowerment is taken for granted and gender inequity in wages is flouted as a remedy.

The 2009 survey conducted by PILER on 500 garment female workers in Karachi found that the workers were young, unmarried in their early 20s. More than 78 per cent of the respondents work 12 hours per day and 97 per cent of the respondents have temporary status. Ninety-nine per cent of them do not possess a written employment letter. The stitchers receive more than Rs. 6,000 and those engaged in cropping, checking and packing receive less than the (previous) official minimum wage, i.e. Rs. 6,000 per month. The average number of respondent's family is 9 and each household has 3 earners in their family. Average income of an earner in the family is approximately 5,000 Rs per month. The total income of the household—Rs. 15,000 feeding 9 persons—translates in to less than 1 dollar a day per person.

Aside long working hours, low wages, and no entitlement for overtime payment, job insecurity was the most pressing issue for the contract

workers. PILER survey found 60 percent workers suffer from delayed payment and more than 96 percent have not been registered under the social security institution and EOBI. Due to depressed market conditions, piece rate workers experienced on average 10 to 15 days of unemployment in a month.⁴³ It is hard to earn enough money to buy two meals for the family due to the slump in the industry.⁴⁴ Those who lost work in the garments sector had to shift to unskilled work with low wages, or had no option but to return to the deprived environs of their villages.

Support for skill development

PILER survey 2009 confirmed that skilled work is paid better than unskilled work. Yet, opportunities for skill development are rare. There are several initiatives supported by international donors and undertaken in collaboration with private sector to fill this gap. GEN-PROM (Gender Promotion in the Garment/Clothing Sector through Skills Development) is one of the projects being implemented in Sindh and Punjab with the partnership of Pakistan Readymade Garments and Exporters Association (PRGMEA) and the Government College University Faisalabad. The project aims at enhancing the skill level of garments industry workers so that this important industry can survive the tough challenges of global competition. The project is targeted at reducing unemployment while simultaneously increasing much needed skilled workforce efficiency for the garment industry. It also facilitates factory owners to equip the workplaces with the women-friendly facilities including separate bathrooms, and promotes permanent monthly paid position instead of contract-based work.⁴⁵ The project trained 266 master trainers and 3,847 workers by May 2009.⁴⁶ However, the project is time-bound. A long term strategy and continuous efforts are needed for realizing a win-win situation in the years to come.

Informal Non-Mill Sector

The weaving sector is divided in to three subsectors - integrated, independent weaving units and power loom units. Former subsectors operate in the organized mill sector, where as power looms fall in the informal non-mill sector. A loom can be installed in a house and one or two workers can run the loom. According to Textile Commissioner's Organization, the total number of power looms in Pakistan is 360,000.⁴⁷ According to an estimate over 30,000 small or

medium size power loom units are located in Karachi.⁴⁸ The estimated number of power looms is more than 60,000 in Faisalabad⁴⁹ and around 60,000 in Multan.⁵⁰ The non-mill sector does not maintain production statistics. Problems of the power loom sector revolve mainly around poor technology, scarcity of quality yarn and lack of institutional financing for its development.⁵¹

Long Hours, Low Pay

Operating power looms is arduous and demands dexterity, an alert mind and a constant to and fro by the worker as he has to operate simultaneously four to eight machines. Production takes place generally in two 12-hour day/night shifts. Some of the power looms operate in 8-hours long three shifts. On an average, a power loom worker earns between Rs. 7,000 to 7,500 per month after putting up 12 hours of work in a day. Workers in this sector are paid piece rate weekly or fortnightly on the basis of per meter cloth woven. Rates differ with the quality of the cloth and are determined by the power loom owners. The cloth produced by each worker is measured at the end of the shift and documented in a register by a clerk. As production is erratic, due to electricity outages or yarn shortage, a worker is generally idle, hence without wages, for some days. Also, the owners organize the production and loom operation in a way that a worker does not earn more than Rs. 7,000-8,000 per month.⁵² The units vary in number of looms and workers from smaller 8-loom units, manned by 10-12 workers to bigger 50-loom unit with a work force of 60 to 80 all-male staff.

Workers in Karachi Power Loom Units

Due to non-formal status, there is no data available on power loom units in Karachi. However, according to an estimate by the Power Looms Workers General Union, Karachi, more than 30,000 small and large power loom units are located in different areas of this mega city, mainly in four towns-Baldia, SITE, Orangi and Keamari. The area with a thick cluster of power loom units is Etehad Town, Baldia. The other areas are Saeedabad, Rasheedabad, Shershah, Mominabad, Haroonabad, Korangi, Adamjee Road Landhi, and New Karachi.

With an objective to ascertain the workers' profile and the terms and conditions of work in the city's power loom sector, PILER in collaboration with the Power Looms Workers' General Union,

Karachi, undertook a survey of 1,000 workers in 2009.

Family Size, Household Income and Child Labour

The survey findings indicate that power looms are exclusively operated by male workers of age group 20-50 years. The average age of the respondents in the survey was 32.25 years, and 68 per cent were married. Data indicates a significant 10 per cent child labour, mostly of the age group 14-17 years with fewer children below 14 years of age. The family size was 7.79 with each household having 1.71 earners in the family. The average income of a power loom worker was Rs. 7,418 per month. Hence, an amount of Rs. 7,418 was feeding 3.8 household members which translated as Rs.1,952 per person per month, equivalent to \$23 (@ Rs.84) which is less than one dollar a day per person.

Vulnerabilities

About half of the power loom workers surveyed (49 per cent) had no schooling, 28 per cent had less than five years of schooling and 15 per cent had studied up to class eight. Power loom sector in Karachi is dominated by workers originally hailing from the provinces of Punjab and Khyber Pakhtunkhwa who came to Karachi in search of livelihood and settled in the city with families. The majority-47 per cent is Punjabi speaking, followed by Pashto (24%), Hindko (11%) and Saraiki (5%). Ratio of Urdu, Sindhi, and Baloch-speaking population was not significant. An apparent reason for concentration of migrants/settlers in the power loom sector is its labour intensive nature and poor terms and conditions of work pulling in weak and vulnerable workforce that has little assets. Another reason, according to a power loom labour union activist, is that the units in Karachi offer better wages compared to what the weavers get in power looms in Punjab. The workers live in low-income, poor infrastructure settlements close to industrial areas in Karachi. Half of the respondent (51%) reported living in kacha dwellings, 45 per cent were on rent and 40 per cent had no access to water supply line.

Terms and conditions of Work

Most of the units are small, operated by 15 to 30 workers, and containing 10 to 20 looms. The workforce comprises 73 per cent weavers and the remaining staff includes pro-winders, machinists, electricians, helpers, sleyers, warpers, sorters/checkers, loaders, security and

administration personnel. A significant number-34 per cent-reported their units are producing cloth for export. On average, a weaver operates five machines simultaneously. More than 90 per cent of the respondents reported they worked for 12 hours per day; 93 per have no paid weekly holiday and 99.8 per cent were not paid overtime wages. None of them had any written contract and only 0.5 per cent was in possession of a factory identity card.

About half of respondents (50.8%) had been working for the current factory since less than a year and 20 per cent had worked more than one year in the current factory indicating a high turn over and insecure nature of employment in the sector. On an average, workers in power loom units were getting a monthly income of Rs. 7,418. Only two out of 1,000 respondents replied they were registered at the Social Security Institution and EOBI, and just 16 workers reported the unit he worked at, had a sign board, indicating widespread evasion of registration of power loom units under the Factories Act. Unless a unit is registered by its owner, the workers cannot be registered with the social security institutions.

Working environment for power loom workers was not satisfactory: 26.4 per cent workers reported lack of toilet facility and 37 per cent had no access to drinking water. As much as 53.6 per cent reported their units were not properly lit and airy and the majority of workers- 93 per cent- were not aware of their rights of health and safety at work place.

Unionization

The survey indicated moderate level of unionization (compared to other sectors), with 21 per cent of the respondents reporting the presence of unions in power loom units but only 9 per cent of total respondents were found to be union members. About the same number-11 per cent-were aware of their rights to unionize and collective bargaining which reveals that power loom unions in Karachi, even if they exist, are weak and not contributing towards workers' empowerment. One of the factors of weak unionization in Karachi is multi-ethnicity and ethnic divisions that have deepened over the decades due to peculiar politics of the city.

Power Looms Workers General Union, Karachi, Mills Area Saeedabad, Baldia Town, a registered trade union, currently has about 600 members. Formed in early 1980s, the union underwent

inactive phases and was revived in 1999. Though its membership base is limited to just one cluster of power looms (Saeedabad), and it has not succeeded in reaching out to power loom workers in other towns of Karachi, it has continued its struggle and made a couple of achievements. The Union has campaigned relentlessly for wage increase, weekly holiday, registration of the units/workers with Social Security Institution and the EOBI, and for basic amenities at work place.

In May 2008, the Union formulated a Charter of Demand and submitted to the power loom owners. As the owners did not respond, the workers went on a strike. The owners finally agreed and a written contract was signed in early June by both the parties. The owners then sacked the union activists. Non implementation of the contract compelled the workers to initiate a campaign. Facilitated by the state officials (Labour Department), the negotiations led to a raise in wages. Another Charter of Demand was submitted in September 2009 and for three months the Labour Department held tri-partite meetings for conflict resolution. But the owners failed to participate in the meeting and the Department issued a Certificate of Failure to the Union permitting it to approach the Labour Court.⁵³ The process led to a further weakening of the union.

Powerloom Labour Movement in Faisalabad

Faisalabad, the third largest city of Pakistan, with an estimated population of 5.5 million, is the hub of cotton textile production. Known as "Manchester of Pakistan" for its clusters of textile units, the city provides livelihood to estimated 3.5 million people directly or indirectly through textile sector. There are some 60,000 small and big power loom factories in Faisalabad district.⁵⁴ Estimated 100,000 workers are engaged in the power loom sector in Faisalabad city. Terms and conditions of work in power loom units are poor: low wages, long working hours, lack of social security and absence of health and safety provisions and other basic amenities at work place.

The Labour Qaumi Movement (LQM), an informal power loom workers union that emerged in 2003 in Faisalabad, gained in strength and broadened its membership base during recent years. In 2008 the workers' hardship increased with unprecedented hike in fuel and food prices. The LQM intensified its struggle for increase in wages in the entire Faisalabad Division including

Toba Tek Singh, Gojra and Jhang districts. The workers went on strike and held protest meetings. In June 2008, in a scuffle at a power loom, the owner, who was a member of the Provincial Assembly, and his armed gunmen attacked the workers, injuring seven. The infuriated workers burnt down a warehouse of the factory, blocked the roads and demanded arrest of the MPA and his gunmen. On the intervention of the Provincial Labour Minister, the police registered a case against the MPA and his accomplices.

The Labour Minister also held talks with both the parties and a committee was formed to resolve the issues. On June 28 an agreement was signed and the owners agreed to raise the wages for a year. The agreement was not fully implemented and the LQM kept submitting complaints to the Labour Department. After the expiry of the agreement in 2009, the LQM served a notice to the power loom owners and finally gave a strike call on 28 July 2009. During the strike, daily protest meetings were held, attended by thousands of workers. Almost 75 percent of power looms remained closed for 11 days. Finally the local administration intervened and the workers and owners met at the District Coordination Officer to resolve the issue. In a final settlement, owners agreed on a raise in piece rate that amounted into a monthly increase of Rs 1,500 on an average.

Workers-Owners Brief Alliance

In the later months of 2009, the sector went through a severe yarn shortage despite bumper cotton production in the country. Rising international prices led the spinning sector export yarn in larger quantities, leaving little for the local industry. 50,000 power looms in the country closed down and 40,000 looms operated under capacity⁵⁵ rendering 15,000 to 20,000 workers jobless.⁵⁶ This crisis brought the owners and workers together in an alliance 'Save the Power Looms Movement' and the workers came out on the streets against the government's flawed policies. In early 2010, owners and workers protested together against power outages. But this alliance was short lived and soon the two parties were at loggerhead again on the issue of wages.

Meanwhile, the power loom workers movement gained strength when its president contested for a seat in the Provincial Assembly in the bye elections held in May 2010 as a Pakistan Labour Party candidate. Though he lost the elections to the powerful and ruling party candidate, the effort by a common worker to participate in the

national political process inspired and energized the labour in the city.

The Labour Qaumi Movement took up the campaign in June and called a strike on 5 July for wage raise as there had been no increase in piece rates despite the raise in the minimum wage announced by the government in 2010. To avoid closure of the industry, the owners and workers met with the District Coordination Officer for dispute resolution the same day. After the second round of meeting on 7 July, where a decision was made for a 17 per cent increase, a representative of LQM and his brother were murdered in their office. The workers went on a complete strike the next day against the murders and the environment of intimidation and harassment suffered by the union activists.

The Labour Qaumi Movement has a long way to go in its struggle to achieve due labour rights but it has proved that workers in the informal sector, if organized and strong in numbers can operate as collective bargaining agent regardless of the legal status of the union.

Football Stitchers: Getting a Raw Deal in the Global Supply Chain⁵⁷

The inflatable ball is the core product of Pakistan's sports goods industry. Sialkot supplies 22 per cent of total world exports through a network of 3,229 village-level sourcing or cottage enterprises and informal labour comprising an estimated 50,000 workers.⁵⁹ In 2005 the sports goods industry contributed US\$ 318.8 million to the national exchequer.⁶⁰ A downward trend in production is noticeable particularly since 2006 when the machine-made football was used in the World Cup for the first time. Earlier, 40 millions balls, stitched by Sialkot workers, were exported generating \$210 million annually. For the 2010 FIFA World Cup, the export of Sialkot balls was down to 3.5 million footballs worth \$ 5.2 million only.⁶¹

Contrary to the prevalent perceptions that the workers producing for multinationals and world brands are getting a decent wage and due benefits, the global production system is as exploitative towards workers at the lower tiers as local establishments violate labour laws. Hence, the subcontracted workers in Sialkot football industry, removed from the regulated environs of formal work sites and largely excluded from protective legislation, are just a part of the bulk of informal workforce (73 per cent) in the country though producing formally for the global market.

Low wages, lack of social protection and lack of representational security characterize their work conditions. Unorganized and dispersed in surrounding villages, with low literacy level and little or no access to information on labour rights and legislative mechanisms, football stitchers are vulnerable to both local and global forces. The regular workers employed at the main factories located at the outskirts of the city, hardly fare any better. Placed at the lower end of production hierarchy, these workers are largely deprived of entitlements due to non-issuance of employment contract by the manufacturer and bypassing of applicable rules and regulations.

MNCs, Codes of Conduct and Local Realities

Competitive advantage is driving manufacturers to cut production cost. In Pakistan, entrepreneurs cannot think of a better way to reduce cost but to cut labour cost. Local powerful stakeholders—manufacturers, industrialists, state bodies—deliberately sideline national labour laws and international standards that ensure a minimum of benefits to workers. Weak labour regulation and poor implementation of labour standards in countries where MNCs are shifting production, like in Pakistan, have created a vacuum and compelled MNCs to address labour compliance issues in the subcontracted production places. The company's codes of conduct is a voluntary commitment by the MNC, though usually the company's motives—either strategic, defensive or altruistic—are strong enough to compel the company to honour and push for the implementation of its code of conduct. The mode of implementation is mostly dependant on moral obligation on the part of the constituent member, or the local vendor, in the supply chain. The ultimate lever remains in the hand of the MNC: that it can take its business elsewhere if the local vendor is not implementing the code. But, as several cases in developing countries have shown, this lever is generally used to mask other reasons for shifting the business to another country or locale. Due to the overwhelming informal nature of economy in developing countries and lack of legal coverage to informal workers even when the codes are implemented, the benefits tend to remain limited to permanent and regular workers and '...contract workers experience little change' in their working conditions.⁶²

Non-Compliance of the Code

In November 2006, the Nike Inc. cancelled its contract, on allegations of violation of the code

of conduct, with the Saga Sports Ltd, one of largest football production companies in Sialkot. The Saga Sports employed a workforce of 7,637 of whom 5,257 were piece-rate workers residing in more than 400 rural settlements dispersed in three tehsils of the district (Sialkot, Pasrur, Daska)—spread over 3,016 kilometres—and converging to work at the Saga-operated 12 large official stitching centers located in the larger semi-urban settlements.⁶³

The Nike Inc., through a European organization Just Solutions Network, funded a research and workers' support project undertaken by PILER. By the time the study began in April 2007 (one month after the last Nike orders had been fulfilled), all of Saga Sports' 5,257 piece-rate contract workers had already lost work. The remaining 2,380 permanent employees were retrenched by December 2007. The PILER research team interacted with a total of 2,484 retrenched workers, scattered in 250 villages, through structured interviews, informal meetings, seminars and focus group discussions with selected ex-workers.

The study explored the retrenched workers' life and past/current work situation, the production processes, the concept and the reality of 'work centres' or 'monitored stitching centres' and probed the extent of non-compliance of labour standards in football manufacturing focusing. A number of the identified retrenched workers were sensitized on labour standards, national labour legislation and code of conduct. Legal aid was provided to those among retrenched workers who could claim entitlements from the company. The workers were also assisted to relocate in the new supply chain or access alternative opportunities for livelihood.

Macro policies and livelihood options in Sialkot District

Sialkot district, a hub of labour-intensive industrial clusters, comprises largely a population (73.8 per cent) officially defined as rural.⁶⁴ The district is one of the most fertile lands and the main crops are wheat, rice and maize. Change in land tenure pattern, since the last four decades, has led to a decline in tenancy, fragmentation of farms and an increase in the number of small owner-cultivated farms. Rising number of small owner-cultivated farms though has not led to increase in productivity and crop production growth has remained stagnant. Almost 50 per cent of the households in the district are described officially as agricultural household,

depending on agriculture and livestock.⁶⁵

The study, however, indicated a different picture: for the majority of the respondents, football stitching was the main source of income. High prices of agricultural inputs, low acreage and weather uncertainties have greatly reduced income from land. Unprofitable farming is pushing many households to sell their small land-holdings as indicated by several case studies of workers during the research. Landlessness and low return on agriculture have compelled households to depend mainly on wage work in the manufacturing sector – sports goods, leather goods and surgical instruments.

Workers' Socio-Economic Indicators

Majority (72.7 per cent) of the retrenched workers were young, 15-30 year-old, and male (74.5 per cent). The literacy rate, 79 per cent, was much higher than the average rate of 56 per cent literacy in the province of Punjab.⁶⁶ But the level of literacy was low: 39 per cent had just 5 years of schooling; 22 per cent had studied up to 8 years while just 11 per cent had passed 10th grade. Average family size was 6 to 7 members. A significant number, 30 per cent, did not have toilet facility at home while the number of workers who reported lack of access to safe drinking water supply was high (75.5 per cent). The majority (90 per cent) had no source of income other than football stitching indicating almost total lack of alternative livelihoods (i.e. agribusiness, dairy production, agricultural processing) in the largely rural/semi-urban Sialkot district. Some reported meager livestock, a couple of buffalos or goats. Just about 4 per cent workers were earning a little additional income through cultivation of their small piece of land.

Work Conditions

At the Saga Sports Ltd., an overwhelming majority—84.4 per cent—worked on piece-rate and just 15.6 per cent were regular employees. Ninety-two per cent reported they were never given any appointment/contract letter: none of them were aware of the importance of this key document that establishes their legal identity as worker. At the time Saga Sports retrenched its workers in 2007, the majority (84 per cent) was being paid less than the minimum wage of Rs 4,600 per month fixed in August 2006 by the government. Twenty-four percent reported a measly monthly income of up to Rs. 2,500 only. Twenty-two percent were getting between Rs. 2,500 to Rs.

3,500 and 38 per cent were paid up to Rs. 4,500. None of the workers were aware of the Minimum Wage Law and of the periodic raise in minimum wage by the state.

As the majority of workers were on piece-rate and without any contract letter, they were not registered with the state-run social security institutions (EOBI, SSI). Free transport, lunch and tea, basic medical help through once-a-week access to a doctor plus free medicines, and fair price shops at each work centre, however, provided some relief to the workers. Several of the permanent workers, who possessed relevant registration cards, reported access to medical facilities through social security hospital. Many workers narrated incidences of illnesses that required a large sum (Rs. 10,000 to Rs. 75,000) for treatment raised personally either through loans from relatives or sale of meager family assets.

Subcontracting Unionization and Rights Knowledge

The case studies, focus group discussions and field visits revealed that the traditional system of subcontracting and providing advanced payment to workers was widespread despite the provision of the formal work centers built as per Nike requirement to avoid downstream subcontracting and the system of advance payment or peshgi. The local vendor would pick out stitchers and offer them subcontracting work as 'makers', (local term used for subcontractors in Sialkot). A 'maker' enters into an unwritten contract with the manufacturing company and its pivotal condition is the number of workers he undertakes to mobilize to complete an order (received by the manufacturer from an international brand company) on time. The maker gets commission per piece from the manufacturer/vendor and is responsible for delivery of the material (football panels) to the workers at his/her door step or at the stipulated work centre. He then collects the finished footballs and delivers the order back to the manufacturer.

The stitchers commit their labour to the 'maker' in lieu of advance payment. The maker pays advance from his own resources. When the company collapsed, many 'makers' suffered losses as they could not recover any money from the retrenched stitchers simply because stitchers survive on a hand-to-mouth condition and have no assets. The 'makers' are found to be on the same socio-economic boat as are stitchers but with slight edge over other workers as they seem

to have a capacity to access resources and take risks. The company exploited a number of workers-makers who had meager resources. As these makers were neither piece-rate contract stitchers, nor permanent employees, they had no legal identification or documents to claim any benefits whatsoever.

Industrial(Feudal) Relations

The study indicated an informal, non-professional management style operating in Sialkot where industrial firms are owned and managed by immediate family members and blood relatives with a minimum of professional staff at the managerial level. The firms subcontract out work at piece-rate to distant, under-privileged, low-skilled, less-educated, rural workforce. The owner-industrialist often tends to adopt the role of a patron-sustainer of the 'poor unemployed people'. This is sustained through nepotism and informal procedures of hiring and firing, lack of implementation of labour standards and services rule, and selective-sporadic display of 'benevolence' instead of institutionalized mechanisms of entitlements and established facilities.

The local industrialists looked down upon workers, or kammis, with scorn and disapproval and use derogatory words and stereotypes—jahil, nashaie, kaahil (ignorant, addicts, lazy).⁶⁷ The industrialist believes that the workers are poor because of their own doings: 'they don't work hard'. The industrialist thinks he has to make the best out of a semi-skilled, semi-literate workforce who stands no chance for an improvement. 'Because that's the way they are'. The industrialist seems to hold as deterministic a world view as held by workers about their own situation.

Many of the local manufacturers are in possession of the SA8000 certification, which according to a source '...is being sold in the city on thela (hawking cart) by accrediting companies for Rs. 200,000 each'. Several of the manufacturers believe they take care of the workers' rights and it is the workers who are out to exploit them and sabotage their businesses.

According to one of the leading manufacturers, workers in the registered main factories get due rights. The contractual labour, working from home, or in private sheds, are not entitled to any rights and as such, states the manufacturer, there is no question of labour laws violation. The manufacturers who do accept that workers are not getting a fair deal, think enhanced labour

cost would impact their businesses adversely. According to the local manufacturers, the industry has already squeezed its margin of profits to avoid child labour and is losing its competitive edge to China. The industrialist '... cannot pay the same benefits to piece-rate, contract workers as to the salaried, permanent worker'.⁶⁸

Diminishing Work A Majority Marginalized

The share of agriculture in GDP is declining persistently. In 2008-09 it was recorded at 21.8 per cent.⁶⁹ Despite its falling share in GDP, agriculture remains the largest sector in terms of employment, i.e. 45.1 per cent of the total labour force, indicating a deep malaise in rural economy.⁷⁰ Skewed landholdings, increasing fragmentation of farms, lack of support in terms of policy, infrastructure, inputs and investment characterize the sector. Nearly 62 per cent of the total farms range from less than one acre to 5 acres but the area with these farms is only 15 per cent of total farm area. Twenty-five per cent of the farm holdings vary from 5 acre to less than 12.5 acres.⁷¹ For subsistence farming a minimum of 12.5 acres is required. Thus 87 per cent of the landholdings are below subsistence level.⁷² A recent survey of Sukkur district indicates majority of the farmers comprise subsistence farmers as 65 per cent of the farmers have land holdings of up to 12.5 acres. In contrast, only 5 per cent of the farms are under the range of 25 acre to 100 acres.

Political Power and Big Landholdings

Large landholdings of 100 acres and above—totaling to 5.84 million acres of land⁷³— are concentrated in less than one percent of total number of the farms⁷⁴, owned by few landlords who sit in the parliament and resist land reforms. Half-hearted attempts (1959, 1972) at land reforms have failed, and the landlords continue to hold immense power over peasants, policy makers and the military. Agricultural is not listed as an industry on the behest of the landlords who continue to exist outside the taxation system. The Punjab Assembly was quick to pass a resolution against the much-feared agricultural income tax when the IMF demanded to impose tax on agriculture in November 2008.⁷⁵

Working arrangements in agriculture range from wage work, tenant farming, share cropping to small-farm cultivating. Average size of the rural household is 7.1 members.⁷⁶ Due to high man-

land ratio in agriculture and rising landlessness, unemployment and underemployment has increased. The households can no longer survive on the produce of small landholdings alone and the members have turned to non-farm wage labour comprising menial and unskilled work. According to an estimate, 100,000 workers are pushed out of agriculture annually.⁷⁷

Denial of Fundamental Rights

The fundamental principles and rights at work are not applicable in the sector. Agricultural workforce is explicitly denied freedom of association, right to collective bargaining, elimination of child labour and non-discrimination in wages. Labour laws do not conform to the spirit of the Constitution embodied in its various Articles, specifically Article 17 (which ensures the right to form association or trade union to every citizen). None of the country's labour law— either of industrial relations, social protection, minimum wages, or health and safety—applies to agricultural workers. Though Pakistan has ratified all eight ILO core labour standards, it has not brought national legislation in compliance with the ILO Conventions No. 87 (freedom of association) and No. 98 (right to collective bargaining). In the areas where specific legislation exists, such as the Bonded Labour System (Abolition) Act 1992 and the Employment of Children Act 1991, implementation is totally lacking. Pakistan has not ratified the Right of Association (Agriculture) Convention (No.11) adopted by the ILO in 1921 and neither it has ratified the Rural Workers' Organizations Convention (No. 141).

Low Income and Capabilities Deprivation

The rural household has an average of 2.1 earners and the household income of the poorest 20 per cent (1st quintile) in the 2007-08 was reported to be Rs. 7,639 per month.⁷⁸ The income per earner-worker in the rural households falling in to 1st, 2nd and 3rd quintiles (i.e 60 per cent households) was between Rs. 3,819 to Rs. 5,450 per month⁷⁹ in 2008 when the minimum wage was Rs. 6,000. The income of an earner in the 4th quintile was barely Rs. 6,109.⁸⁰

Agricultural workers suffer from both income poverty and human poverty. In the 2000 Census, 63 per cent of the agricultural households members were reported as illiterate. In a 2007 study of four districts in Kyber Pakhtunwa province, 64.33 per cent farmers were illiterate

and only 13.33 per cent had 9 to 10 years of schooling. In the national PSLM 2008-09 survey, rural literacy was noted as 48 per cent. Lack of access to related skills and information is another constraint in sustainable management of their meager resources. In a study of rural economy in Sukkur district, 97.7 per cent of the farmers were of the opinion that limited or no access to latest research and farming techniques is a hindrance to improvement in farm productivity.⁸¹

Overwhelming majority, 80.84 per cent, of rural families live in housing/shelter made of mud bricks and wood, 26 per cent households live in one-room shelter; 69 per cent use wood/charcoal as fuel for cooking and only 21 per cent have access to tap water and 33 per cent have no toilet facility.⁸²

The low incomes of agricultural workers, combined with poor access to basic facilities in health and sanitation, education and physical infrastructure, have led to a high incidence of poverty, particularly among landless households. Of the total farm households, 18 per cent are reported to be under debt.⁸³ According to an estimate, based on 2000 Census data, in the province of Punjab there were 250,000 bonded sharecropper households. With average household size of 7.3, these households are estimated to include nearly 2 million family workers. Most of these workers suffer the worst form of exploitation under the conditions of debt bondage.

Tenancy and Sharecropping

Due to highly skewed landholdings, fragmentation of farms and increasing landlessness, tenancy is prevalent in agrarian work arrangements. Legally, tenancy is defined as 'a parcel of land held by a tenant of landlord under one lease or one set of conditions'.⁸⁴ One-third of the country's farmers are tenant farmers. Tenancy is highest in Sindh province where almost 50 per cent of the farmers are tenants. According to the Census 2000, 10.26 million acres of farm area is cultivated by tenants either on sharecropping or lease basis or on undefined terms of tenancy. Of this area, 72 per cent is operated by sharecroppers.⁸⁵ In sharecropping arrangement, cultivable land is put at the disposal of landless farmers by the landlord through a contract. The sharecropper provides inputs from his own pocket-fertilizers, seeds, implements and the produce are divided between tenant and owner at 50: 50. According to analysts this is an unfair

arrangement to begin with, and the land owner should invest in inputs for a fair 50:50 ratio of labour and capital. In cases tenant-farmer is too poor to invest, the land owner purchases inputs and keeps 75 per cent of the share and the tenant gets 25 per cent. In most of the cases, it is an oral agreement and no written contract is prepared by either party. The tenants, mostly without formal education and poor, are thus in a vulnerable position to be exploited by the landlords through various tactics.

Land Records and the Tenants' Vulnerability

The existing land records management system, put up by the British to collect land revenue is obsolete, complicated, opaque and riddled with flaws hence exploited by the powerful to the detriment of the poor tenants. The most problematic issue is that the present land legislation -the Land Revenue Act (1967) and the Registration Act (1908)- do not provide for a state certificate of title to land under the aegis of a public authority.⁸⁶ Many court rulings have maintained that entries in the land records are contestable, that the revenue records are not documents of title, and that it is permissible to challenge the entries for determining the title to land.⁸⁷ This state of affairs regarding records of

In Punjab, high transaction costs and difficulties associated with the land records system continue to impose significant harm on land owners and prospective land owners, (particularly the poor, who have small holdings and less access to information or resources), making them vulnerable to the predatory behaviour of middlemen, and lowering the liquidity of family assets composed in whole or in part of land. As land is also a form of capital, current obstacles for documenting and enforcing land rights have the effect of lowering income from those assets through means such as rent, cultivation, sale, or access to other factors (e.g. credit). Well-defined land rights are key for productive development and factor market functioning. In addition, clear land rights have far-reaching implications for social cohesion and governance, acting as an important catalyst in stabilizing communities, empowering individuals and reducing social exclusion.

<http://www.punjab-zameen.gov.pk/details.php?menuid=2&sub-menuid=8>

land rights is damaging to the poor, who cannot afford protracted land disputes. Numerous legal disputes are caused by contract enforcement of land rental contracts, e.g. over illegal possession of land, eviction of tenants, and recovery of rent. In Punjab, about 8,000 Patwaris maintain land records pertaining to 20 million land owners.⁸⁸ The patwaris keep their records in a cloth bag called a basta. As there are no office or patwar buildings, the records remain in the personal custody of patwaris and are not easily available for scrutiny. More importantly, patwaris work under the influence of landlords.

There is no publicized document outlining the exact progress of the automation project—Land Records Management Information System (LRMIS)—undertaken by the Punjab government and currently in its pilot phase in the Kasur District. According to the website, the Service Centre for 7 villages at Kasur got functional in June 2010. It is expected that once the land records system is fully automated and functional, the transparency and easy accessibility would be beneficial to small farmers and tenants.

Legislation on Tenancy

In view of the weaker position of tenants, the arrangement between landlord and tenants were first legislated by the British in 1887 to provide security to tenants in Punjab. The Punjab Tenancy Act 1887 was a comprehensive legislation comprising 116 sections. After independence, several changes were made in the legislation through amendments, rules, instructions and notifications, less in favour of tenants and more often benefiting the state and the landowners as greater area of state land was granted exemption from the Tenancy Act. A judicial critique by legal experts is needed to analyze the sub text of these changes reflecting on the power dynamics between the vulnerable and the powerful brought out via Punjab Protection and Restoration of Tenancy Rights Act 1950, Punjab Tenancy (Amendment) Act 1952 and subsequent Rules, 1953, Punjab Tenancy (Validation and Extension of period for Payment of compensation) Ordinance 1969 and Land Reforms Regulation (martial Law Regulation 115) of 1972. In Sindh and the then NWFP (now Khyber Pakhtunwa) provinces, the tenancy laws were formulated in 1950 followed by Balochistan in 1978.

Due to their vicarious position, tenant farmers have rarely benefited from the legislation. One

such rare case is of the tenants of the military farms in Punjab who have waged resistance taking benefit of the Punjab Tenancy Act 1887. The Act categorized tenants in to two classes: occupancy tenants (maurusi) and tenants-at-will (ghair maurusi) on the basis of whether or not they have a statutorily conferred right to occupy the land. Tenants-at-will do not have a statutory right to occupy the land. They work simply on the basis of a contract and do not have any enforceable right in the land. On the other hand, occupancy tenants who did have a statutorily conferred right to occupy the land they till, had the benefit of an enforceable right to occupy their land if they met certain conditions.

In the Punjab Tenancy (Amendment) Act 1952, the right of ownership was granted to those tenants who have tilled the land for more than 20 years '...but the tenants were never granted the ownership rights.'⁸⁹ The Act stipulated 60:40 ratio of the share for tenant and owner respectively. Also, land revenue, water rates, cost of seeds and other inputs were stipulated to be the responsibility of the land owner. However, in the 1972 Land Reforms Regulation, the cost of agricultural inputs (i.e. seeds, fertilizers) was stipulated to be shared equally by the tenant and the owner. In another directive of 1973, the 60:40 ratio of tenant-owner share was replaced with 50:50.⁹⁰

The NWFP Tenancy Act 1950 and the Balochistan Tenancy Act 1978 are similar to the Punjab Tenancy Acts in terms of definition of tenancy and classification of occupancy tenants and their conditional rights to own land. The Sindh Tenancy Act 1950, however, differs from the Punjab Tenancy Act. The Sindh Tenancy Act 1950 defines tenancy as 'tenancy right' that means 'the permanent right of cultivation under a landlord acquired by a tenant under the provisions of this Act'.⁹¹ Also, the Act classifies tenants as 'permanent tenants' (instead of occupancy tenants) and tenants-at-will.

Sindh Tenancy Act 1950

The Tenancy Laws Committee, Sindh of 1945 had proposed that the occupancy rights should be granted to tenants who had cultivated at least 4 acres of land annually for the same land lord for 8 consecutive years. The Hari Enquiry Committee constituted in March 1947 submitted its infamous report in January 1948 in favour of the land lords. Masud Khaddarposh, a member of the Committee in his Note of Dissent urged the government to abolish feudalism. In

1950 the Sindh Tenancy Act was enacted after a vigorous campaign by the peasants, workers, left-oriented political activists and Comrade Hyder Buksh Jatoi who had drafted the Act but many of the pro-peasant provisions in the draft were omitted from the Act. With the changes in the mode of agricultural production, the Act has increasingly become outdated. Furthermore, lack of implementation, incumbent upon the provincial administrative mechanism and legislation, i.e. Sindh Revenue Board, Sindh Revenue Act, has rendered the Act ineffective. Human rights and labour rights activists have been campaigning for amendments in the Act since the 1980s. The Sindh High Court Hyderabad Branch gave a decision, in 2002, to amend the Sindh Tenancy Act according to the needs of the peasants. A few amendments were carried out in the Act in 2002, but major gaps have remained, including lack of transparent documentation system for financial transaction between the tenant and the landlord, and lack of provision of special Hari Courts, instead of Revenue Courts, for settlement of disputes. The lacunae in the Act, it is argued, have led to an increase in bonded labour in agriculture.

During the 2007-10, peasant groups and civil society organizations providing support to agricultural labour campaigned for amendments in the Sindh Tenancy Act through conferences, consultations and rallies. In 2007 Bhandar Hari Sangat and Sindh Hari Porhial Council initiated a series of protest rallies in different cities of Sindh to highlight the issue. In June 2007, the Sindh Assembly constituted a 14-member Special Committee on Sindh Tenancy Act to review the act and submit recommendations. The peasants and civil society representatives met with the Special Committee in July 2007 and gave their recommendations.

In September 2008, Sindh Hari Prohial Council comprising network members undertook a signature campaign in Sindh to pressurize legislators to amend the Act. Dialogues with the farmers were conducted in 10 districts, Tando Mohammad Khan, Tando Allahyar, Umerkot, Mirpurkhas, Sanghar, Nawabshah, Dadu, Qambar, Shikarpur and Hyderabad, to mobilize opinion for the amendments in the Tenancy Act. In 2009, the Special Committee presented its finalized report to the deputy speaker, Sindh Assembly, who forwarded it to the Standing Committee on Law and Parliamentary Affairs to look at the proposed amendments and incorporate these in to the Act.

The high point of the campaign was the 13-day Hari Long March of hundreds of peasants in February 2010. The march started from the grave of peasant leader Hyder Buksh Jatoi and ended at the Sindh Assembly, Karachi, where the peasants' representatives met the parliamentarians and the deputy speaker. During April 2010, the Draft Bill was discussed in the Sindh Assembly. The Standing Committee on Law and Parliamentary Affairs presented the report of Committee on 29 June 2010. The 11-member Committee, comprising MPAs from major political parties-PPP, Muslim League, etc.—unanimously rejected all the amendments on the grounds that the proposed amendments would curtail landlord's power to eject the tenants.⁹²

Plight of the Tenants: Abuse by Landlords

According to the Tenancy Act, 50 per cent of the produce goes to the tenant and the 'batai' (allocation of shares) is done in the presence of both tenant and the landlord but there are provisions/gaps in the Act that are to the advantage of the landlord. The Act does not prescribe any system of documentation at any time. The produce is divided into shares by '...dharwai, a person who weighs or measures the produce at batai'.⁹³ But the Act does not set criteria for the selection of this person. The produce is deposited after harvest in a Dero '...at a place fixed by that landlord'⁹⁴ till the time of batai. The landlord is entitled to deduct debt owed to him by the tenant from the produce.⁹⁵ In case of dispute the provincial government (Revenue Department) appoints a Tribunal of '...one member only who shall be Mukhtiakar' and no lawyer 'is allowed to represent the parties to such dispute.'⁹⁶

The lacunae in the law, the revenue department/administrative personnel's loyalty towards influential landlords and the vulnerable status of the tenant result in his gross exploitation by the landlord. When the tenant dares to resist and seeks legal channel for dispute resolution, he faces the wrath of the landlord ranging from verbal and physical threats to his life and family to false and fabricated cases registered against him.

During 2007-10, an increasing number of cases were reported in the media of the landlords' abuse of tenants. The violations were committed with the connivance of the Revenue Department, Agricultural Department and the Police personnel. In May 2007, in Deh Nari,

Taluka Mehar, 38 peasants' households were evicted from the land they cultivated and their houses bulldozed by the local landlord (then Federal Minister for Water and Power) and his brother MPA. The peasants had got the 515 acres of land in 1998 under the then Prime Minister's land grant policy for Kachho area.⁹⁷ Among the cases reported in 2009, one included a landlord's abuse of his tenants who were refused due wages for the last 18 years. On tenants' protest, he registered cases against 7 peasants and three of them were jailed.⁹⁸

The case of two tenants and their families further illustrates the point. Jumman Bheel and Bharo Bheel and their 18-member families (ten women 8 children) were cultivating cotton on 15 acres of land in Jaffer Leghari Village in Sanghar District since nine years. The landlord maltreated the tenants and did not pay fair share. The tenants decided to approach the local court after the landlord refused batai for three consecutive crops in 2009. Meanwhile, the landlord, furious at the tenants approaching the court, registered a false case against them.

The court referred the matter to the Revenue Department and a District Officer was appointed to investigate the matter. The District Officer concluded that the land lord owes Rs. 270,000 to the tenants and was ordered to pay the amount. The amount of Rs. 270,000 was their share for three crops-wages for labour of 19 workers for 18 months. This translates as Rs. 800 per month per person. The landlord not only refused to pay the outstanding amount, he did not allow the tenant to pick cotton of the standing crop. As the tenants could find no authority to implement decision of revenue officer, recover the due amount from landlord and ensure that cotton crop was distributed, they asked civil society (PILER in this case) for help.

The District Police Officer, Sanghar, when apprised of the matter through PILER, called the landlord, the tenant and the civil society representatives in his office for dispute settlement. The landlord agreed to make the payment in full and allow cotton picking and share of the produce. However, he insisted that the tenants should vacate his land after receiving payments. Though according to the Tenancy Act, the landlord cannot arbitrarily terminate the tenancy rights, yet the District Officer sided with the landlord and contended that the relation between the hari and zamindar have become troublesome hence the tenants better vacate land after

recovering payment.

A case of extreme abuse of the tenants happened in July 2010 in Umerkot when two tenants went to meet their landlord at his autaq near his village and demanded his share. The landlord's son shot them dead and injured three female relatives one of whom died later. According to the Human Rights Commission of Pakistan, a member of the police investigation team— a relative of the accused— and some influential political figures of the Mangrio community protected the accused. These cases indicate a strong nexus between landlords, politicians and law-enforcing agencies that deprive tenants of justice and ensure impunity to the powerful who violate laws.

During recent years (2007-10), an increasing number of cases of resistance from tenants and small farmers against land lords' extortion were reported in the media. Tenants and small farmers approached judiciary and relevant government departments to register complaints. Rising struggle by agricultural workers in Sindh and Punjab provinces, though sporadic, is attributed to the 10-year old peasants' movement of the military farms in Okara that has now spread to other districts in Punjab including Khanewal, Sargodha, Multan and Lahore.

Tenants' Resistance: Ownership or Death

The resistance movement initiated by the tenants of the military farms in Okara district in the year 2000 for land ownership rights, spearheaded by Anjuman-e-Mazarain Punjab (AMP), gained momentum and spread to several more districts of Punjab during 2007-10. Contesting ownership right of 70,000 acres of highly cultivable land, over one million tenants have been struggling against the military-owned institutions (Military Farms, Army Welfare Trust and Punjab Seed Corporation) in Okara, Khanewal, Faisalabad, Sargodha, Rahimyar Khan, Multan, Pakpatan, Vehari, Shurkot, Renala, Sahiwal and Lahore.

The tenants have successfully resisted the cash-rent and yearly lease system the Military Farms managers tried to introduce in July 2000. Prior to this date, the tenants paid half of the share of the produce under the batai system. Since the movement started, the tenants have refused to pay any share to the Military authorities. By keeping the full crop for their household expenditure, the tenants have reported a marked

improvement in their lives in terms of food intake, access to education and other basic facilities.⁹⁹

In April 2007, 400 tenants of the Jindra Military Farms, Lahore, resisted the Defense Housing Authority's plan to eject the tenants. In 2008 resistance spread to remount lands used for stud farming for the military in Okara where 74 per cent of the total stud farming area is with the civilian breeders and 26 per cent stud farms are with the retired army personnel.¹⁰⁰ The peasants' movement drew strength from the Charter of Democracy, signed in October 2006 by the major political parties, that includes a proposal for a commission to review the legitimacy of all military urban and agricultural allotments.¹⁰¹ Following the 2008 elections provincial minister for Labour and the Peoples Party of Pakistan MPA from Okara, assured the peasants' representatives that the issue would be resolved in favour of tenants. Ironically, meanwhile, several retired military officers got the tenants' cultivable land illegally allotted to themselves through the government. In addition, there were reports in the media that the military officials were getting lands transferred to them. In March 2009, the peasants protested against illegal allotment of rakh (common grazing land) land to retired military personnel in Sadiqabad and Azizabad mouzas in Multan district.¹⁰²

On 19 January 2009, over 2,000 tenants gathered at Renala Khurd and demanded land ownership rights. On 5 April 2009, three tenants were shot dead by the allottees' armed men while 27, including women, were injured in the clash at Kulyana Military Estate. False cases were registered against 120 tenants. On 17 April 2009, over 5000 tenants gathered at the Okara Military Farms on the occasion of the international day of the peasants. The police tried to interrupt the arrangements but the Anjuman went ahead with the assembly.

It is to be noted that during the last military reign of General Parvez Musharraf, the peasant movement had gone through a cycle of state abuse and violence, tenants' resistance and perseverance followed by dialogue and promises by the state that the ownership rights would be soon conferred upon the tenants. Ironically, after the induction of democratic government, the same process of state abuse, resistance and false promises has restarted.

On 24 February 2010, the military farms admin-

istration tried to raze down the houses of some tenants in Okara and eight tenants, six of them women, suffered minor injuries in the clash with the police personnel. The incident led to a round of dialogue between the government and the Anjuman representatives, and the Punjab Chief Minister assured them the ownership rights would be granted soon. On 9 March 2010, the peasants of Okara and Khanewal started a long march towards the Provincial Assembly Building, Lahore. The administration blockaded the inter city roads at various points and at the Grand Trunk Road. The women leaders of the AMP were able to reach Lahore and stage a sit-in in front of the Assembly Building. The AMP leadership was invited to a meeting with the government functionaries and the Chief Minister gave written assurance that '... no state land allotted to the departments but under cultivations by the muzareen will be offered for sale to any multinational or local company.'¹⁰³ On 17 April, the AMP tenants again took out a rally and staged a sit-in at the Mall Road, Lahore. Again the government representatives called the AMP leaders and assured them the land ownership would be soon transferred to the tenants.

In May 2010, another conflict erupted when the owners of the Roberts Agricultural Farm raided the villages with the help of a large police squad, interrupted threshing of the wheat crop and arrested several tenants. The Farm has been recently sold to a new owner. The tenants blocked the roads and put an armed resistance against the entry of the new owners.

In June 2010, over 3000 peasants gathered at the Bail Gunj Army Welfare Trust, Pakpattan, to commemorate the death anniversary of two AMP activists. Both had died at the hands of the Army and the police sponsored gangsters in 2002 and 2005 while they were at public rallies to demand land rights. The Bail Ganj 1400 acres of fertile land were cultivated by tenants since many generations. The tenants were evicted during General Zia's regime. In a daring move, the land was taken back by the AMP peasants in 2006 from the administration of the Army Welfare Estate. In 2009, around 200 acre of land was again taken over by the military personnel. The Bail Ganj and Dulmain Gunj Army Welfare Trust has over 10,000 acre of land. The tenants are demanding their 200 acres of land back from the army.¹⁰⁴

Though Anjuman Muzarain Punjab has still not achieved its goal-land ownership rights-it has

successfully put the tenants' rights on the national agenda and pushed the government to consider granting land ownership to peasants. The success of the AMP is mass membership and its tenacity to remain true to its goal and slogan-Maliki ya Maut (Ownership or Death).

Tenants' Resistance: Seed Farm Setharja, Sindh

At Setharja Farm, run by the Sindh Seed Corporation, 87 peasants cultivating 900 acres of land, put up resistance for the first time in July 2007 against 'unlawful and corrupt' practices of the farm administration. The management did not give the tenants their share in full in 2007 and when in July 2008, the managers tried to pick up the entire wheat crop the tenants resisted the move and demanded their share. On 26 July, the management called police for security cover. The police used baton-charge, tear gas shelling and aerial firing. Several tenants, including women and children were injured in the clash. The Setharja town people observed complete strike against police brutality. The tenants' representatives observed token hunger strike and called a press conference at the Hyderabad Press Club on 10 August. In September the Corporation constituted a committee to settle the dispute between the farm management and the tenants.¹⁰⁵ The Pakistan Institute of Labour Education and Research investigated the matter and facilitated the tenants in negotiation.

A long list of irregularities and malpractices were reported by the tenants. According to the rules, when the wheat crop is used for seeding purposes, the farm management pays the tenants' share in cash on market rate so that the tenants are able to purchase wheat for subsistence on time. Since 2007, the management did not only delay the payment but give less than due share. Cotton picking charges and the cost of diesel for tube-wells were not paid to the tenants. Land development cost, including charges of cleaning/repair of Noot Miner (canal) were forcibly extracted from the tenants in violation of the law.

The Sindh Seed Corporation manages eight (8) farms in Lodhra, Ghotki, Setharja, Sakrand, Kotdiji, Ruk, Lakhi and Sangi in Khairpur district spread over a total area of 6,232 acres. The Corporation was established in 1976 to ensure provision of certified seeds of wheat, cotton and rice to the farmers. In 2000, the Asian Development Bank proposed its closure in view of its poor performance¹⁰⁶ and in September

2001, its operations were suspended on the decision of the Sindh Cabinet.¹⁰⁷ During the period, tenants provided the inputs themselves and continued cultivation. In 2004, a Committee recommended its revival and in 2006 its operations were revived with a reduced workforce.

The PILER field investigation indicated similar terms and conditions of work and issues faced by the tenants at Kotdiji Farm and Pai Sakrand Farm.

Right to Shelter: Usurpation by Landlords

In addition to the lack of ownership of the land they till, agricultural workers are deprived of access to land ownership for housing and shelter. Land management and tenure systems, policies and legislation that help achieve adequate shelter and security of tenure to rural population are either obsolete, in shambles or in many instances, do not exist. Currently agrarian and non-agrarian land in rural areas is managed through dysfunctional systems operated by patwaris, tehsildars, tapedars and mukhtiarkar. The Registration Act 1908 does not register titles but only documents. The Land Acquisition Act 1894 does not cover resettlement, relocation, loss of livelihood, or the rights of affected persons without a land title or those with usufruct rights. The absence of a secure system of land title management has impacted the rural population the most. The peasants, tenants, wage workers and small farmers live in villages surrounding or closer to the agricultural lands. Though the villagers have had the abodes on the land for the last many years, or since several generations, they have no sanad or lease documents to prove ownership of the houses or huts. The obsolete land record management systems and the peasants' vulnerable position (low literacy, lower status) deprive them of the access to registration and documentation process. In most of the cases, land belongs to the state. The local landlords often in their greed to acquire more land, in collusion with the Revenue Department, forcibly and illegally evict the tenants. The following case is illustrative of this abusive practice.

In March 2009, a group of residents of the Issa Khaskheli Goth of deh Bittor, Taluka Sinjhor, District Sanghar, fled their village as they feared an attack by the landlord who claimed fabricated ownership of 12 acres of land of the village comprising 150 houses and had fabricated false cases against three villagers. The land was

owned by the Irrigation Department who issued the relevant document in favour of the villagers. The landlord Varyam Faqir owned 10,000 acres of land, was convicted of corruption in 2002 (fined and jailed for 7 years) and had earlier attacked the small goth in 2005. The village, settled more than 40 years ago, had a mosque, imam bargah, school and a graveyard. In 2007 the landlord bribed the District Officers Revenue of Sinjhora and Sanghar to declare that no village existed on the site.

On 23 March 2009, the group moved to the Karachi Press Club to protest and seek justice. The landlord's men came to the Press Club and threatened the group. One of the elderly villagers died of heart attack. Meanwhile civil society organizations provided support, flagged the issue and helped the villagers register FIR against the landlord and his accomplices who were then granted bail by the court. Later the court cancelled the bail and ordered arrest of the culprits who, however, escaped from the court premises. It was only after determined pursuit of civil society actors (including PILER) that the villagers' houses were measured and demarcated and finally the villagers were awarded ownership document sanad, in August 2009, given to each head of the household.

Bonded Labour in Agricultur

Tenants and sharecroppers, due to their precarious socio-economic status, are compelled to take loans from the landlords for daily subsistence and agricultural inputs. The landlord's greed and inhumanity and the tenant's disempowerment transform the work relations in to debt bondage: the tenant and his family members lose their freedom to move and/or choose another employment till the accumulated debt is paid off to the satisfaction of the landlord. Despite its prevalence, magnitude and intensity of exploitation, the extent of debt bondage is not established. The Agricultural Census does enumerate households under debt but does not specify debt bondage.

According to the 2000 Agricultural Census, 1.5 million agricultural households were under debt.¹⁰⁸ The next, sixth census, due in 2010 was not yet launched at the time of this report (July 2010). No study was undertaken either by the state or the private sector to investigate the extent of bondage in agriculture. Unofficial estimates do indicate increase in the number of bonded labour. One of the indicators is the rising number of bonded labour freed through inter-

vention of human rights/labour rights organizations and the judiciary. During 2008, the HRCP noted 21 such interventions, freeing 539 tenants out of the clutches of landlords. In 2009, 25 interventions led to the freedom of 731 peasants from the farms of the land lords mostly in the Sindh province.¹⁰⁹

The petitions for release are filed under habeas corpus (Section 491, Cr. Penal Code) mostly by civil society organizations and at times through suo moto notices by the judiciary. The relevant law, Bonded Labour System (Abolition) Act 1992, is not used in these cases. The main concern of habeas corpus petition is to secure release of the tenants from illegal detention. Under habeas corpus petitions no dispute settlement is sought, and if the tenants have grievances against landlord, they can register an FIR in the court. Unfortunately, the tenants are not empowered enough to register FIR, and in rare cases if they decide to approach the court, the judiciary, the administration and the law-enforcement agencies are all under the influence of landlords and simply refuse to register FIR. Hence, the landlords remain unaccountable and revert to hiring other batches of tenants under similar terms and conditions, while the freed tenants either land in the camps or end up with toiling for other landlords and thus exploitation and debt bondage is perpetuated. In rare cases when the FIR against the landlord does get registered, it is next to impossible for the haris to get justice due to the influence of the landlords on the judiciary. The following case illustrates the point.

In late 2009, a hari Pono Kohli escaped from the farm of a landlord and approached the Society for the Protection Against Rights of Children (SPARC) who helped him to file a petition at the District Court, Omerkot, for the release of his 32 relatives from illegal detention of the landlord. When the Court gave order for the release of the detainees, the landlord forcibly took the haris from his village and secretly detained them at different locations in Khipro. One of the haris escaped and approached Green Rural Development Organization whose activist was recently awarded a human rights award by a US organization. On the pressure built by the civil society and the involvement of the US Embassy in the case, the haris were finally recovered by the police and freed by the District Court. The civil society organization helped the haris register an FIR against the landlord in District Court Omerkot

where he got an interim bail which was later turned in to a permanent bail. Meanwhile the landlord filed a constitutional petition against the hari in the Sindh High Court. The Green Rural Development Organization and PILER jointly engaged a lawyer to pursue the case on behalf of the hari and he appeared in the High Court 14 times from 14 January 2010 up till 12 April when the court reserved its decision. The landlord is still free and unpunished.

Unfortunately, there is hardly any case on record, filed under the relevant Bonded Labour (System) Abolition Act 1992. The primary reason for non-use of this piece of legislation lies in its Section 9 of the Act that delegates the responsibility to the Provincial Government to specify through notification '...a District Magistrate to ensure the provisions of this Act'. According to a legal expert, the provincial governments, from the date of the enactment of the Act in 1992 till the writing of this report, have not issued notification to this effect to any district magistrate.¹¹⁰

Fisheries

Little Dividends for Small Scale Fishers

The fisheries is an important source of livelihood for the communities settled along the Sindh and Balochistan coastline. The sector includes inland water bodies-notably the Indus delta that covers 600,000 hectre of land, other rivers and their tributaries, canal irrigation system, natural lakes, storage reservoirs and small and large size ponds. In Sindh, fishing communities are settled in the coastal areas of Karachi, Thatta and Badin districts where as in Balochistan, fisherfolk mostly reside in Gawadar, Pasni, Jiwani, Ormara, Kalamat, Sur, Sonminai, Damb, and Gadani districts. The number of fishers directly dependent upon the fisheries is estimated to be 400,000. In addition, about 600,000 people are involved in the ancillary industries.¹¹¹ Besides Sindh and Baloch ethnic fishing communities, settled since ages, a number of communities of internal migrants (Pathans) from Khyber Pakhtunkhwa and the Bengalis and Afghans immigrants and refugees from Bangladesh and Afghanistan, work as crew helpers, watchmen or manual labour at harbours in the city. Officially¹¹² fisheries workers include crew members employed on craft plying in marine and inland water bodies as well as those engaged in seafood processing plants, curing yards, fish carriers, fish farming and other auxiliary industries.

Growth Potential and Government

Initiatives

Pakistan produces 4.5 million to 6 million metric tons of fish products in a fiscal year, of which approximately 70 per cent is marine production and 22 per cent aquaculture and 8 per cent inland capture fish.¹¹³ The value of the present catch alone, it is believed, can increase manifold with investment in fish harvesting and handling techniques, processing, chilling and storage, marketing and value addition.¹¹⁴ Previously, 50 per cent of the catch was exported to European destinations, but due to lack of quality control in the local processing units these were de-listed by the EU in April 2007. The EU ban was a serious setback for Pakistan's fisheries sector. Currently, both the government and private sector are making efforts to meet the EU standards and engaged in modernization of vessels and improvement in the harbor infrastructure. In April 2010 the country completed its third year of EU ban on fish exports. However, despite the EU ban, the sector has experienced a 12 per cent growth in 2008-2009 as the seafood export is now diverted to Southeast Asia (China, Korea, Thailand, Malaysia, Indonesia, Hong Kong) and the Middle East (UAE, Egypt).

The share of the fisheries sector in the country's GDP is minimal, i.e. 0.3 per cent¹¹⁵ though it is believed it has huge potential. Negligence and lack of institutional capacity of the concerned departments are cited as major constraints towards a sound growth of the sector. Though several policies and plans were envisaged in the past, these did not result '...in any great leaps forwards; planning has remained haphazard'.¹¹⁶ In 2006 the Pakistan National Policy and Strategy for Fisheries and Aquaculture Development was formulated to increase the contribution of the fisheries sector to the '...national growth, poverty alleviation and food security'.¹¹⁷

In 2007, under the Competitiveness Support Fund (CSF), a joint initiative of the Finance Ministry and the USAID, the issues plaguing the sector were identified and a work plan chalked out. In 2009, the CSF provided assistance to the Sindh Fisheries Department on a series of initiatives and programs including developing the fisheries of the Indus delta region and improving the income and livelihoods of the indigenous fishermen of Thatta and Badin.

The Sindh Fisheries and Aquaculture Strategy 2010-2013, unveiled in September 2009, talks of plans that would not only result in the eco-

conomic growth of the sector but social and human development of the work force affiliated with fisheries including: '...training and skill development of staff and fishermen; development of warning and rescue centers in coastal areas to protect lives and assets of fishermen; development of post harvest facilities such as jetties, processing plants and cold storages etc, establishment of model fishermen villages to upgrade their living standard; provision of soft loan to the fishermen/farming community'. While development projects have been initiated, implementation of Sindh Annual development plan 2009-2010 is lacking. Funds allocated to the projects that include improvement of fishermen settlements in rural coastal areas of Sindh (Rs.250 million) and inland fishing improvement (Rs100million), had not been utilized as of May 2010.¹¹⁹

Terms and conditions of work

Though the development initiatives and growth in seafood exports are observed, small-scale fisher's life did not experience positive changes in the years 2007-2010. The workers in the sector are poorly paid or barely able to eke out a living and have no access to social protection schemes offered by the state. Despite hazards and risks involved, no occupational health and safety system is in place. Employer-worker relationship remains informal and workers are excluded from labour legislation. In addition, deteriorating marine ecology system and rapidly depleting fish resources threaten the livelihoods of workers. Fishing communities cite increasing overfishing, activities of foreign deep sea trawlers, use of harmful nets, pollution and reduction in fresh water flow from River Indus as factors for depletion of fish resources. The issues fishers face today include exclusionary, neo-liberal policies, exploitation of natural resources by powerful stakeholders (multinational companies, Pakistan Army, local elite) and climate change.

In addition to work related issues, fishers are socially marginalized. The fishing communities are deprived of basic amenities. Drinking water is a major problem in the villages along the entire coastline that stretches from Sindh to Balochistan. Even the villages located in three towns (Keamari, Lyari, Bin Qasim) of Karachi megapolis have no access to piped water, electricity and proper roads. Water is purchased from the tankers, putting additional burden on already meager incomes. The socio-economic conditions of fishers settled in Aathar, a coastal

village in Kharo Chaan, Thatta, typify the situation of the fishing communities. The population of Aathar and surrounding villages is 7,000. The residents of 1,400 households have no access to safe drinking water and sanitation. Water pumped from wells is brackish and the community suffers from many ailments. There is no health facility and due to non-availability of even lady health visitors in the area, maternal mortality and infant mortality rates are higher. There is just one primary school in the area.¹²⁰

Wages and Mode of Payment

Marine fishers on small fishing boats managed by two to four persons go for catch nearer to the coastline for 24 to 36 hours. Big launches with larger crew (30-35) remain in deep seas for 20 days a month. Remuneration depends on the catch divided according to the traditional sharing system called patti (literally, leaf). In either type of boat, after deduction of expedition expenses, i.e. diesel, ice for storage, food for crew, the catch is divided in to two portions. One is kept by the owner of the boat. The other portion is divided among the crew. In the traditional patti system, nakhuda (captain) is given 3 patti (2 from the owner's portion and one from the crew's); engine driver similarly gets 3 patti; for-man gets one and a half patti (half from the owner, one from the crew's portion), and the remaining portion of the crew is divided among crewmen.¹²¹

Impact of Inflation

For fishers on small boats, catch has decreased during the last three years due to marine pollution and over-fishing. Also, the cost of fishing expedition has increased manifold owing to fuel and food price hike. Thirdly, the catch is erratic and never steady. Hence, the fishers do not enjoy any guarantee of minimum wages to be received monthly. Though the rates of small fishes used for fish-meal have increased two-fold since 2007, the benefits have not trickled down to the fishers. Inflation and price hikes have made it difficult for the fisher's household (with average family size of 7.6 members) to make ends meet with the same amount of income as was done three years before. Average monthly income shared by one of the fishermen working as a captain on a boat was reported to be Rs. 8,000 to Rs. 10,000.

The households have no option but to reduce expenses to survive. 'We don't eat three full meals any more but two meager meals of whatever is available'.¹²² Purchase of clothes four

times a year is reduced to twice annually. Healthcare from private clinics has become unaffordable and replaced with cumbersome visits to poorly-equipped government hospitals and dispensaries. Children who were sent to private schools three years ago had to shift to government schools or in some cases dropped out altogether. Repair and maintenance of houses which require some certain amount of money have been suspended.¹²³ This corroborates with other studies that indicate the poorest households now spend over 70 per cent of their income on food items and their ability to meet health and education expenditure has been seriously compromised.¹²⁴

The fishers were of the view that though export has grown, the profit remains with exporters and businessmen. There was little evidence of the outreach and impact of government development projects for the fishers, while small-scale partnership (community-state) projects were mentioned by some fishers. The state policy, it appears, has given priority to commercial and short term goals pushing sustainable resource utilization and livelihood rights of small scale fishers at the back burner.

Collective struggle

The Pakistan Fisherfolk Forum (PFF), a grass-roots organization, has now a membership-base of 32,000 workers mobilized through 148 units or community-based groups spread along the coast and in the proximity of in-land water resources. The PFF has been raising and addressing core issues linked to dignity of survival and sustenance of the fishing communities. During 2007-10, the PFF campaigned against unsustainable development projects of the state and private sector and the exploitation of fish resources by business tycoons and political elements. The campaigns included abolition of contract system, restoration of Indus Delta, ban on deep sea factory trawlers, ban on dumping industrial wastes in the sea and water bodies and curbing mega development projects and appropriation of land by the Army along coastal areas.

Abolition of contract system

The PFF's persistent and prolonged struggle against the exploitative contract system finally compelled the Government of Sindh to scrap section 7 of the Sindh Fisheries Ordinance 1980 through a notification issued in October 2007 and introduced a fisher-friendly license system. But the struggle continues as the contractors

took to resisting the new system through the support of and kickbacks to local feudal lords cum politicians, local administrators and the police personnel. Fabricated criminal cases were registered against local fishers by those who illegally occupied fishing waters including Narreri Lake in Badin district. The PFF's struggle against illegal and brutal acts of former contractors and their allies resulted in removal of occupiers from fishing waters and the fishers were resettled at their native places.

Similar case of illegal occupation occurred in Chotyari Reservoir. Spread over 100 sq km near Sanghar town, the waters of the Reservoir were forcibly occupied by a former contractor who approached the Fisheries Department for an extension of his contract and on refusal filed a petition in the Civil Court Sanghar. The case continued for 13 months as on each hearing the Judge gave the stay order. Finally, through PFF intervention, the stay order was removed by the court in July 2008. But the fishers' rights could not be restored as another politically influential individual, with the support of District Police Officer forcibly occupied the reservoir and registered false cases against fishers and the PFF activists. The PFF organised rallies and a visit of media personnel to the site. It was only after the President of Pakistan personally intervened that his relative withdrew from the reservoir in December 2008. The fishers have to continuously fight against the influential and corrupt politicians and feudals to protect livelihood rights by means of advocacy, provision of legal aid as well as meetings with concerned government stakeholders.

Saving Indus Delta

The Indus Delta, spread over 52,800 sq km, is the 7th largest delta in the world having 17 creeks. Degradation of the delta and its eco-system has impacted the livelihoods of the communities and caused migration of about 3 million people. The ecological degradation of the delta began with the development of mega irrigation infrastructures on Indus River in pre-partition era. Nineteen barrages and 43 canal systems with 48 off-takes on the Indus River System had been constructed so far, which have reduced the freshwater discharge in the deltaic region to one-fifth of the natural flow.¹²⁵ Besides the irrigation dams, the agricultural effluents from the Left Bank Outfall Drain and Right Bank Outfall Drain have further degraded water resources in the Indus River System. Though the impact of dams on the Indus River System is

obvious, the state has plans to build several new dams. During 2007 to 2010, the PFF held several seminars and conferences to highlight these issues and suggest alternatives. It also organized 13-day long march commemorating the international Rivers Day in March 2010.¹²⁶

Resisting illegal occupation of the community graveyard

The Pakistan Fisherfolk took up another struggle with the military agencies in Karachi against the occupation of a graveyard in Chasma Goth, Bin Qasim Town by the Malir Cantonment Security Forces. The 100 year-old graveyard is used by more than seven coastal villages which have a combined population of 100,000. In October 2009, the military personnel intruded during a burial asking the villagers to bury the dead elsewhere. On 20 May 2010, personnel of the security forces came to build a boundary wall around 300 acres including the graveyard but the fishers resisted the move. The army officials claimed to possess the lease documents of 1,300 acres in the coastal area for the establishment of an army training centre but could not produce the documents. The police refused to register an FIR against the influential agency. On 21 May, the military personnel raided the villages and registered false cases against 350 fishers (male & female) including the PFF Chairperson Mohammad Ali Shah and 18 activists. Facilitated by the Joint Action Committee (of Karachi civil society organizations), the bail application was filed in the Court of the District & Session Judge Malir, Karachi in which the interim pre-arrest bail was granted. Five consequent hearings had taken place. The case is still pending.

Livelihoods and Lack of Disaster Management

The fishers along the coastal belt of Sindh and Balochistan suffered disaster twice during the reporting period. Cyclone Yemyin in June 2007 affected an estimated 2.5 million people in the two provinces destroying habitats, and social and physical infrastructure.¹²⁷ The flooding which followed four days of cyclonic rains left 296 people dead, 195 missing and over 377,000 displaced.¹²⁸ Again in June 2010, Cyclone Phet brought devastation to the fishers' assets and the livelihoods. Factors that lead to devastation include development infrastructure such as the canal and raised road network in katcho plains (river bed) extending into Balochistan and Sindh east of Kirthar Ranges enhancing flood dam-

ages by impeding water flows. Similarly, human dwellings that were located in storm water channels caused most fatalities in Balochistan. Absence of local coping and early warning mechanisms and general lack of awareness with regards to risk management indicating weaknesses in local governance and Provincial Disaster Management Authorities were some other reasons officially cited for loss of lives, livelihoods and assets of marginalized communities.¹²⁹

Detained Fishermen across Border

Another issue, the PFF strongly advocated for during 2007-10 is the end to arrest and detention of fishermen for so-called violation of sea-border between India and Pakistan. The PFF highlighted the plight of the arrested fishermen through public protests, publications, documentaries and statements in newspapers, and lobbying with state officials and the judiciary.

Since more than two decades Pakistani and Indian forces have been apprehending fishermen for allegedly crossing the sea border. Pakistan's coastline is spread over 1,050 kilometers, out of which 350 km coast and 17 creeks are located in Sindh. Most arrests on the Pakistani side take place at Sir Creek, a 96km strip of water that divides the Kutch region in Gujrat, India, and the Sindh region in Pakistan. The border at Sir Creek is not agreed upon by India and Pakistan. Each claims a larger portion of the sea extending outwards from the creek as their Exclusive Economic Zone. The punishment for crossing into the other country's water by the fishing boats is imprisonment for a few months but due to the hostility between the countries, the fishermen languish for years in the detention centers even after completing their imprisonment term.

In accordance with the May 2008 India-Pakistan Agreement on Consular Access, both countries are required to exchange lists of prisoners in each other's custody on January 1 and July 1 every year. On these lists, the number of detained Pakistani fishermen in Indian custody is about 500. India failed to submit the list since January 2009.¹³⁰ Pakistani Senate claimed there are 132¹³¹ to 785¹³² Pakistani prisoners in India. Even after the initiation of the exchange of list of prisoners, the arrest of fishermen continues. In four months, from Oct. 2009 to Jan. 2010, Pakistani media reported arrest of 32 Pakistani fishermen and 53 Indian fishermen, respectively. ■



4. Women in Employment

Of all gender disparities that pervade Pakistan society, most noticeable and deeply embedded is the disparity in economic empowerment. The barriers that hinder women's entry in labour market are systemic, linked to culture and ideology. The section of female population that is pushed, or enabled, to cross the barriers and becomes a part of the labour force, faces a range of discrimination at work place. Economic empowerment, hence, remains an elusive dream for the majority of women workers.

Women's participation (15 years and above) in labour force has remained painfully slow—21.8 per cent in 2008¹³³. It is the lowest in South Asia and one of the lowest among Muslim countries, especially when compared to the global rate of female labour force participation rate that stood at 51.7 per cent in 2008.¹³⁴ The overwhelming majority of women who joined the labour force during recent years have ended up in non-decent and vulnerable work categories.

Following is an overview of the status of women in labour force during 2007 -2010, outlining the constraints they continue to face and the adversities they confronted during recent years, including economic crisis, fuel and food price hikes and the impact of 'war on terror' and terrorist activities.

Data Limitations

Pakistan suffers from a number of constraints, including lack of gender disaggregation, in enumeration and data collection in all sectors. Lack of institutional coordination and insufficient analytical capacity has aggravated the paucity of accurate information on gender. Data on labour and employment is particularly inadequate in terms of its disaggregation by sex. A crucial definitional problem relates to 'economically active population' that includes 'persons of 10 years and above' in the country's Labour

Force Surveys. Internationally, economically active population is counted from amongst persons of 15 years of age and above. The gender-disaggregated data on employed population is collected for six major industry divisions (i.e. agriculture, forestry, hunting and fishing combined in to one, and manufacturing as another monolithic category). Lack of data within important sub-categories, such as textile/garments, leads to partial portrayal of women's contribution to the economy. Adequate data on workers' health and safety and on unionization is also missing from the LFS. In addition, regular, comprehensive and disaggregated data on wages are not available, making it difficult to calculate gender wage differential.

Despite official acknowledgement that women are under-enumerated due to social biases and flaws in sample size and data-collection methodologies, and recommendations by the academicians and the civil society, the national censuses, labour force and household surveys have yet to incorporate comprehensive labour market and economic empowerment indicators to yield accurate information on the status of women in labour force. Small surveys and specific data generated, or analysed, by citizen sector organizations are sporadic and not widely disseminated. Similar is the case with the state's specific efforts towards gender-specific data collection and analysis.

Labour Market Information and Analysis

A note worthy effort during the reporting period is setting up of the Labour Market Information and Analysis (LMIA) Unit by the Ministry of Labour and Manpower, with technical support of the ILO-Pakistan. Operational since late 2006, the LMIA brings out a series of reports on employment trends and its fifth report brought out in June 2009 focuses on women's employ-

ment trends. The reports contain labour market analysis based on a mix of select key labour market indicators (out of 20 internationally accepted indicators¹³⁵) and highlight gender disparities. The report notes that '...although labour market access for women improved over the years, this has not gone hand in hand with progress in the creation of decent work opportunities for the same.'

Non-decent Work Indicators

Of the total female work force, 7 out of 10 women (or 73.8 per cent) in 2008 toiled in agriculture mostly (65 per cent) as unpaid family workers. Only 12.2 per cent found work in industrial sector and 13.9 per cent were engaged in the services sector. Of all the women in the labour force only 22.9 per cent had access to wage/salary work. Of these, 43.9 per cent were paid per piece rate and 12.9 per cent were casual paid employees.¹³⁶

Between 2007 and 2008, share of female employment in informal sector increased from 69.9 per cent to 71.7 per cent.¹³⁷ Work in the informal sector (both urban and rural) and in agriculture, in Pakistan, is considered vulnerable and non-decent as both sectors of economy are out of the ambit of labour laws hence conditions are exploitative and unjust beyond imagination. Women in vulnerable work category include unpaid family workers and own-account workers and 8 out of 10 employed women were working in vulnerable employment.¹³⁸ More women were found to be working for longer hours and receiving one third less wages than their male counterparts. Real wages for women decreased from Rs. 3,607 to Rs. 3,419 per month in 2008 whereas during the same period real wages for men increased from Rs. 4,878 to Rs. 4,917.¹³⁹

Ground Realities: Profiles from the Sectors

While labour market analysis gives an overall picture of current and emerging trends, and is essential for policy formulation, the extent of women's vulnerability as workers, and the magnitude of the issues they confront at work place emerge clearly with focused studies and field data. Below are insights from a survey on garments/apparel factory workers in the informal sector in Karachi and a research study on football stitchers in the global production chain in Sialkot undertaken by the PILER during recent years.

Textile/Garments

An estimated 30 percent of the workforce in textile is female.¹⁴⁰ Within the sector, women workers are concentrated in low-paid, labour-intensive down-stream production (readymade garments, linen, towels), while men dominate capital-intensive ginning, spinning and weaving processes. According to an estimate, 90 percent of the work in apparel manufacturing is sub-contracted, and a large portion to home-based workers.¹⁴¹ Yet the number of small, formally registered factories employing women is significant. A substantial portion of this work is for transnational companies. The extent of global supply chain work, sub-contracted to home-based women is not known, as contractors do not share this information and state mechanisms for documentation are weak or non-existent.

Women workers in the apparel manufacturing sector in Pakistan are mostly young, unmarried, literate (few years of formal schooling), with large family size, living in low-income settlements surrounding the manufacturing units and factories in the cities, working either as home-based piece-rate workers or employed on contract basis in small or medium-sized enterprises producing for local markets or linked with global supply chain.

A survey of 500 women workers employed at 79 small and medium-sized units mainly in three towns of Karachi (Baldia, SITE, Orangi), was undertaken by PILER in collaboration with the Hoisery Garments Textile Workers General Union Sindh (a fledgling unregistered union/group with 500 members in Karachi) during February to May 2009. The Survey revealed 43.2 per cent women of age between 19 to 24 years and 57 per cent were unmarried. Thirty per cent had schooling up to eight years and 22 per cent were illiterate. The overwhelming majority, 97.6 per cent, of women were hired on temporary basis; 80.4 per cent were not issued any identification card; 64 per cent were getting less than the minimum wages for unskilled workers fixed by the government (Rs. 6,000); 92 per cent were doing overtime; 73 per cent did not get weekly holidays; 53 per cent were not given due maternity benefits and of them, only 21 per cent received full three-months paid leave.

The survey indicted better infrastructure at workplace in the city's small and medium-sized factories: 96 per cent women reported presence of separate toilet facility; 89 per cent workers had

access to safe drinking water and the factories were reported to be properly lit and equipped with fire extinguishing kits. Hidden behind these apparently better facilities are the stories of hardship and humiliation suffered by women factory workers. In focus group discussions, it was revealed that often separate toilets for women, in addition to unhygienic conditions, are located at distance and at premises closer to male working areas hence women had to endure catcalls in addition to supervisors' wrath on taking too much time to and fro toilet facility. Canteen facilities are also located likewise, else do not exist at all. Women complained that when they eat in the corridors or other areas they are reprimanded by supervisors for breaking the rules.

There is no visible, or invisible, mobilization of women workers in Pakistan in textile-apparel manufacturing sector though awareness on workplace rights, including the rights of organizing and collective bargaining is increasing. In the 2009 Survey, 56 percent women working in garments factories knew that workers have a right to form unions to negotiate for better terms and conditions. But no trade union/workers group membership was reported by 500 respondents of 79 factories.

Fight for better wages

Fear of dismissal and loss of work was cited as a major reason for lack of initiative for collective action. "We are afraid to talk about unions because we know we will be fired immediately and we cannot afford to lose this meagre income."¹⁴² Most of the women narrated incidents of taking stand against unlawful cuts in wages, denial of sick leave, lower than minimum wages and other unfair practices. The strategies used by them included verbal confrontation with employers/supervisors in a group (of 4-8) and work stoppage to demand a raise, timely payment or gazetted holiday. The outcome was mixed as reported by women. "At times they listen to us. This happens particularly when men too stop work in greater number. But mostly they tell us to get lost. They use bad language and hurl abuses on us. It is difficult to take this humiliation."¹⁴³

The survey indicated that 97 per cent workers never demanded increase in wages and none of them were member of labor union. Lack of access to information and legal procedure, lack of awareness on labor rights, fear of losing employment and threats from employers, unfavourable atmosphere for union activities are the reasons for fragmented and unorganized situation of women workers. Yet minor successes were reported sporadically such as the one noted by the Hosiery Garment Textile Workers Union. Three female union members and factory workers of a garment factory in Baldia Town, Karachi, struggled for increase of wages. After two months of struggle, female workers succeeded in compelling the factory owner to increase monthly wages of women in the cleaning section by Rs 1,000. Now the female workers are receiving Rs 3,500 per month, almost half of the minimum wages!

Women in Football Manufacturing

The research conducted by the PILER in Sialkot indicated women comprised one-fourth (25.5 per cent) of the work force engaged in football stitching. Among females a higher proportion, 72 percent, was between 15 to 25 years of age and the majority was unmarried. Predominance of young females in football stitching indicates restricted mobility and limited options for girls who have to adhere to traditional norms and if they work for wages, it is done either at home or closer premises compared to young men who have greater mobility and options other than stitching at village-based work centers.

Women in Football Manufacturing

The survey indicated a greater number (51.5 per cent) of women had completed five years of schooling compared to 35 per cent of men. But the number of men who continued schooling till 8th grade was almost twice (25 per cent) as much as of females (14 per cent). Again it indicates restricted mobility of women. As field visits revealed many of the villages do not have secondary schools and boys have to commute to other larger settlements for middle level schooling while girls are not allowed to commute that far.

Terms and Conditions of Work

An overwhelming majority of women football stitchers—84.4 per cent—worked on piece-rate and just 15.6 per cent were regular employees. Ninety-two per cent reported they were never given any appointment/contract letter thus were not registered with the Employees Old Age Benefits Institution or the Provincial Social Security Institutions. The majority (84 per cent) was being paid less than national minimum wage of Rs 4,600 per month fixed in August 2006.

Terms and Conditions of Work

Data revealed that women were getting less

wages than men. While a larger number of women, 38 per cent, received up to Rs. 2,500 per month, fewer men (19 per cent) earned this low salary. In contrast, forty-three per cent of men earned between Rs. 3,500 to Rs. 4,500 per month while just 26 per cent women reported they were given that amount. Though it could not be ascertained whether women were paid less wages for similar work, that is, different rate for same ball, or they were given low quality, low-rate ball to stitch. It is more likely that the management discriminated in terms of nature of work given to women: so-called lighter balls were given to women while balls for use in professional matches were sewn by men.

Access to Information

Fewer women workers were aware of existing national labour laws, ILO conventions and the Nike Code of Conduct. Just 13 per cent of women knew about the Nike Code of Conduct compared to 24 per cent men. Knowledge of the existence of national labour legislation was ever poorer: only 6 per cent women knew that laws exist to provide safeguards to workers. Level of awareness of ILO conventions was also poorer among women: 18 per cent women had heard of ILO conventions compared to 36 per cent men.

Custom-built Work Places vs. Home-based Work

The Saga Sports (Pvt.) Ltd. (now defunct) was the first local vendor in Sialkot that constructed, maintained and operated 12 large, formal workplaces in rural areas exclusively for football stitching, primarily to meet the Nike's requirement for a child labour free production.¹⁴⁴ One of the 12 centres, the Machralla Centre, was exclusively for women, while two other centers had separate halls and toilet facilities for women. The centres' capacity ranged from 350 to 650 workers and these, custom-built on larger premises, comprised spacious halls, storage areas and basic facilities (ventilation, lighting, toilets, drinking water, canteen, clinic, fair price shop, baby care centre, open space and plantation). The centers with official paraphernalia and protocol-registration as workers, timings, supervision, pick-and-drop and lunch facilities, provided a formal work place to an informal labour. The survey indicated that 94 per cent of women football stitchers preferred to work at the formal workplace rather than at their respective homes. The formal workplace provided them the space for social interaction and bonding, learning and

information sharing with other women. It gave them a unique opportunity to meet women from other villages, castes and beraderis as in rural milieu, women's mobility is restricted to their respective villages unless a visit to other village is necessitated by family circumstances and permitted by male kin. At the center, the women developed a sense of solidarity and friendship. They could share family problems and improve coping mechanisms. They helped each other in work.

The formal workplace gave them the opportunity to get away from home chores. They could focus on work and produce more, compared to home-based work where distractions are many and home errands are done intermittently. Even married women with children and support system for childcare preferred to work at a formal place. Only those women who were forty plus and had no support system at home reported they prefer to work from home instead of commuting to the center so as to take care of children and the household tasks simultaneously. The reasons for preferring formal work place to home-based work included access to amenities and better infrastructure, and the space provided for collective resistance and bargaining. The two factors that determined this preference was the provision of transport by the employer and the male support from the communities and families.

Women and Home-based Work

Home-based work done on piece-rate, is generally viewed by many quarters-different sections of society, manufacturers, the state—as an acceptable mode of productive work for women to engage in. In view of social and cultural constraints, particularly in Pakistan, private informal space of one's home is considered appropriate for productive work as it spares woman of the hassle of moving in to the public sphere. For manufacturers, home-based work is cheap as the cost of rent, utilities, and tools is borne by the worker. Also, the employers/manufacturers are rid of the cost of social protection, including occupational safety and health.

A dual and contradictory nature characterizes home-based work. It provides the family with the much needed income to ward off extreme poverty and improve its living, particularly if home-based work is own-account and home workers have entrepreneurial skills. It also has the potential of turning in to a profit generating small or medium sized enterprise. On the other hand

home-based work is deprived of social protection and in many instance use child labour thus leading the family towards potential generational poverty.

A significant difference between home-based and formal workplace relates to the identity of the worker. Home-based work is individual work, done within the confines of private sphere where woman's identity as mother/wife/daughter/sister takes precedence. In contrast, at formal production place, work is part of a collective process that facilitates the formation of individual's identity as worker and the coalescing of a collective identity. Also, home-based work leads to immobility and isolation of the worker, restricting access to information related to rights and entitlements, market trends and opportunities to skill enhancement. In contrast, work at formal workplace necessitate mobility and provides space for social interaction and mutual support, learning and information sharing, thus opening of space for collective resistance against exploitative terms and conditions vis-à-vis rights at workplace.

An increasing number of women are engaged in the informal economy in diverse sectors, mostly as home-based, piece-rate or casual workers on exploitative wages under poor working conditions. Unofficial estimates put the figure of home-based women workers in the informal sector as 75 per cent of the total informal labour force. Official data do not include the category 'home-based' but only indicate that women comprise 53.7 per cent of the informal sector labour force in the manufacturing sector.

Home-based workers include both own account and piece-rate/sub-contracted workers. In Pakistan, the percentage of own-account home-based women workers, who fall under the category of self-employed, is only 13.4 per cent. Most of the home-based women workers are either unpaid family workers (61.9 percent) or employees (24.6 per cent) working on piece-rate.¹⁴⁶

Legislation on Sexual Harassment at Workplace

Women's vulnerable status in society and their participation in lower and the lowest tiers of work force under non-decent terms and conditions make them an easy target for sexual harassment at workplace. Human rights activists and women's groups had been advocating for specific legislation to curb sexual

harassment. The Alliance Against Sexual Harassment—a network of nine NGOs—actively lobbied the issue, facilitated drafting of a new law on sexual harassment and requisite amendments to the Pakistan Penal Code 1860 and the Code of Criminal Procedure 1898, by legal experts in consultation with civil society.

The Criminal Law (Amendment) Act 2009 was incorporated as amendments to Section 509 XLV of 1860 and to the Code of Criminal Procedure 1898 (Act V of 1898) in Schedule II. The Act has rendered sexual harassment both in work places and public spaces a punishable crime. The draft bill on the Protection against Harassment of Women at Workplace was unanimously passed by the National Assembly on 21 January and by the Senate on 26 February and was signed by the President to become a law on 10 March 2010. Under the new law, sexual harassment at workplace is a crime punishable with penalties ranging from compulsory retirement, removal or dismissal from service, up to three-year imprisonment and fine up to Rs 500,000 payable to the complainant.

The Act is applicable to all organizations and establishments, and covers all categories of workers, regular or contractual. Under the law, the employer is required to constitute an inquiry committee of at least three members - one of them a woman - to probe complaints and give their findings within 30 days. The complainant can also approach an ombudsperson if not satisfied with the committee's proceedings or decision. The National Commission on the Status of Women constituted a committee in May to facilitate, monitor and oversee the implementation process of the Act in the country for the next two years. ■

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Section Two





Social Protection: Enabling Equitable Access to Land And Fisheries

Dr. Aly Arcelawn and Karamat Ali

Minimal human security includes decent livelihoods as a universal citizen right, but is mocked by chronic mass poverty in Pakistan, as a consequence of governance rather than resource deficits. Social discourse frames women, and children, as supplementary earners, and consequently results in lower standards for women and children in both rights at work as well as rights to work.

Rights are differentiated from entitlements: not just as concrete reflections of rights, but also as standards that can be altered in a majoritarian democracy unlike rights that cannot be denied. Entitlements may also be differentiated between citizens to achieve similar outcomes in dissimilar situations.

Excluding charity or debt bondage, there are inadequate private or public assets to offset large or frequent shocks to income and consumption among the rural population.

Specialised institutions such as Social Security, Old Age Benefits, Workers' Welfare Fund all perform poorly in coverage and services even for the much smaller urban population. Hence there is little point in simply extending spatial coverage of these unreformed public organisations.

A public system could provide income security, but government in Pakistan is unlikely to respond promptly and adequately, given economic crisis and recurring poor provision of basic services. Hence a proposal for asset transfers, whose returns as level and variability will of course be partly dependent upon complementary public action. Redistribution of assets is explored in two directions as the creation of regulated commons. One is the conversion of large private land holdings; another is public water resources.

To the extent that asset transfers are inadequate,

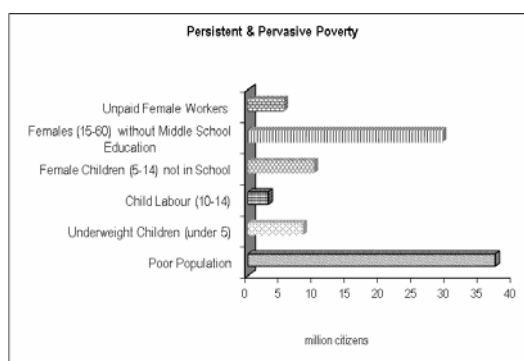
temporarily (such as bad harvest) or permanently (too little land or water), a citizen-based system of entitlements is needed. In the absence of alternative assets, there is need for a security system built upon guaranteed minimum employment for all adults. Ideally this should ensure a safe margin of household consumption above the poverty line.

Voice is essential to secure livelihoods as citizens – income security in markets and representation security in public policy. But Pakistan ranks among the worst examples of law and policy for collective action.

Neither the low direct tax-GDP ratio nor the high security-budget ratio suggests a paucity of social resources to fund such universal security. Washington's priorities for employment over decent work must be rejected.

The note has no pretence to academic standards, nor aims for a concrete plan for policy implementation. Its modest aim is to illustrate some issues for public debate.

Several issues require more serious attention than given here. These include the what and how of collective action for achieving land reforms; averting subsequent increase of child labour in family farms, and decrease of paid female employment; mitigation of expanded differentia-

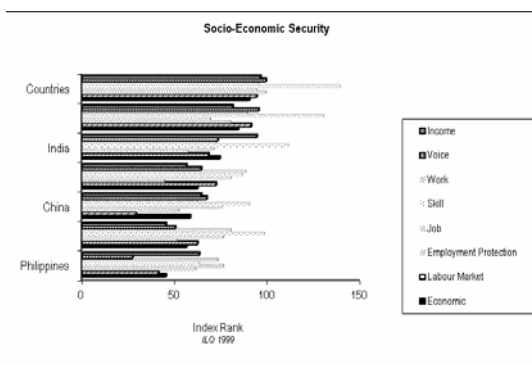


tion between workers and peasants.

Why should any citizen be ever threatened by under-nourishment? At \$800 per capita, average annual income in Pakistan is nearly five-fold of a conservative poverty line of Rs 10,000. Purchasing parity adjustments suggest an even higher differential between average income and \$ a day type poverty lines. Other illustrations of adequate social resources are domestic production of 200 kg per capita of main cereals (wheat, rice and maize); above \$ 100 per capita in foreign exchange reserves plus aid and debt; and exports of more than \$300 per capita, Yet, at least 40 million men, women and children remain at risk because the state fails to assure adequate income [would jump with more humane standards such as that of Sri Lanka for low child under nourishment, low infant and maternal mortality, high primary education, low debt bondage].

As the atta crisis of the year 2008 illustrated, many millions can easily slide into ultra poverty, and several million made chronically poor, because of food inflation despite bumper harvests. Escaping this fate requires appalling tradeoffs: indignity of charity; brain-numbing in religious or state security forces; humiliating debt bondage; abusive trafficking of children and women - all in evidence in Pakistan despite 62 years of supposed freedom from a predatory colonial state. Food subsidies through a limited number of urban-based "utility stores" are an inadequate response. The major slash in development expenditure is being cast as fiscal restraint without any acknowledgement of the loss in jobs and income to the poor.

Poverty of their guardians forces millions of children into labour and away from schooling. A particularly damning indictment of the state is the number of children in hundreds of thousands of children who will not live to celebrate the fifth birthday.



With inadequate and insecure livelihoods, citizens cannot afford collective action for other fundamental rights to life, let alone attain and sustain them. In a vicious cycle, deficits in other rights contribute to the chronic shortfalls in decent livelihoods, well illustrated by debt bondage, child labour and gender discrimination in both rights to work and at work.

Nothing but a guarantee of decent income will avert such tragedy. This is not to propose that the state be the full time employer of last resort. What we do suggest is that the state be made responsive and responsible, beginning with transfers of public assets, but not excluding the need to redistribute private assets.

Hence a focus on livelihood rights in a framework of citizen rights which are secured by legal entitlements, delivered effectively i.e. efficiently responsive.

Realism requires that little should be expected of the state and its donors responsible for governance deficits. This note therefore invites discussion within social movements for a richer agenda of collective resistance to private and public expropriation of marginal livelihoods in the first instance, and subsequent struggles for better lives.

The note is only a partial reflection upon social security, since it reflects upon needs and responses of only a section of people - in households whose income security is, or can be, provided by guaranteed access to (fertile) land and (unpolluted) water.

In its comprehensive review of socio-economic security, ILO places Pakistan pretty much among the bottom 10 of around 100 countries. The data is a decade old, but there is nothing to suggest any serious change in the rankings, which is also much the case for the country's rank in the Human Development Index.

Decent Livelihoods

Howsoever one bases this claim, residents of any country do have a right - and hence claim upon the state - to adequate and secure livelihoods, citizens and migrants alike.

Public action can be temporary, as special support limited to illness, disability, or unemployment. Much preferable is to enable permanent access (and use) of assets at a level that ensures a decent life. Complementary public action

would ensure that asset returns fluctuate as little as feasible, and never fall below a threshold (real) income.

What would be a threshold income? As much as is necessary to ensure a decent life, that includes a fair degree of participation in collective action for cultural and political democracy. The threshold should obviously not contain gender discrimination; except to the extent that women require a higher threshold because of gender-specific needs such as extra or special nourishment before and after childbirth. Age discrimination should best be avoided, again because of special needs of young and old, such as transport, diet, education and medication.

Public provisioning of assets would include both natural and human resources. The latter extends to acquisition of skills for using natural resources productively and sustainably. Also important are skills for supplementary income sources to offset emergency needs and temporary shortfalls in earnings from natural resources.

The right to decent livelihood goes beyond the right to adequate income. Obviously decent working conditions must be present as rights at work.

Discussion also needs to embrace the right to choose a livelihood. Two illustrations from our solidarity experiences may be useful - cattle herders refusing to become farmers as compensation for displacement (in the Saudi funded, World Bank supervised, Chotiari reservoir project); fisher folk declining to become wage labour as compensation for displacement (in various donor funded projects, past and present).

Access to Land and Water

A vast population derives its sustenance from land or water, and generally both. The joint resource need is most pronounced in farming, increasingly even in rain fed areas where irrigation canals divert hill torrents, such as in Chashma.

Obviously, land is needed to conveniently access fisheries, inland riverine or coastal marine. Government remains in denial, an example of which is the project to hand over more than 80,000 acres of coastal land to private "developers" for a nightmarish mix of Caribbean and UAE. On a smaller scale, irrigation infrastructure regularly displaces riverine fisher folk.

Fishing in flood zones (kacho areas) is another illustration of the need for both land and water in fisheries.

Vast ecological damage to the Indus Delta testifies to shortage of fresh water for marine fisheries and to prevent excess salinity in farmland. Some species such as the hilsa disappear in the absence of silt-laden fresh water in creeks. Effluents from agriculture and industry destroy the food chain for fisheries. Manchar lake is a frightening example of mismanaged irrigation drainage, with pollution so extensive that boat people had to abandon the lake, losing both residence and livelihood.

On a larger scale, Badin district is being devastated from the Left Bank Outfall Drain used to remove effluents from upland agriculture; Karachi suffers from unchecked urban and industrial sewage dumped untreated into the Arabian Sea.

Only socially abstract analysis may project a net gain for poverty reduction. This is unacceptable, yet government and donors continue with destructive boondoggles as mega-city development.

Land for Secure Livelihoods

National accounts indicate that enough cultivable land is available to eradicate rural poverty through land redistribution. Annual income from crops and livestock of over Rs 150 billion is derived from about 55 million cultivated acres. Land productivity is then nearly Rs 30,000 per acre. Cultivated land available is around one-half acre per capita (and more as cultivable land) across the rural population of over 100 million. For a conservative threshold of Rs 10,000 the average rural citizen could escape poverty with around one-third of an acre as citizen entitlement.

Of course would need nonfarm employment to offset bad harvests (or bad credit markets). Reversing gender discrimination is implicit in accepting universal entitlement. Similarly, children are assured a claim to assets independently of their parents.

This land-for-income security assumes complementary public action for protecting real income through prices of farm inputs, products and non-farm goods and services (implicit in the expenditure poverty line), plus nonfarm employment

and wages to offset bad harvests (and covariant downswings). It also assumes that the cropping pattern and intensity implicit in agriculture GDP are the best and also ecologically sustainable. The latter is a heroic assumption, suggesting an upward revision of the land poverty threshold.

A modest step in agrarian reform would focus on eradicating poverty among sharecroppers, most susceptible to the abuse of debt bondage. Public policy should impose a floor for size of tenant holding and for tenant shares, or provide a subsistence plot where production is not shared with the landlord.

[Using estimates made above, minimum holding would be about two-third acres per capita if net earnings were equally shared between tenant and landowner. Since net shares get manipulated downwards, a precautionary floor would be tenant farm of an acre per capita. Applied to farm holdings in the Agriculture Census 2000, the standard indicates that tenant farms under 7.5 acres – 70 % of tenant farms – would require either a higher income share to escape poverty, or a larger farm. An exclusive plot for subsistence seems best to ensure food needs even when other higher revenue but riskier cash crops are imposed on the shared farm by the landlord.]

Alternative approaches may be considered for setting the land standard. One may be specially appealing because it lends itself to transparency in setting standards and accounting for ecological variations.

This would base land entitlements upon wheat yields. It could use local prices of atta to deduce the wheat equivalent of a rupee poverty line, then used to estimate land needs. Across the country wheat yield is around a ton per acre. At average wheat price of Rs 20 per kilo (net of production costs), a poverty line of Rs 10,000 requires nearly half-acre per capita, almost the same as total cultivated land of one-half acre per capita among the rural population.

It seems simpler to use the wheat equivalent of a calorie standard that underlies the income poverty line. Translating a rural poverty standard of 2000 calories daily through the calorie content of flour indicates an annual need of around 200 kg per capita. With an average yield of 1000 kg per acre, and assuming production cost at around one-half of production, land redistribution would aim for a rural poverty threshold of

two-fifth acre per capita. Pro-agriculture public policies - such as for higher wheat yields, lower input costs, second crop - would lower this threshold.

This is a result very similar to the one based upon GDP from crops and livestock. Addressing ecological variations indicates a wide range of district wheat yields - could be as low as 120 kg per acre (such as rain fed Karak in NWFP) but more than ten-fold elsewhere (such as irrigated Nawabshah in Sindh).

When committed to land redistribution, public action requires several adjustments or refinements to the land poverty threshold.

The obvious ones include locational variations in land productivity and prices, often negatively correlated but without obvious relief to the poor. One example is rain fed versus irrigated agriculture; another is opportunities for nonfarm income. Yet another perspective would compensate for very young and old family members, or agree to privilege "care work" of adult females. Sustained escape from poverty will then depend upon wheat and other food prices, plus non-food prices. This reinforces the need for public action on relative prices to maintain "real" income.

A politically complex variation in needs of land: at the low end, there may not be enough cultivable land or crop choices when redistribution is confined – to the district, in order to minimize tensions of cultural dislocation, or whatever requires more limited boundaries than province, let alone a "country" of unsettled "nationalities." In addition to other benefits such as protecting female entitlements, cooperative farming can realize economies of scale. Hence vesting land rights in cooperatives may lower the land poverty threshold. The constraint to size may lie more in the limits to (local) social cooperation rather than scale economies in production.

Land Redistribution

Though a decade old, the Agricultural Census 2000 may be used to illustrate additional issues in land redistribution.

Average cultivated land is around one-half acre per capita in the rural population. This indicates that the entire rural population could be provided the poverty threshold of one-third acre for an annual minimum income of Rs 10,000 per capita.

Poverty estimates suggest that at least a third of the rural population is poor. As the right to escape poverty, these 35 million citizens are entitled to around 12 million cultivable acres. At most (if all landless) this would be around one-fifth of available cultivated land. Debt bondage is another priority claim, specially so for sharecroppers and brick kiln workers.

Redistribution should begin with state land, perhaps even from those provided as large land grants to public officials. However, the state does not make available reliable estimates of even state land. State farms indicate insignificant area. More realistically, privately owned land just has to bear the main burden of redistribution through rather low land ownership ceiling per capita [or on self-operated land per capita?]

An essential constraint in the redistribution is to maintain a minimum of one-third acre per capita [or in productivity index units] among those losing land. Unless one takes the reasonable position that large landowners already have other assets that can compensate for allocating them less land than the minimum [which would reduce their burdens of funding other asset transfers to the landless and near landless].

In equitable redistribution, the landless deserve first priority as beneficiaries, and the largest landowners will naturally have to bear the most sacrifices. Over 90 million own no land in the rural population of just over 100 million, whose equal claims would account for over 30 million acres. Even with full expropriation - which contradicts the idea of land rights as a minimum per capita applying to all rural citizens - from those with 50 acres or more, less than half of claims can be met.

The productivity of land will have to be substantially increased if there is a very large gap between land ceiling and floor. For example, a land ceiling of 50 acres per capita can make available at most 12 million acres of cultivable land. This meets the requirement for the current poor, but will not provide universal land-based security against poverty.

The first claim on redistribution would be for those without land. Targeting the poorest one-third or rural population would probably restrict land transfers to those households described by the Census as non-agricultural or livestock holders. If zero land ownership were the basis, then

(pure) tenants would also be included. When poverty is the core criterion, then very small landowners may also qualify. Since targeting requires choice within categories, land distribution can become messy in comparison to a universal target of one-third cultivable acre per capita for the entire rural population. Plus, using household occupation categories violates citizen rights that should be independent of household arrangements and hierarchies.

Should lease or sale be disallowed? Certainly not. Least because some adults are entirely unsuited to farming, plus may do much better in other occupations and make better use of other assets traded for land. It is not even feasible to enforce self-operation or residence in village to maintain eligibility for land transfer. Again, cooperatives would help to prevent "misuse" of what are essentially community resources.

Spatial Issues in Land Reforms

Country availability of land exceeds the country poverty threshold. However, it may be quite infeasible and undesirable to invoke inter-provincial land transfers. And even between distant districts. Which provinces and districts appear land-deficit or land-surplus? How may, should, would one define deficit or surplus, including the 'blindingly' obvious criteria?

The most complex circumstances for land redistribution arise when both land availability and productivity fall much short of benchmarks. Several districts fall into this category. These include the more than 1.5 million in district Gujrat (Punjab) with wheat yield of less than half the average. Much of NWFP has both large land deficits and low wheat yields. Bumper harvests cannot make up the difference. Hence cash crops [including orchards; forest products] may make up the deficit, as they do in e.g. Mardan district with over a million in population. But non-land assets and income will remain important to offset the land deficit. Zhob is an example of fewer alternative assets.

Consider Sialkot (Punjab) district as a different illustration. Its rural population of 2 million owned (in 2000) about one-fourth acre per capita, and hence even less of cultivable land, as compared to the benchmark of one-third cultivable acre. Wheat yield was about average at 900+ kg per acre, indicating that the benchmark may not be lowered on account of very high productivity. If surrounding areas cannot provide for the land deficit, or people do not wish

to move, then complementary efforts will be required to raise farm productivity and provide nonland assets.

With a (then) population of 1.6 million, Sahiwal (Punjab) district is an example of land deficit that may be offset by high productivity - of 30 percent more than the average wheat yield.

Could high levels of land per capita be very misleading as to the potential of land distribution for asset security? Accommodating nearly 3 million people, Districts Dadu and Naushero Feroz (Sindh) are examples of the need for caution. Owned land per capita safely exceeds the land threshold, but cultivated acres show a clear deficit. While the latter has high wheat yield - of 50 per cent larger than average - to allow downward adjustments in the land benchmark, Dadu's yield is almost the reverse at 650 kg per acre.

A final example of the case when both owned and cultivated land indicate no deficit, but wheat yield is quite low, and not necessarily offset by productivity of other food [or cash] crops [or livestock]. With a population of over 1 million, Attock (Punjab) district has land per capita ratios well above the benchmark. However, wheat yield is less than one-third of average. Jacobabad (Sindh) is similar, as is Turbat (Balochistan).

Compared to a wheat consumption benchmark, production of wheat per capita is a composite indicator of land inadequacy [productivity adjusted for population]. Providing room for modest increase through a higher share of wheat in cultivated acreage or larger cultivated acreage, a benchmark of 200 kg per capita may be used. The inference is stark - low productivity is generally unable to offset a 'high' endowment, suggesting that the lower population density of a district in fact reflects the lower capacity of land to feed its population. For example, Attock has nearly an acre of land per capita and well over half an acre of cultivated land, but wheat production is not more than 100 kg per capita - half the wheat benchmark.

A more modest approach to land redistribution would focus just on the existing poor. Perhaps with the argument that non-poor have other assets. Ideally, those barely above the poverty line should also be included.

If only a fourth of the population was income

poor, then land transfer needs would be similarly smaller. Enough land may be available for this smaller population even when the rest cannot be enabled to secure the land minimum (without much dislocation).

Redistribution of public water can be a serious supplement, such as to farms at tail end of irrigation canals. It can also be a substitute for land redistribution - such as in much of Balochistan, or Tharparkar in Sindh and Cholistan in Punjab. The scope for redistribution is substantial - nearly half the water used is simply wasted; more can be "saved" by changes in cropping patterns, away from ecologically unsustainable crops that are also a huge recipient of not just untenable but also unnecessary public subsidies (sugarcane?). Implementing such redistribution can be problematic because new irrigation infrastructure remains one of displacement (Tarbela, Ghazi-Barotha) and dispossession (Chotiari; Chashma).

Public Finance

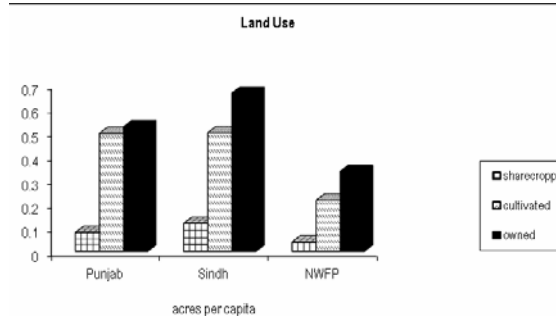
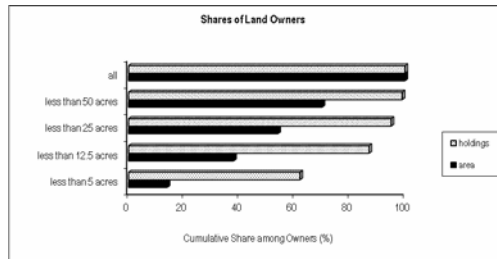
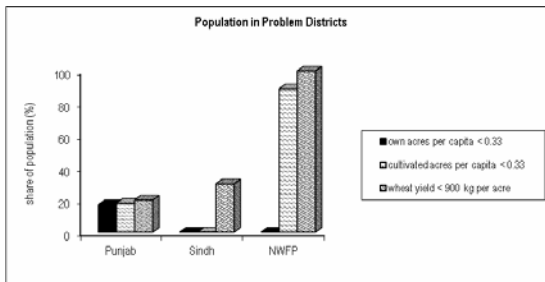
How is the land redistribution to be financed? Some state land would be available, but there has to be much reliance on redistribution of private land.

Simple expropriation seems infeasible. What then will be the public subsidy required, specially for realizing land entitlements of the poor. If one could assume that the poor can pay for the land in affordable instalments, then the public subsidy is essentially that of providing credit for land purchase. This can be imposed upon land losers, indirectly through compensation in fixed maturity, low interest bonds. But to do this, the state needs to challenge the Shariat Bench Supreme Court judgment as prior compensation for compulsory acquisition of land; or just ignore the decision as it does blatantly in mega infrastructure projects.

It is more probable that many of the poor could not pay for land over even a generation, unless they were given additional land. Alternatively, they require a partial write-off for the debt. The issue of subsidy has special significance for children.

Income or other tax on agriculture. What revenue possible to pay for land purchase? Give lifetime tax exemption in exchange for a certain amount of land?

As suggested earlier, it may be infeasible to



move people to distant areas. Transfers across districts should be definitely avoided. Hence some families with less than minimum land will be entitled to special assistance for raising land productivity or enabling nonfarm incomes.

If cultural rights are acknowledged, then similar public assistance will be required for families, which will suffer serious loss of community through dislocation. Whether a land-surplus host community refuses to accept migrants, or migrants refuse to dislocate, special assistance may be mainly funded by taxing (remaining) land-surplus areas.

Fisheries

Most fisher folk are among the chronic and especially vulnerable poor. Hence their relevance to better claims to social assets, public and private. For those sensitive to cultural hierarchies, fisher folk are at special risk.

There are several kinds of communities that have a claim on fisheries, which suggests caution in generalisation. A (likely minority) engages in farming along with fishing, mostly in the Indus delta. Another (probable majority) depends primarily on fishing, combined with some supplementary income from other non-

farm activities. Yet another group relies primarily on labour for handling and processing. Another perspective is self-employed boat "owners," sharecropping "crews," and the "rest."

As with inequity in cropland, the core issues of fisheries are sharing (in control of) public assets and in redistribution of private assets directly or indirectly. Similarly, public action cannot end with asset transfers, but must also embrace specific action for decent returns to assets. For example, "protected" fisheries are necessary but insufficient if marketing is exploitative.

Both the nature of fisheries and paucity of data provide less number crunching than that done for illustrations of land redistribution.

In 2006 (before the EU ban on imports as unsanitary), Pakistan exported seafood valued at \$ 180 million. Of total production at around 600,000 tons, sea food accounts for more than two-thirds; a similar share is in total vessels (and more in capacity). Sea food data is likely to be an underestimate in the (deliberate) absence of credible records on harvesting by deep sea trawlers.

Fisher folk population is estimated at around 5 million, using an estimate of fish harvesters and fish workers as 0.7 million, and family size of 7 persons.

As the basis for equitable fisheries, strategies for asset transfer are both simpler and more complex as compared to redistribution of cultivable land.

Large water bodies – whether inland as rivers, barrages, wetlands etc or the sea - are constitutionally public resources. Hence government simply has to convert its sole jurisdiction to community stewardship. Some collision with powerful "private" interests is inevitable, but much less than confrontation with large landowners in land redistribution, except where land and water lords coincide.

Complexity appears, at least for us, because water resources should allow public access, however regulated. This is unlike land re-distribution where specific parcels of land can be assigned to specific persons. Hence externalities are inevitable and must be handled innovatively. There is also complexity because fresh water is needed both for crop agriculture and fisheries. Both farming and industry need drainage, which

degrades downstream fisheries on a very large scale. These issues are important for both inland and marine fisheries; the latter is tragically illustrated by the desertification of the Indus delta.

To achieve equitable fisheries, the most important public action is to reverse state support from supporting commercial fisheries to promoting largely subsistence fisheries. This will require a complete ban on deep-sea trawlers, which discard several folds more than they store and thereby deny such harvest to fisher folk. A similar change is required in inland fisheries where the (monopoly) contract system is made extinct in favour of access by community fisher folk.

Transfer of Control Over Water Bodies

Hence, the essence of our proposal is simple - effectively transfer state control over water bodies to "local collectives," in a manner that ensures equitable access to fisheries by local (resident) fisher folk, including crews of small vessels and workers who handle harvests.

Would equitable fisheries provide universal escape from poverty? One indicator is GDP in fisheries, of Rs 24 billion (mostly marine fisheries). At a conservative threshold of Rs 10,000 per capita, around 2.5 million citizens can escape poverty. This is half as many estimated to depend upon fisheries. If all families chose to remain in fisheries, annual income would be less than half the poverty line.

Official data provide production estimates for inland and marine fisheries, at around 165 and 400 thousand tons, respectively. The only wholesale price data is for a single premium species (rahu). Prices in Lahore and Karachi may be used. A rough adjustment for other species, and costs, is to assume that net price to fisher folk is about one-third of the wholesale price. Average income per capita is then derived as around one-third the poverty line, indicating an even larger need for transfers of other assets. Alternatively, less than 150,000 persons could achieve full poverty line income, and the rest would need to be provided other occupations.

A more optimistic estimate appears when wheat consumption at 215 kg per capita is used as the basis of a poverty line. Using wholesale prices of flour and fish (adjusted), fish production for wheat purchase could meet the need for most of the fisher folk population. Accounting for non-

food needs is necessary. This significantly reduces the "covered" population if it is reasonably assumed that nonfood needs require another one-third of income - from 90 percent down to 60 percent of the fisher folk population that can subsist entirely on fisheries.

For some but not most fisher folk, redistribution of farmland may offset the shortfall in fisheries income. However, more can benefit by higher and more stable fish prices, or lower costs.

Can public investments for higher productivity bridge much if not the entire gap? Current over fishing points away from even higher levels of catch, and towards reducing substantial waste. Deep-sea trawlers are an enormous source of waste and have to be banned altogether. This would naturally increase stocks available for fisher folk, who would require public support in training and equipment to reduce their waste (such as 'trash fish').

An alternative option is to increase stocks so that higher catch is ecologically sustainable. To be a successful strategy, action is required upon two fronts. Significant increase in fresh water flow to the delta is needed to replenish and expand stocks in marine fisheries. A higher flow to the sea can also be used to protect upstream inland fisheries. Much hostility can be expected from upland agriculture, even though their crop losses are wholly avoidable by reducing simple waste in water.

Expanding stocks can also be achieved through reduced pollution across the country. Agricultural drainage is a serious threat to fisheries, for which the LBOD is a tragic illustration. Yet another serious threat to stocks is industrial waste from major cities [also a threat to higher price exports]. Neither source of pollution is inevitable; polluter pays can raise funds for public infrastructure and compensate fisher folk for ecological damage.

It is our judgement that despite equitable access, increased productivity and better prices the gap between needs and available fisheries will not be eliminated, at least not in the medium term.

Hence public action would be required to undertake other asset transfers to accommodate many persons that should choose alternative occupations, and other asset transfers to bridge the income gap for those who remain in fish-

eries.

We propose a specific asset transfer scheme, managed by community organisations at as decentralised a level as possible. A license and quota system is the entitlement of community residents. A license is reserved for persons who fish themselves, with or without crew. The license may be transferable only among the community.

Independently of the license, a catch quota is given to each person in the community, young and old, men or women, boat owner or crew, harvester or worker. The quota may be transferable so that crew and workers can also benefit - commercial fishing with crew will become dependent upon catch quotas of crew, and hence provide decent compensation. Workers should have the (national) minimum wage as a floor for the prevailing system of shares in catch.

This transferability has an added advantage of promoting cooperatives for leasing or purchasing large commercial vessels, as a sort of compensation to those excluded from the new fisheries regime.

Ecological considerations indicate the total precautionary quota available in a specific water body. Hence an alternative license and quota system would begin with very small boats, and move to higher categories according to quota remaining. This is likely to completely exclude the very largest commercial vessels, as it should be. As in land redistribution, public funds will determine the extent of compensation for those excluded from fisheries. Of course, if their grip on marketing is not diluted, fisher folk will fail to escape from poverty.

Fish harvests and prices can fluctuate no less than in crop farming. Any system of (group) insurance for crops can be adapted to fisheries. The best insurance would be an asset or employment whose returns are more stable or at least not generally covariant with fisheries income.

Social Security Institutions

Low formal coverage and further exclusions, plus low quality services characterise such institutions. Serious discussion is needed to restructure the delivery of services needed to complement asset transfers. We offer only brief remarks.

In their present dismal functioning there would

be no point in expanding coverage to the rural population.

Health services should be funded through universal public facilities such as clinics and district hospitals rather than additional autonomous infrastructure.

Unemployment benefits can be considered more broadly to cover bad harvests, disability, and inadequate asset transfers. Rather than invite patronage and corruption through discretionary targeting, a universal employment guarantee scheme is needed. This should assure a minimum income of say two-thirds the poverty line.

As a universal entitlement, children and old age or disabled citizens could achieve their guarantee through working adults, no differently from the purchase of food through vouchers or ration shops.

No public scheme is ever accountable without continuing active interest of beneficiaries. A universal tax for universal social security is needed as an insurance premium, and to provide more to those who need more (ill) from those who need less (healthy). Such contributions would supplement those provided by government and enterprises. Funding by the latter should be as simple as possible to avoid under-registration and false registration of workers. A fixed tax on profits would do it.

A mix of funding by different levels of government seems advisable both to secure minimal protection of citizens, and to ease implementation. Federal and provincial governments commit to fixed share of their budgets. District government contributes a minimum absolute level per capita, say matching the amount contributed by citizens.

A national institution would manage the scheme through fairly elected district government. ■



The Challenge of Food Security

Dr Shahida Wizarat

Introduction

In spite of being an agricultural country producing most of the food crops which serve as the staple diet of the majority of the population, Pakistan continues to be food insecure. A recent study states that 48.6 per cent of the people in Pakistan are faced with food insecurity.¹ Out of 130 districts, 80 are food insecure in the country, and of them, 45 are extremely food insecure. This compares with 38 extremely food insecure districts in 2003.² Only 30 per cent districts produce surplus wheat, 13 per cent are in the deficient category, while almost half are in the extremely deficient category. Almost 24 per cent districts produce surplus rice. When both agricultural and animal based food availability is included, almost 60 per cent districts count as extremely food insecure.

A vast majority of the population that has become poorer and poorer over the years cannot afford regular food items due to high prices, declining real wages, and loss of employment - all these resulting from narrow-based government policies that compromised the interests of the poor. Decline in the scale of investment in agriculture, inappropriate rules for trade and investment between rich and poor countries and the production of bio-fuels and animal feed are stated to be causing food insecurity in the poor countries. According to Ugarte and Murphy³ "...Rather than some overwhelming act of nature - described by too many commentators as a 'silent tsunami' - the world food crisis is largely human made." They go on to argue that the food price crisis is due to poor policy choices both at the national and intergovernmental levels. Among the many mistakes cited is the abolition of public stock holding under pressure from the World Bank.

In spite of structural shift towards industrialization that came about during the course of development in Pakistan, agriculture sector is still the

largest sector of the economy contributing 21.8 per cent to the GDP and providing employment to 45 per cent of total employed labour force.

Agricultural Growth

The fluctuations in agricultural growth in the past years have largely stemmed from irregularities in the growth of major crops which is the result of weather shifts and pest attacks on crops, among other factors. Table 3 shows trends in the agriculture sector that grew at an average rate of 4.4 per cent per annum during the 1990s. During the decade of 2000, the agricultural sector experienced erratic growth, with the rate ranging between 2.7 percent to 6.5 percent. The poor performance is also on account of the fact that no investments had been made in the agricultural sector to increase crop yield.⁴ Water, which is a crucial input, is deficient. No investments were made, during the course of the last two decades, in water development projects, farm-to-market roads, power development projects, and storage and warehousing facilities, etc. to help increase agricultural output growth. The performance of the agriculture sector during 2008-09 has been stronger than expected. The sector registered a growth rate of 4.7 per cent as against the target of 3.5 per cent and earlier year's performance of 1.1 per cent. This was on account of bumper wheat, rice and maize crops estimated as 23.42, 6.9, and 4.0 million tons respectively.

Crop Situation

Two principal crop seasons in Pakistan are Kharif and Rabi. The sowing season Kharif begins in April and runs till June. Harvesting takes place during October to December. Major kharif crops are rice, cotton, sugarcane, mung, mash, and bajra. The Rabi sowing season runs from October to December followed by harvesting during April to May. Major Rabi crops are wheat, gram, masoor and tobacco. Wheat, rice,

sugarcane and cotton account for 89.1 per cent of value added of major crops. Four main crops, sugarcane, cotton, wheat, and rice contribute 29.8 per cent to the agriculture value added and 6.5 per cent to the GDP. Sugarcane is an important cash crop of Pakistan used as an input in sugar and sugar-related products, chipboard and paper. Sugar accounts for 3.4 per cent of the agriculture value added and 0.7 per cent of the GDP.

Rice is an important food crop and one of the major export items of the country. It accounts for 5.9 per cent of the valued added in agriculture and 1.3 per cent of the GDP. Pakistan grows enough high quality rice to meet domestic demand and exports. It is produced mainly in Punjab and Sindh. Wheat is the main staple food item in the country and largest grain crop of the country. It contributes 13.1 per cent to value added in agriculture and 2.8 per cent to GDP. The production of gram, maize and tobacco has increased by 60 per cent, 11.9 per cent and 4.6 per cent respectively during 2007-8 to 2008-09. While the production of rapeseed and mustard, barely, bajra and jawar decreased by 16.7, 4.6, 3.0 and 2.9 per cent respectively.

Causes of Food Insecurity

Irrigation Water

Pakistan's agriculture output is closely linked with supply of irrigation water. Table 11 shows the proportion of the three main sources to water resources. The data have also been presented in Figure 3. We find that the major source of irrigation is canal water contributing almost 60 percent to the total agricultural production. Almost a quarter is contributed by ground water and about 15 percent by rainfall.

Table 11 Water Resources

The normal surface water availability at canal

Source	Volume (billion cubic meter)	Volume (million acre feet)	Proportion (%)
Rainfall	31.98	26	14.8
Diversion to canal irrigation	129.15	105	59.6
Groundwater	55.35	45	25.6
Total	216.48	176	100

Source: PCST (2003a)

heads is 103.5 million acre feet (MAF). The Rabi season faced more water shortage than the Kharif period during these years.

Inflationary Trends

The shrinking food availability in Pakistan is attributed to an increase in the price levels of regular items generally, and food items specifically. The Consumer Price Index (CPI), food Inflation, non-food inflation, core inflation, Whole Sale Price Index (WPI) and Sensitive Price Index (SPI), all jumped between 2007 and 2008. The increase in food prices in Pakistan was a result of soaring agricultural commodity prices in world markets, which reached their highest level in thirty years. Ugarte and Murphy (2008) state that the major cause of food price inflation on world markets from 2004-05 onwards was the spectacular increase in production and use of bio-fuels, as this raised the demand for many agricultural commodities, which not only pushed their prices, but had a 'knock-on' effect on the rates of other commodities as well. The situation on the supply side did not help much either as persistent drought and unfavourable weather conditions reduced supply at a time when the demand was expanding.

Average retail prices of individual food items also increased at a spectacular rate during July - April 2008-09. All major food products in Pakistan such as rice, wheat, pulses, sugar, vegetable ghee, beef, chicken and milk registered substantial escalation in their prices. Moreover, post-2009 increase in food prices has been at a far more substantial rate.

Table 3 Growth Performance

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Commodity Producing Sector	0.2	1.3	4.2	9.3	9.5	5.1	6.6	1.4	0.2
Agriculture-	2.7	0.1	4.1	2.4	6.5	6.3	4.1	1.1	4.7
Manufacturing	8.2	4.5	6.9	14	15.5	8.7	8.3	4.8	-3.3
Services Sector	4.8	4.8	5.2	5.8	8.5	6.5	7	6.6	3.6
GDP (Constant Factor Cost)	2.2	3.1	4.7	7.5	9	5.8	6.8	4.1	2
GNP (Constant Factor Cost)	2.3	5.1	7.5	6.4	8.7	5.6	6.7	4.1	2.6

Source: Pakistan Economic Surveys 1994-95, 1997-98, 1999-00, 2000-01, 2002-03, 2004-05, 2007-08 and 2008-09.

Population Growth

Population growth is another very important factor causing increase in the demand for food. The rate of growth of population was 3 per cent during the early 1980s, thereafter it started declining. The data shows that the decline has continued throughout at a steady pace, which does not tally with the ground realities prevailing in the country. The increase in the rate of growth of population, which now stands at around 170 million people, increases the demand for already scarce food supplies.

Decline in Real Wage

Increase in the CPI generally and food prices specifically, is eroding the purchasing power of the workers. Table 17 gives the average real wage by industry for the period 1990-91 to 2006-07. These have been obtained by deflating the average nominal wage by the CPI. Deflating the average nominal wage by the food price index would give much lower real wage estimates as the rate of growth of food price index is much higher than the rate of growth of the CPI. As a result of the decline in real wages, the purchasing power of workers is diminishing and with it the problem of food insecurity is worsening.

Government Policies

Government policies have also contributed to increasing food insecurity in Pakistan. Constant borrowing from foreign sources and the structural adjustments and stabilization policies pursued by the government as a part of the conditionalities attached to foreign assistance, has

led to a major stretch on the government's capacity to maintain control over prices of essential items. The processes and the repercussion described below give a clear idea of how extreme dependence on external funding has sought to compromise the government's delivery capacity in terms of relief for the public.

First, due to the adoption of a market-based monetary policy, the government started borrowing from international financial institutions leading to a tremendous increase in foreign debt. With the bulk of the country's revenues going into debt servicing, the development options shrunk to a great degree. The resultant distributional, growth, and social crisis directly fuelled political instability. Increase in poverty as a result of debt servicing and erosion of development opportunities has been a major contributing factor to food insecurity in the country.

Second, the 1990s was also the first decade during which the country adopted the World Bank and the International Monetary Fund's (WB-IMF's) Stabilization and Structural Adjustment policies. The focus of these policies was on liberalization, privatization and reduction in government expenditures. This meant slashing spending on health, education, infrastructure, and human resource development. Since the bulk of these expenditures are consumed by the poor, a cutback led to an unprecedented increase in the poverty level in the country. The WB-IMF dictation for a tight monetary policy raised the lending rate, causing reduction in the rate of investment, the GDP growth and employment level - again fuelling poverty. Moreover, the withdrawal of subsidies due to the IMF condi-

Table 17 Average Real Wages by Industry 1990/91 - 2006/07 (Rs per month)

INDUSTRY	1991-92	1993-94	1996-97	1997-98	1999-00	2001-02	2003-04	2005-06	2006-07
Agriculture	157.1947	193.5972	289.7896	450.5583	921.115	832.9	882.722	5904	775.55
Mining & quarrying	151.7703	121.9823	209.2984	280.5147	635.137	351.7	564.221	398.7	514.53
Manufacturing	173.9943	147.7622	423.3828	502.3355	774.399	1602	1207.66	519.6	815.77
Electric gas & water	157.1205	193.5972	289.7896	450.5583	921.115	832.9	882.722	5904	775.55
Construction	151.7703	121.9823	209.2984	280.5147	635.137	351.7	564.221	398.7	514.53
Wholesale & retail trade	173.9943	147.7622	423.3828	502.3355	774.399	1602	1207.66	519.6	815.77
Transportation	157.1947	193.5972	289.7896	450.5583	921.115	832.9	882.722	5904	775.55
Financial real estate	151.7703	121.9823	209.2984	280.5147	635.137	351.7	564.221	398.7	514.53
Other	173.9943	147.7622	423.3828	502.3355	774.399	1602	1207.66	519.6	815.77
Total	157.1947	193.5972	289.7896	450.5583	921.115	832.9	882.722	5904	775.55

Real Wages have been obtained by deflating nominal wages by the Consumer Price Index with 1990-91=100 as the base. SOURCE: LFS various issues.

ationalities increased the tariffs on utilities compromising the disposable income of the people. Increase in poverty emanating from structural adjustment and stabilization policies raised food insecurity in Pakistan. Ugarte and Murphy (2008) suggest a fundamental rethinking of the foundations of trade liberalization. According to them food should be treated differently from textiles, automobiles, airplanes, electronic goods, and intellectual property rights, etc.

Improving Food Security

Though food security in Pakistan is at a critical phase, the situation can be improved through promoting land distribution, improved water management, and upgrading agricultural production techniques: A few of these options are discussed below.

Land Distribution

Free distribution of economically viable agricultural plots to peasants and workers for production of organic foods has the potential of improving the food insecurity crisis. There is about 4 million acres of virgin land in the river belt of the country. Due to their proximity to the river belt, access to irrigation water could also be facilitated at low cost. Moreover, organic farming could also be considered as a production option. Being virgin, these lands are ideal for organic farming.

Irrigation Water

The most important factor that can reduce food insecurity in Pakistan and boost food supply is increase in the supply of irrigation water. This can be achieved through water development projects such as small dams, desalination plants, and tube well technology, etc. Better irrigation methods such as sprinklers have been found to be very effective in conserving water and can therefore help in spreading the scarce input over larger area.

Fertilizer

In the modern agriculture era, fertilizer is an important input to boost the yield. Balanced contribution of fertilizer increases yield by 30 per cent to 60 per cent in different crops. For instance, one kg of fertilizer nutrient produces 8 kg of cereals (maize, rice and wheat), 2.5 kg of cotton and 114 kg of stripped sugarcane.

Improved Seeds

Quality seed can increase crop yields quite dra-

matically. High yielding seeds were a major contributory factor to boost the Green Revolution. Improving access to good quality seeds can, through increasing the supply of crops, play a crucial role in addressing food insecurity in the country.

Mechanization

In order to improve food security, efficient development and utilization of agricultural resources is required. Cost of production of various crops are not competitive due to low productivity attributed mainly to inefficient farming practices. Farm operations, being time-specific, demand precision in order to optimize the efficiencies of agricultural input for higher productivity.

On the demand side, population control measures that reduce the demand for food to bring it in line with growth of food supply will be crucial in dampening the expanding demand for food.

Flawed Solutions

While food security is emerging as a major challenge for Pakistan, a number of proposals are being suggested to address the situation. It is important to weigh all options before pursuing any solution. Proposed solutions such as corporate farming and genetically modified crops, briefly discussed below, may receive corporate backing, but they have not always yielded positive results.

Corporate Farming

Corporate farming has often been suggested as a possible solution to the problem of food insecurity. The argument is that water development projects, farm-to-market roads, and power production projects require heavy investments. Since neither the government nor the local farmers have the kind of resources, large tracts of land are being sold to foreigners. The idea is to encourage them to undertake investment pertaining to infrastructure development to support the agriculture sector. Groups favouring corporate farming argue that the boost in production can also contribute to exports enabling the country to earn higher foreign exchange. However, this is a misleading argument. It is a consequence of the approach depicted by the World Bank and the IMF where the entire focus is on debt servicing and not on the needs of the local people. This approach has led to serious famines as the countries switched from producing food crops to cash crops. Corporate farming

will turn small peasants into landless agricultural workers and thus lead to further increase in the level of poverty and exacerbate food insecurity in the country.

Genetically Modified (GM) Crops

While consumers in western countries are becoming extremely quality conscious about food, Genetically Modified (GM) crops are being produced in large quantities. If consumers in the rich countries are eating organic foods and the governments of these countries are imposing strict quality standards, it is unlikely that they would want to consume GM foods. It appears that increase in food insecurity and famines around the world are creating a market for GM crops throughout the world. As the health benefits of the GM crops remain controversial, creating space for the production of such crops will not only compromise health standards, these should also negatively influence the economy

Conclusion

The agriculture sector contributed 21.8 per cent to the GDP in 2008-09 and provided employment to 44.7 per cent of total employed labour force in 2008-09. Despite a massive contribution by the agriculture sector to the economy, Pakistan continues to struggle with food insecurity.

Major causes of food insecurity in Pakistan are:

- Increase in inflation rate;
- Increase in support prices of agricultural products as a result of World Bank dictation;
- IMF dictated government policies causing decline in output, employment and real wages;
- Shortage of irrigation water;
- High population growth rate.

Corporate farming and the genetically modified foods are sometimes suggested as solutions by the vested interest to food insecurity in Pakistan. Experts agree that these two options promise no relief for food insecurity. Self sufficiency in food can be brought about through formulation of a National Food Security Policy that should focus on:

- Investment in water development projects, farm-to-market roads, storage

and transportation, productive capacity, research and extension, etc.;

- Better irrigation methods;
- Increased supply of inputs;
- Free distribution of economically viable agricultural plots to peasants and workers for production of organic foods;
- On the demand side, population control measures that reduce the demand for food to bring it in line with growth of food supply. ■

End Notes

¹The State of Food Security in Pakistan, 2010, Swiss Agency for Development and Cooperation.

²The extremely insecure food districts include Lakkhi Marwat, Karak, Malakand, Umerkot, Mirpurkhas, Dadu, Dalbandin, Panjgur, Nushki, Loralai, Mastang, Turbat, Mach, Neelam, Muzaffarabad, Kotli.

³Ugarte & Murphy, The Global food Crisis: Creating an Opportunity for Fairer and Sustainable Food Worldwide, Discussion Paper No.11, Oct 2008.

⁴One World Food Security Guide, <http://un.oneworld.net/guides/food>

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Irregular Migrant Workers in Karachi: Victims, Menace or Comrades?

Norika Hara

Introduction

The United Nations estimated that in 2005 there were 191 million migrants, approximately 3 per cent of the world population, living outside their country of birth. Levels of migration are predicted to rise to 230 million by 2050. People move in search of better terms and conditions of life and work. The inequality in the world drives more and more human movement within and across the border. Unlike capital, cash, commodities and services which rather enjoy free movement across borders, human mobility is largely restricted and controlled by states' regulations and politics. This creates the room for irregular channels of migration for those who do not come under the eligibility of legal migration but, nonetheless, wish to move to other countries in search of better economic and social opportunities.

Credible data of the number of irregular migrants cannot be found due to the clandestine nature of their mobility. However, it is believed that irregular migrants comprise a significant portion of the total number of migrants. Some estimates suggest that irregular migration accounts for around one third of all migration for developing countries.¹ Irregular migrants are thought to be vulnerable to exploitation or inhumane treatment because of their legal status in the host and the transit countries. Common perception regarding international migration is that migration from developing to developed countries constitutes a major fraction of human movement. However, reality is that those are minor numbers and migration from one developing economy to another is much more common.

Pakistan, categorized as one of the developing countries, is a country of source, transit and destination of irregular migration and Karachi is said to be home to irregular migrant communities. Several studies available about these com-

munities mainly focus on living conditions of the irregular migrants or implication on security of the host societies. Studies focusing on working conditions of irregular migrants are scarce. This study aims to highlight the situation of irregular migrants to investigate whether the irregularities lead to violation of labour rights in the case of Pakistan like in other countries; and present recommendations for state and civil societies actions to protect the rights of migrant workers. The study also explores the capacity of the country's National Alien Registration Agency, and its strategy to protect irregular migrants.

Study Methodology and Limitations

Methodology includes literature review and interviews with a select number of members of the migrant communities, interviews with concerned authorities and with employers. There are said to be more than 100 migrant-concentrated residential pockets in Karachi. Among them, this study picked up migrants residing in the Korangi area as selected interviewees. Korangi is close to Karachi's industrial estate as well as to the creek where communities are engaged in fisheries. The area has a heavy presence of migrant communities originating both from Bangladesh and Burma. The interviewees included: 1) Bengali and Burmese origin migrants; 2) men and women; 3) those who are working in the fisheries and the textile sectors, 4) both those who migrated by themselves and the descendants, who were recognized by community members. Total number of interviewees was 18. (Breakdown of respondents is given in Appendix 1).

Since the number of interviewee was limited and selection was based on the network of community members, the study aims only to illustrate issues, whose additional ramifications require a large-scale survey.

Irregular Migrant workers: Overview

Migrant workers are defined as "A person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a national," while irregular migrants include: "those who enter a country without the proper authority (for example through clandestine entry and entry with fraudulent documents); people who remain in a country in contravention of their authority (for example by staying after the expiry of visa or work permit, through sham marriages or fake adaptations, as bogus students or fraudulently self-employed); people moved by migrant smugglers or human trafficking, and those who deliberately abuse the asylum system." (Koser, 2005). Irregular migrants are thought to be vulnerable to any type of exploitation or inhumane treatment because of their legal status in the host and transit countries. These include: unpaid or underpaid wages, exclusion from social security schemes, poor working conditions, limited or no access to social services including health, education and training, forced labour, sexual exploitation and so on.

Pakistan is a country of source, transit and destination of irregular migration and Karachi is said to be home of irregular migrant communities, especially those from Bangladesh and Burma (apart from Afghans). Despite their prolonged presence in the city, the government did not develop concrete policy for irregular migrants till 2000 when the federal interior ministry set up the National Alien Registration Authority (hereinafter called, NARA) to regulate them. The NARA entitles the irregular migrants to regularization through issuance of three-year renewable work permits upon registration with them. Though the government accepted the presence of these migrants and tried to regularize them, granting certain rights, the general attitude towards irregular migrants is that of contempt and disdain. This is reflected in the description of the irregular migrants at the website of the Ministry of Interior that states that they are "...burdening the country's already strained socio-economic infrastructure, and adding to the crime rate..."

In 1990, the United Nation's General Assembly adopted the Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families which covers both irregular migrant workers and family members of migrant workers for minimum degree of protec-

tion. The convention entered into force in 2003, but Pakistan is yet to ratify it. The international convention states: "...all migrants, irrespective of their legal status, are entitled to a minimum degree of protection."

It is always difficult to have exact number or reliable statistics of irregular migrants in the country due to its "clandestine" nature. The government of Pakistan conducted census of Afghans, the largest group of foreigners living in Pakistan, in 2005. The census covered the whole country with the exception of the Northern Areas. It included the Afghans who arrived after December 1979 and those who do not have the Pakistani national identity card. Census found 3,049,268 Afghan individuals residing in Pakistan in 2005. This includes irregular migrants too. During 2005-09, 1,229,507 refugees were repatriated (EBDM, 2009). As per the data of the UNHCR, registered Afghans are approximately 1.8 million in 2009 and of which 1,015,200 are outside of the refugee camps and do not directly receive material assistance from the UNHCR. Since they are not receiving any material assistance, they might be engaged in some occupation in the country on the status of refugee. Apart from these populations, there might be movement of people which cannot be counted by the existing system.

The NARA estimates that there are 3.35 million irregular immigrants in Pakistan and of which 2.5 million are residing in Karachi. Out of these 2.5 millions, about 1.8 million are of Bengali origin, 200,000 are Burmese and 0.5 million are Afghan origin. It is the estimation based on unknown sources. The last population census carried out in 1998 did not include foreigners as a target population, or included partially and the available data does not allow grasping the exact figure of the population of migrants by nationality.

Generally it is perceived that biggest foreign national population residing in Pakistan is those from Afghanistan, followed by those from Bangladesh and Burma, respectively. The exact statistics of registered and irregular Afghans are not available. While most of Afghans are regarded as refugees, those from Bangladesh are considered irregular economic migrants. And for the Burmese, the Government of Pakistan considers them as refugees who shifted to Pakistan with facilitation from the Pakistani government because of their political persecution and for the cause of Islam.

Other nationals who enter Pakistan through irregular channels include those from Iran, Somalia, Iraq, and India. These are counted as only a few thousand people and seem to be regarded as refugees.

Karachi is thought to be home to more than half of irregular migrants residing in Pakistan. There are certain localities where irregular migrant populations are concentrated in. Generally this concentration is grouped by their place of origin, like those who came from Chittagong/Dhaka, Bangladesh, and Burma and so on. Nearly 30 communities or localities of migrants of Bangladesh and Burma origin are found in Karachi.

According to the Collective for Social Science Research (CSSR) study (2006), as much as 79.2 per cent of the sample populations of Bengali and Burmese in Karachi were born in Pakistan. There are perceptions within the Bengali migrant communities that those who remained in Pakistan are the ones with families who could not easily return to their country of origin. After the Bangladesh economy boomed, those who were willing to go back have returned to their place of origin. These statements correspond with the outcome of the census of the CSSR study. The majority of the remaining population in Karachi is with families and with the passage of time, the ratio of those who were born in Pakistan has been increasing.

There is no chronological data of the migrants' influx into Pakistan. The two studies show different outcome with regards to the distribution of migrants by ethnic groups and by year of arrival.

Grouping of years in the International Organisation for Migration (IOM) study did not allow data to show trend of migrants' inflow clearly. If we look at trends from the first table, the number of inflow is on the decline after the peak of inflow of migrants during 1978-89. This also corresponds with the perception of the migrants and host communities.

There is no demographic data of Bengali and Burmese population available; hence the proportion of male-female and age-group are not clear. But if the data that 79.2 per cent of the population were born in Pakistan are true, about 80 per cent of the Bengali and Burmese popula-

tion are below the age of 40. Large proportion of the population is of working age. There is considerable presence of children who are under the age of schooling. And those who are of working age belong to reproductively active age group, too.

The Bengali and Burmese migrants in Karachi are said to be engaged in the fisheries, construction and textile sectors, else are home-based workers involved in carpet-weaving, cigarette-making, embroidery or textile related works. They are also found in domestic service, working as cooks, helpers and so on.

The occupation they took up varies in the locality they reside. Those who are residing close to the coastline are engaged in fisheries. The localities in proximity to industrial areas have migrant workers labouring in textile ancillary factories. Most women work at home as home-based, piece rate workers while some of them work outside.

National Legislation

The Foreigners Act, 1946 provides overall legal framework for foreigners in the country. A few points related to irregular migrants are discussed below.

Illegal entry

There are laws to regulate irregular movement of foreigners into and within the state. The Foreigners Act 1946, Section 14 states that "where any person knowingly enters in Pakistan illegally, he shall be guilty of an offence under this Act and shall be punished with imprison-

Table 1: Distribution of migrants by ethnic groups and year of arrival

Year	Bengali	Burmese	All Migrants
Up to 1971	14.3%	20.0%	14.7%
1972-77	18.2%	27.5%	18.9%
1978-88	38.5%	37.5%	38.4%
1989-98	28.2%	15.0%	27.2%
1999-2005	0.8%	-	0.8%

(Source: Gazdar H., Bux Mallah H. and Memon R, 2006)

Table 2: Distribution of migrants by ethnic groups and year of arrival

Year	Bangladesh	Burma	Others
Prior to 1970	36%	33%	9%
1971-79	29%	29%	70%
1980-2000	34%	38%	21%

(Source: International Organisation for Migration (IOM), 2004)

ment for a term which might be extended to ten years and fine which may extend to ten thousand rupees."

The Foreigners Order, 1951, Section 3 (2) describes that "Leave to enter shall be refused if the civil authority is satisfied that (a) the foreigner is not in possession of a passport or visa valid for Pakistan or has not been exempted from the possession of passport or visa."

Irregular migrants who enter Pakistan without any documents or visa, therefore, come under the allegation of entering a country without possession of a passport or visa. A person who stays in the country beyond the time stipulated by the authority will be fined "overstay charges" fixed by the Ministry of Interior.

Employment of foreigners

The Foreigners Act 1951, Section 13B prohibits employment of an illegal entrant. "No one shall knowingly employ or provide employment to a person who has no permission to stay in Pakistan." The violator is punished with imprisonment for a term which may extend to three years and shall also be liable to fine.

The law prohibits employment of an illegal entrant and this might be applied as well to those who were born in Pakistan but have not acquired its citizenship. (See page 11 for provision of citizenship)

While Section 13B of the Foreigners Act, 1952 prohibits the employment of illegal entrants, Foreigners Order, 1951, Section 10 defines the restrictions on employment. "No foreigner shall, without the general or special permission in writing of the civil authority, enter any premises relating to, or be employed in, or in connection with (a) any undertaking for the supply to Government or to the public of light, petroleum, power or water, or (b) any other undertaking which may be specified by the Federal Government in this behalf."

The general visa policy allows migrant workers to engage in certain occupations such as house maids (principally employed by foreign diplomats), NGOs, and employees or employers of private companies that invest in business to a certain degree. But there is no policy for issuing visa to those who wish to engage in the informal sector: the sector otherwise open to irregular migrant workers.

Assisting illegal entry of foreigners

The Section 13A of the Foreigners Act prohibits assisting illegal entry of foreigners. "No one shall make or carry out arrangements for securing or facilitating the entry into Pakistan of any one whom he knows or has reasonable cause for believing to be an illegal entrant."

Those who assisted irregular migrants in entering into the country, therefore, fall under the violation of this section.

Citizenship

Bangladesh used to be a part of Pakistan till its independence in 1971. Bangladeshis, therefore, had been citizens of Pakistan till their independence. Some irregular migrants, then, argue that they belong to Pakistan on the basis of the sense of belonging to the country or the self-proclaimed fact of entering into Pakistan before 1971. How the legislation defines the entitlement of citizenship in this case?

The Pakistan Citizenship Act, 1951, Section 16B drew the line for entitlement of the citizenship to those who belonged to then East Pakistan, Bangladesh. The entitlement is limited to those who stayed in Pakistan before 1971.

Those who entered the country after the period fixed by the Pakistani government will not enjoy the entitlement of the citizenship unless they fall under any other clause that entitles citizenship. The Pakistan Citizenship Act, 1951, Section 4 defines citizenship by birth as "Every person born in Pakistan after the commencement of this Act shall be a citizen of Pakistan by birth." According to law, Pakistan gives its citizenship based on one's birth place.

Those who entered Pakistan without valid documents fall under the violation of the Section 14 of the Foreigners Act, while those who were born in Pakistan might be given the right to obtain its citizenship according to this clause, but the judicial precedent interpreted this clause as "Person born in Pakistan after the commencement of Pakistan Citizenship Act, 1951 shall be a citizen of Pakistan by descent if his father was a citizen of Pakistan at the time of his birth." (Ahmed S and Basit M.A., 2008)

Policy and Regulatory Framework

There was no concrete policy on irregular migrant population and importing foreign workers in the country till 2000. In 2000, the Pakistan government amended the Foreigners

Act, 1952 by adding Section 14D relating to the registration of illegal immigrants. Based on this amendment, the National Alien Registration Authority (NARA) was established on 10 May 2004 to register any foreigners in Pakistan who immediately before the commencement of the Foreigners Act 1952 (Amendment 2000) namely on July 10, 2000, and those who had no permission to stay in Pakistan. The registration system may benefit both the government and the irregular migrants. On the one hand it enables the government to grasp the data of irregular migrants residing in the country as there had been no mechanism for their registration in the country before. On the other hand, it enables irregular migrants to obtain certain status for staying in the country within certain legal framework and with certain rights. Under this regulation, irregular migrants are given a one year regularization status and are free from punishment envisaged in the Foreigners Act, 1952, i.e. maximum 10 years imprisonment and 10,000 rupees fine. With the application of work permit which is valid for 3 years, the irregular migrants are able to seek employment or do own business, which is, otherwise, prohibited in Section 13B of the Pakistan Citizenship Act. Apart from that, the registered migrants are given the following benefits: a)they will be protected from the inquiry of any government agency; b)they can educate themselves and their children; c)they can avail important utility facilities, e.g. electricity, gas and telephone connections; d)they can get car/vehicle registration and driving license; e)they can open their own bank account, and, f)they can get their own mobile phone connection. The limitation is that a registered alien does not have the right to shift and settle in any city of Pakistan other than the one indicated in his registration card without the permission of the authorities. Also, s/he has no right to vote and obtain a passport.

Despite the benefits prescribed in the NARA brochure, the number of registered irregular migrants is approximately 10 per cent of the estimated migrant population.

Limited resources were cited by the NARA officials as a constraint to carry out effective public relations about the NARA card and extension services to register the targeted population.

Generally speaking, the irregular migrants have not welcomed the introduction of the NARA card

because some of irregular migrants possess the national identity cards (hereinafter called NIC) through paying extra money to the government officials via agents. The status of the NARA card holder certainly degrades the status of the person previously holding NIC. There is distrust among irregular migrants on the role of NARA too.

Since 2001, the government has introduced the computerized national identity card(hereinafter called CNIC) which is valid for a fixed period. According to the migrant communities, those who hold old NIC had experienced no hardship to renew their old card to the computerized card. However, many face difficulties to renew their CNIC at the time of this study since they could not prove that they were residing in Pakistan during 1971 to 1975.

Supposedly if fraudulent documentation is no more of easy access to irregular migrants, it might be the right time for the NARA to gain the momentum to attract more irregular migrants to get registered with them, while for the irregular migrants, too, it is time to decide either to go for the NARA registration or seek amnesty or citizenship on the basis of their long presence in the country.

International conventions

While Pakistan has introduced regularization of

**Table 3 Registration of Aliens
by NARA 2008**

Registration activity	Population registered
Total Work permits	925
Work permits issued	915
Renewal of Alien Registration Card	76,847
Renewal of Alien Registration Card issued	74,845
Total registration (including minors)	125,987

(Source: EBDM, 2009)

**Table 4 Number of Registered irregular
migrants by nationality**

Nationality	Registered	Registered	Total
	adults	Dependents	
Bangladesh	49,817	39,043	88,860
Afghanistan	8,087	8,664	16,751
Somalia	917	468	1,385
Nigeria	1,112	48	1,160
Burma	398	398	796
Total	59,933	48,621	108,952

(Source: Compiled from presentation of Facts & Figures relating to Migration, Bureau of Emigration & Overseas employment.)

irregular migrants in the country in 2000, which gives certain rights to them, there is need to look into how the international convention defines the rights of irregular migrants?

We also look at the rights of refugees briefly since the Government of Pakistan recognized Burmese Muslims as refugees. The international conventions related to refugees define their rights.

International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (45/158 of 18 December 1990)

The 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (hereinafter called ICRMW) constitutes the comprehensive framework in international law for the protection of the rights of migrant workers and members of their families and for guidance of States on how to develop labour migration policies while respecting the rights of migrants (The International Steering Committee for the Campaign for Ratification of the Migrants Rights Convention, 2003).

One of the important points of the convention is that it is addressed to all the migrant workers irrespective of their legal status. Thus, basic human rights are also protected for all the workers including undocumented and irregular workers under this convention.

Part III of this convention expresses the human rights of all migrants workers irrespective of their legal status including freedom of movement (subject to restriction), right to life; fleeing from torture; forced or compulsory labour; right to freedom of thought; right to seek, receive and impart information; fleeing from arbitrary or unlawful interference on his or her privacy; arbitrarily deprived of property; right to liberty and security of person; humane treatment of accused migrant workers and their families; equality before the courts and tribunals; prohibition of confiscation of identity documents; rights at the time of expulsion; rights to have recourse to the protection and assistance of the consular or diplomatic authorities of their State of origin; equality of employment; rights to organize trade unions and other associations; equal social security; right to receive any medical care urgently required; right of a child to be named, registered, and have nationality; right of a child

to have access to education; respect for cultural identity; rights to transfer their earnings and savings at the time of departure; rights to be informed their rights arising out of the present convention and rights and obligations under the law and practice of the State' respect for the laws and regulations of the State. However, the convention does not include implication for regularization of non-documented migrant workers.

As of 2009 October, 42 countries ratified but most of the receiving countries of migrant workers have not ratified the convention. Pakistan has not been either signatory to or ratified the said Convention as of December 2009.

Though Pakistan has not ratified the said Convention, we try to look into the current status of migrant workers with reference to the following articles which can be closely related with the current situation of migrant workers in Karachi for the discussion.

Article 25: Equality of the employment

Article 25 expresses the equality of the employment irrespective of their legal status. Migrant workers shall enjoy same treatment as nationals enjoy in respect of remuneration, overtime, hours of work, weekly rest, holidays with pay, safety, health, termination of the employment relationship, minimum age of employment, restriction on home work and so on.

Article 26: Right to participate in trade union

Article 26 ensures migrant workers' right to join and seek the aid of any trade union.

Article 27: Grant of social security

Article 27 mentions the same treatment granted to nationals with respect to social security for migrant workers.

Article 28: Access to emergency medical care

Article 28 states that migrant workers and members of their families shall have the right to receive any medical care that is urgently required for the preservation of their life or the avoidance of irreparable harm to their health.

Article 29: Migrants' Children's Right to be named and registered

Article 29 mentions that each child of a migrant worker shall have the right to a name, to registration of birth and to a nationality.

Article 30: Migrants' children's right to access to education

Article 30 ensures the children's right of access to education. It states that "Each child of a migrant worker shall have the basic right of access to education on the basis of equality of treatment with nationals of the State concerned. Access to public pre-school educational institutions or schools shall not be refused or limited by reason of the irregular situation with respect to stay or employment of either parent or by reason of the irregularity of the child's stay in the State of employment".

Article 33: Right to information

Article 33 states the right to be informed by the State of origin, the State of employment or the State of transit about their rights arising out of the convention and rights and obligations under the law and practice of the State concerned.

Convention relating to the Status of Refugees (429(v) of 14 December 1950)

The ICRMW excludes its application to refugees and stateless persons, but the 1951 Convention relating to the Status of Refugees covers rights of refugees and stateless persons.

Pakistan has not ratified the convention relating to the Status of Refugees, though hosting about 1.8 million Afghans in the countries. Non-Afghan refugees recognized by the UNHCR include those from Somalia, Iraq and Iran, who are granted the right to work under the NARA registration with the facilitation of the UNHCR. The Burmese Muslims are referred as refugees in the leaflet of NARA which mentions: "These people have been considered as refugees because the Government of Pakistan hasn't granted them Pakistani nationality at any stage". Pakistan has not ratified the Convention but the said Convention states the right to engage in wage-earning employment, right to receive public education, and facilitation of naturalization process of the refugees. ■

End Notes

¹ Human Development Report 2009, UNDP

² Human Development Report 2009, UNDP

³ According to NARA leaflet

⁴ According to UN Migrant Workers Convention, Article 2 (1), but no universally accepted definition

⁵ http://www.unhcr.org/cgi_bin/texis/vtx/pag?page=49e487016

⁶ EBDM, 2009 and interview with NARA officials

⁷ Interview with Population Census Organization officials

⁸ Gazdar H, 2008

⁹ NARA leaflet and Gazdar H., Bux Mallah H. and

Memon R., 2006

¹⁰ <http://www.refugees.org> World Refugee Survey 2004 Country Report

¹¹ Interview with NARA officials

¹² Source from a migrant community member. In NARA leaflet it is mentioned that there were 102 Bengali slums in Karachi.

¹³ <http://www.pakistan.gov.pk>

¹⁴ NARA leaflet and interview with NARA officials

¹⁵ Interview with NARA officials

¹⁶ <http://www.refugees.org> World Refugee Survey 2004 Country Report

¹⁷ Stated by the migrants in Orangi town, Karachi

¹⁸ "Saudis don't want Burmese as nationals" Daily Times, June 19, 2006

¹⁹ Katra net is fixed surrounding the area of fish/shrimp population. When taken out it collects the whole fish/shrimp population, along with the juvenile fish, while sweeping the whole ground. Katra net was introduced about 50 to 60 years ago. See WWF Pakistan 2005

²⁰ Interviewed boat owner even shared his experience that he had travelled up to Bangladesh when one of his crew, Bengali fisherman lost his life. He brought his savings to their survived family in Bangladesh.

²¹ Quoted by an interviewed migrant. Monthly salary cannot simply be calculated since work is not always available in whole month.

²² Dawn dated Nov. 21, 2009 reported that issuance of CNIC for 15,000 cases of Machhar Colony residents pending at the NADRA offices were expedited after the meeting with MNA whose constituency includes Machhar colony. Machhar colony is known as irregular migrants' community.

²³ As for the case of Arakan Muslims, this recommendation would not be applied since they were politically persecuted.



Findings of Study Migratory Process

Bangladesh independence

On 16th December 1971, East Pakistan became Bangladesh. Based on the New Delhi Agreement, repatriation accord between Pakistan, Bangladesh and India, in 1973 and 1974, some 116,000 Bengali-speaking residing in Pakistan repatriated to Bangladesh (UNHCR, 2000). Some of the current migrants claimed that they had been residing in the territory of now Pakistan before 1971 but could not afford to go back to Bangladesh at that time and even could not follow the necessary procedure required for the repatriation at the time of 1973 and 1974 since they were illiterate. In 1978, the Pakistani government promulgated the Pakistan Citizenship (Amendment) Ordinance 1978 by adding section 16A: "certain persons to lose and others to retain citizenship". In that it was decided that "(1)All persons who at any time before 16 day of December 1971, were citizens of Pakistan domiciled in the territories which before said day constituted the Province of East Pakistan and who: (i)were residing in those territories on that day and are residing therein since that day voluntarily or otherwise shall cease to be citizens of Pakistan: and (iii)were residing in Pakistan on that day and are voluntarily residing therein since that day shall continue to be citizens of Pakistan;" Therefore, if those who claimed that they had been residing in Pakistan before 1971 may fall under the category of (iii) and proved to be a citizen of Pakistan but the question is if they have evidence of proof or not. The authority requested the migrants to give the proof of evidence that they were residing in Pakistan from 1971 to 1975.

Facilitation by the state

Burmese Muslim migration towards Pakistan is reported to have started some time in early 1960s (Gazdar H., Bux Mallah H. and Memon R., 2006), at the time of Ayub Khan's era. The

Arakan Muslims known as Rohingya claimed that persecution by the Burmese government started towards the end of World War II and withdrawal of the Japanese Army from Burma, i.e. in 1942. In late 1950s, there was conspiracy of fomentation of separatist tendencies among the Arakan Muslims, which is believed to have involvement of the Pakistani government (Morshed, 2001). This might be the reason for allowing Arakan Muslims to stay in the then East Pakistan and move to the then West Pakistan on the basis of religion at the time of Ayub Khan's era.

It is reported that in the early 1970s the Muslim World League had obtained permission from Saudi Arabia to allow Burmese Muslims fleeing from religious persecution in their country to settle in Saudi Arabia. The Saudi government had told them to procure passports of any country to facilitate their stay in the Saudi Arabia. In 1986, Burmese Muslims residing in Saudi Arabia approached Pakistan government and the then president General Zia ul Haq had agreed to help. In 1978, there was exodus of 300,000 people from Arakan to Bangladesh caused by the Army operation for which repatriation operation got moral and material support from the Islamic countries including Saudi Arabia (Morshed, 2001). It can be guessed all these environments facilitated the steady flood of Arakan Muslims into Karachi in 1970s and 1980s.

There was another massive exodus of Arakan Muslims in 1991 and 1992 from Burma to Bangladesh but there was decline of inflow of Burmese Muslims into Karachi after 1988. It is said that the Arab and Islamic countries were much more reticent in regard to the exodus of Arakan Muslims in the 1990s compared to 1978 (Morshed, 2001). This shows that persecution at the country of origin is not the only reason for Burmese Muslim migrants to come to Karachi but the pull factor, i.e. state facilitation

played a big role to bring migrants from Burma to settle in Karachi.

Economic migration

Most of the migrants cited extreme economic vulnerability in their original place as the reason for migration. Those who are Arakan Muslims also mentioned difficulties making their ends meet due to political persecution of the government as a reason for migration. Economic compulsions were the apparent push factor for irregular migrants to migrate to Karachi, Pakistan.

There is perception in the Bangladesh communities that the Pakistani economy was better than Bangladesh in 1980s. That was the pull factor for Bangladeshi workers to come to Pakistan. Employers of textile sector recalled that in 1980s many workers from Bangladesh were working in textile factories in Karachi. They were preferred by the employers because they complained less and kept working for the same factory. Since wages of textile factories were comparatively low at that time, turnover of Pakistani workers was high. The employer preferred Bengali workers due to this docility. There is no specific administrative guidance from the government for hiring or not hiring those people according to the employers.

As for the fisheries sectors, a boat owner recalled that many Bengali fishermen had been seen from 1986 to 2001. The introduction of heavy katra net which requires manpower and demanding work facilitated the induction of numbers of Bengali fishermen according to him. That might be a chance factor for inducting numbers of Bengali fishermen, but it was not evident that the fisheries sectors experienced shortage of crew members during that time.

It seems that after 1990s the economic pull factor was lost. It is reported that those who earlier remitted money from Pakistan to Bangladesh, are now sometime receiving remittance from Bangladesh. Many of single migrants have either returned to their home or they have proceeded to other destinations for better earning. Pakistan, at the point of 2009-10 was not an attractive place for new migrants to make money.

Chain migration

Many of the migrants mentioned that they had relatives in Karachi prior to their migration. It is said that there is much evidence that little irregular movement can occur without information,

advice, encouragement and support of the family and friends (Battistella, 2008). Though most of the families reported they did not receive any monetary or material support at the time of migrating from their original place to Karachi, information or presence of their relatives apparently played a role to facilitate migration to Karachi.

Many of those who came to Karachi from Bangladesh in the 1970s and 1980s were found to be from places such as Cox Bazaar and Teknaf which were very close to the Arakan state of Burma. They are in close proximity in terms of distance and ethnic background. Many Arakan Muslims also resided in the same area of Bangladesh for certain years. It might be hypothesized that the initial flow of Arakan Muslims from Burma to Karachi caused the next flow of the people from Bangladesh especially from Cox Bazaar and Teknaf area. This might be the reason why people from Cox Bazaar and Teknaf area can be found in large numbers in Karachi.

Smuggling and trafficking

With the passage of time, more structured route for bringing people from Bangladesh to Pakistan may have been established by migrant brokers and immigration officials, which includes smuggling of Pakistani passports out of the country to bring foreign nationals bearing on them fake exit stamps to enter Pakistan, issuance of fake NICs with the connivance of registration offices by the illegal entrants, issuance of authentic passports based on the fake NICs, bogus police verification or fake repatriation certificates. The smuggling of blank passports had been reported since 1993. These passports were forged and altered for the usage of human smuggling from Bangladesh. Fake NICs and passports were issued through bribery (Immigration and Refugee Board of Canada, 2000).

In 2000, the Pakistani government decided formed the National Database Registration Authority (NADRA) and introduced new machine-readable computerized passports to eliminate fraudulent NICs and passports. New CNIC is valid for a fixed period while old identity card was a one time card. However, migrant communities reported some ambiguity regarding issuance of CNICs. These were issued arbitrarily on the basis of corruption or illegitimate political decisions, according to them.

According to the migrant community, after 1989 potential migrants intended to come to Karachi

for the purpose of travelling to other places than Pakistan. It is reported that the established international networks were existing to bring people not only from Bangladesh but also from some other countries to take them to other destinations such as Europe. These people are potential migrants who might spend a certain amount of time in Karachi for earning the required fee for travelling or remain here due to failure to reach their destinations.

Migrant Workers In The Fisheries Sector Fisheries Sector Overview

The fisheries sector in Pakistan - inland and marine - cover rivers and their tributaries, canal irrigation system, natural lakes, storage reservoirs, small and large size ponds, coastal and deep sea fishing. Karachi has two main sites for fish landing; one is Karachi fish harbour in the Kemari Town and Ibrahim Hyderi, and the Bin Qasim Town where a large numbers of boats are anchoring at nine jetties. Fishing sector is regarded as a part of agricultural sector in Pakistan where no coverage of labour laws exists.

The distribution of remuneration is based on 'Patti' system, in which various stakeholders are paid profit according to the share prescribed for each stakeholder. The stakeholders include the boat owner, captain, engine operator, recruiting agent, steersman and crew members. The crew can borrow money from the captain or the recruiting agent for their personal usage. The small amount of loan taken by crews usually does not have any interest. They are repaid by deducting any amount of loan based on mutual consent from crew's remuneration. At the time of injury or loss of life of crew, the captain usually extends his assistance to them and their family. It is an informal and traditional type of social security system.

Shrimp-peeling business found in Korangi area is a small cottage industry run by families. Under a small shed, the owner of the shed first purchases a bulk of unsorted shrimps. These shrimps are sorted by respective size and peeled at the shelter by daily wage workers. After that, peeled shrimps are sold either to companies or independent businessmen. This business is almost dying in the area since the big factories exporting shrimps began to undertake this process at their factories in West Wharf, Karachi Port area, and catch of shrimps have been con-

tinuously decreasing, as well. There is little demand for this business now. The peeling job is a seasonal work. For five to six months when shrimps are available, the shed is operative. In one shed 25 to 30 workers, all women, engage in peeling. The workers come to the shed in the morning and the owner hires workers according to the catch available for the day. The wages depend on the shed and the size of the shrimps. The owner of one such shed shared that he paid 35 Rs per 6kg of shrimps. Workers can peel six baskets of 6kg shrimps and could earn Rs. 210 per day. However, due to small catch, they usually peel only 6kg per day. Hence the earnings are extremely low and the most disadvantaged, including children and aged women, are involved in this job.

Profile of Migrant Workers in the Fisheries Sector

There are two areas where many migrants are engaged in fisheries. One is close to the Karachi Fish Harbour, the other is close to the Ibrahim Hyderi jetties. It is said that the majority of these communities are from either Burma or Chittagong and Cox Bazaar, Teknaf area of Bangladesh. Proximity of the fishing sites and migrant communities and the ethnic network might be the reason for migrants to enter the fisheries sector as a means for livelihood in Karachi. Those who work for fisheries were not necessarily involved in fishing in their original place. Most of them were engaged in farming at their original place and had no experience in fishing.

A local boat-owner stated that it was during 1986 to 2001 when many Bengali/Burmese fishermen were seen in Ibrahim Hyderi, though interviews with migrants found many had migrated earlier and joined the sector for a living. It could be supply of labour from the pool of irregular migrant communities that was conveniently utilized by employers. One respondent shares that:

"I was allowed to stay in the empty land of the local sea load. Later, I purchased a plot with the facilitation of a carpet-weaving middleman who lent me money in exchange of engaging my children in carpet-weaving at home." (Burmese male migrant working as fishermen)

The employer or middlemen did not initiate and guide the influx of irregular migrants but they did play a role of facilitation of continuous stay of irregular migrants in the area. The aforesaid

boat owner recalled:

"It was in 1979 when heavy katra net was introduced for catching trash fish. Local people did not prefer this work which was very demanding, thus available single irregular migrants who had no other option were recruited as boat crew members." (Boat owner at Ibrahim Hyderi)

The informal and demanding job as a crew was entry point into the local labour market for irregular migrants, but it seems they did not always stay in the same stratum of labour market in the fisheries sector. After spending years in this sector, some moved on to have their own boats and big launch. Many small boats which accommodate two to three crew members are owned by irregular migrants. As a crew member, they receive share of catch according to the prescribed distribution rate. As a boat owner, they receive half share of the catch. The traditional distribution of remuneration was followed by all fishermen irrespective of their place of origin and legal status. As a crew, they earn Rs. 2,000 - Rs. 4,000 per week. As a boat-owner they could earn approximately Rs. 5,000 per trip. Days of working are approximately 20 per month: four days off and no fishing from 10th to 17th days of moon since it is too bright to catch fish in the night, plus the weather is unsuitable. Thus, income is not stable.

Pakistan is experiencing huge decline of fish stock due to environmental threats to marine and inland body and due to over-fishing, hence diminishing catch. On the other hand, the rates of fish have increased over the time. Thus their income has remained the same despite the decrease in catch. Nevertheless, inflationary prices of daily commodities in recent years have impacted their lives adversely.

Women migrant workers, who make a living from shrimp-peeling belong to an extremely vulnerable group. One woman, when interviewed for the study, recounted:

"My husband went blind six years ago and he could not work since then. I was working for a fish processing factory and earning Rs. 4,000 per month. After I was fired by the factory, I worked as a domestic maid but I became ill and could not work there any more. If shrimp-peeling is available, I work for 6-7 hours but could earn only Rs.20 to 30 in a day. I have no skills such as sewing."

Migrant Workers in Textile and Ancillary Sector

Workers rights are described in the various acts including the Factories Act, 1934; the West Pakistan Standing Ordinance, 1968; the Industrial Relations Ordinance, 1969; the Employees Social Security Ordinance 1965; and the Employee Old-age Benefits Ordinance, 1976. According to those legislations, working time is defined as 48 hours per week and 8 hours per day. One weekly holiday is compulsory; 14 days annual holidays, 10 days casual leaves, 16 days sick leaves and festival holidays are defined as holiday with pay. Double rates for over-time wages are stipulated. Termination of service requires one month advance notice in case of permanent employment and in lieu of notice, one month's wages is paid to the employee. The Industrial Relations Ordinance stipulates the right to association, i.e. forming trade unions. The Employees Old-age Benefits Ordinance defines the provision of pensions whereas the Social Security Ordinance introduces a scheme of social security for providing benefits to workers or their dependents in the event of sickness, maternity, employment injury or death related to employment.

Though rights for workers are properly stipulated in the law, violation and non-compliance is the main issue. The applicability of ordinance is based on the number of employees, and employers tend to report less than actual number of employees to escape law. Contract workers are included in the definition of workers, therefore, in principal, they are covered by the same ordinances. However, besides under-reporting, applicability of ordinances, which varies from 5 to 20 numbers of employees as minimum number of employees, has ambiguity in terms of definition of establishment. "... employer could have more than one establishment. Expression 'establishment' could include not whole of the establishments of an employer, but each of them individually. Where number of workers in each establishment was less than twenty, establishments could not by any stretch of imagination be joined together for the purpose of showing number of workers to be more than twenty." (Rashid M J., 2008) It is, therefore, deemed that ordinances are not applicable to contract workers, which can be counted separately and counted less than 5 or 20 numbers of a group of people employed. It is said that majority of workforce in the textile and the ancillary textile industry is comprised of contract workers who are not enjoying rights and privi-

leges as workers.

After the end of the quota system, the textile industry in Pakistan is going through tough competition and remains under pressure.

Profile of migrant workers in the textile sector

The respondents perceived that 40 per cent of the contract workers in the textile sector were from Bangladesh while very few Bengali migrants were found among salary-based registered workers because most of them do not possess NIC required by an employer for employing registered workers. Both migrants and employers perceived that employers preferred Bengali migrants because they are obedient, complain less about low wages and have experience in this field. The PILER Survey (2009) on 500 women garment workers in Karachi found that Bengali women were receiving the highest salary compared to other ethnic groups. The employer's statements were supported by the data. The migrant workers might be highly skilled and working for longer hours, thus earning more.

According to the interviews conducted for this study, earnings vary, ranging from Rs.3,000 per week to Rs. 8,000 to 10,000 per month. Change of workplace, factory and contractor are quite common. Migrant workers frequently change their place of work based on the availability of work and a piece rate paid to them. Work subcontracted to contractors is based on the order received. Production schedule is bound by the shipment schedule of the order received and the contractors tend to give unrealistic targets thus requiring long hours from workers. However, once a target is achieved for shipment, there is a time gap till the next order comes. Since the workers earn wages based on piece rate, they shift to next workplace for survival. As a piece rate contract worker, working hours last 14 to 16 hours a day, exceeding the stipulated working hours. Piece rate given from the employer to the contractor include the share of contractor and the rate for rejection, thus the share of workers is less than the rate given by the employer. Even so, some workers prefer to work as a contract worker.

"I prefer to work as a piece rate worker because I am used to working as a contract worker. I think the person who works on a contract basis is skilled or professional worker. When you work as a registered, monthly salary-based worker,

the salary is comparatively low." (Burmese origin Karachi-born male migrant working in garment factory)

Some migrant workers attributed the overall decline of work in the sector to recession and the post quota regime, therefore they have started considering taking up salary-based work for job security if they possess the NIC. Social security scheme could be one of the attracting factors for them to enter salary-based jobs, but this is applicable only to large factories according to the migrant workers.

The ICRMW and Issues

Issues related to remunerated activity

- ICRMW, Article 25 (Equality of employment)
- ICRMW, Article 26 (Rights to participate in the trade union)
- ICRMW, Article 27 (Grant of social security)

Though Pakistan has not ratified the ICRMW, as far as Article 25 of the Convention is concerned, all the respondents stated that they did not face any discrimination due to ethnicity and legal status, which includes remuneration, overtime, hours of work, weekly rest, holidays with pay, safety, health, termination of the employment relationship, and minimum age of employment. But are they enjoying benefits from this treatment? The answer is "No".

As in other countries, the entry point into the local labour market for irregular migrants in Pakistan is the so-called "3D" (dirty, demanding and dangerous) work. The 3D work falls in the informal sector which is less protected and less paid be it nationals or immigrants. In the case of the textile sector, many migrant workers are engaged as contract workers and experience similar issues as those of nationals, i.e. long working hours, job insecurity, and lack of social security. As for the fisheries sector, labour laws do not cover it and irregular migrants work under similar conditions as nationals. However, they were sometimes preferred by the employer because they were obedient, less complaining, and available for 24 hours. Their concentration in the informal sector due to their legal status places them in a more vulnerable position.

Is their vulnerability protected through the entitlement of rights to participate in the trade union? There are collective struggles of informal workers in some sectors, such as the fisheries,

agriculture, textile, initiated by themselves to bring about a change in their working conditions, yet as far as migrant workers are concerned, no respondents were found to be a member of trade unions nor showed interest in being part of it.

"There is no trade union in a small factory. The factory owner does not like it." (Burmese Origin Karachi Born Contract Worker in a garment factory)

"If someone is working in a production department (i.e. contract worker), they usually do not get information about trade unions. I myself don't know about it." (Burmese origin Karachi-born salary-based worker in a garment factory)

"I heard from my friend about trade union, but you cannot make this kind of organization without support from any political party or influential figures." (Bengali/Burmese origin Karachi-born contract worker in a garment factory).

"They (organization of fishers) are not interested in Bengali fishermen and we could not join them either." (Bangladesh-origin fisherman)

"I do not know much about their organization (fishers' organization) and am not interested in it since it is the captain who extends assistance to us at the time of need." (Bangladesh-origin fisherman)

"We are just an employee. What we can do? Though we have problems, we cannot negotiate with employer. (Burmese-origin, Karachi-born Contractor working in garment factory for the last 20 years)

Unfortunately though migrants are considered to be part of the proper system at the work place and receive equal treatment, they have not been a part of trade unions as far as respondents of this study are concerned; though Article 26 of the ICRMW enshrines migrant workers' right to join and seek aid of any trade union.

The state of social security also reflects on migrants' unequal terms and conditions of work.

"Though working as a registered salary-based worker, social security card is not provided in the case of small factories." (Bengali-origin, Karachi-born Contract Worker of a garment factory)

Migrants perceived that 40 per cent of the con-

tract workers in the textile sector are Bengali/Burmese but few people found salary-based registered workers because not all people have NIC required to be recruited for registered workers. Registration of workers is required for granting social security, thus, in principle, irregular migrants are not entitled to receive social security.

Issues related to health

Article 28 of the ICRMW only assures the rights of access to emergency medical care. In Pakistan, weak state system of social service delivery, including medical care, compels almost all and sundry to rely on private healthcare service delivery. Social services, thus, sometimes are beyond the reach of even nationals who belong to low economic strata. However, injury and sickness can impact migrant workers' lives rather more adversely.

"A contract worker is more vulnerable. The salary-based workers get some compensation for minor injuries, but if it is too serious, they lose their job. When somebody gets injured, the contractor pays small amount such as Rs. 200 for the initial treatment to save face, but they may not part with any big amount of money for the worker's treatment. When somebody dies, the company pays some amount, again for face saving. When somebody falls ill, they do not pay." (Burmese origin, Karachi-born Worker of a garment factory)

"Working in a seafood factory makes you prone to illness. It is very cold in the factory." (Bengali woman used to work in a processing factory)

"I had severe pain at my breast and went to see a doctor. He told me to go to a big hospital but I have not been able to visit the hospital till now. I need Rs.500 to go to a big hospital. I do not have enough money." (Burmese woman helping her husband in cleaning and selling rice).

"When I become sick, I had to stop working as a maid." (Bengali woman)

There is no mechanism to support those who are afflicted with injury or sickness.

Issues related to rights of children

- Article 29 (Migrants' children rights to be named and registered)
- Article 30 (Migrants' children's right to access to education)

It is reported that as much as 80 per cent of the population of the current irregular migrant communities was born in Pakistan (Gazdar H., Bux Mallah H. and Memon R., 2006). Article 29 of the ICRMW states the migrants' children's right to be named and registered and Article 30 mentions the migrants' children's right to access to education. The Pakistani Citizenship Act, 1951 itself has given the citizenship by birth. As the Act states, "Every person born in Pakistan after the commencement of this Act shall be a citizen of Pakistan by birth." However, the judicial precedent interpreted that this was by descent, that is, provided that the father of the children was citizen of Pakistan at the time of children's birth. When asked how the practice was being followed, some respondents reported that they registered their children's birth in the B-form in Pakistan, including even those who were not born in Pakistan. These statements need to be interpreted with caution and need further investigation since it is not proved if they have really registered children's birth. The reason cited by those who did not have their children registered was that they did not have the money to pay for it (either to agents or to government officials). Since they do not possess documents of the country of origin either, it can be assumed that they rarely register their children's birth to the consular authorities of their country of origin. Unless they register their children's birth to any of the states, the children remain a kind of stateless population.

One of the respondents estimated that around 50 per cent of teenage population of the migrant community is engaged in some kind of work and the rest of the teenage population is in the school system. An estimated 25 per cent are in regular schools while 75 per cent are in madrassahs. It was not possible to have exact percentage of the educational attainments of the migrants' children but the general impression was that a high percentage of migrants' children were attending Madrassahs instead of regular schools. Possible reasons mentioned by the respondents were: 1) many of migrant families cannot afford to pay school fees required for regular schooling and opt for madrassahs which do not charge any fees or charge small amount of fees; 2) some madrassahs charge higher than regular schools and even parents would like to send their children to regular schooling, they could not do it because they require either the CNIC or the B-form to have children accepted in the schools; 3) there is no role model in the community that proves that education will lead them

to a better life. That might be one reason why parents do not place importance on regular schooling. The NARA registration gives registered irregular migrants the rights to access to basic education, but this facility/right was not as such perceived or appreciated by the migrant communities.

One migrant respondent recalled;

"In exchange of providing child labour for carpet-weaving, the small plot of the vacant land was allotted for their residence. This was the reason why many children did not go to school in the past." (Bengali-origin, Karachi-born male migrant)

However, carpet-weaving gradually disappeared from the communities in the mid 1990s. It was, therefore, not the reason for children not attending school at present.

Though many reported the use of mother tongue (Bengali) at home, no respondent had shown interest in learning or teaching to read and write in Bengali language. Thus, children are inducted in the Pakistani educational system and assimilated into Pakistani society as Pakistanis.

To some extent, irregular migrants have access to basic education and mainstreaming them is more or less dependent on aspirations for social mobility among each family.

Issues related to liberty and security

Article 16 of the ICRMW includes the state's obligation to protect migrant workers and members of their families against violence, physical injury, threats and intimidation. Article 14 mentions migrant workers shall not be subjected to arbitrary or unlawful interference with their privacy, family, home, correspondence or other communications or to unlawful attacks upon their honour or reputation.

The issues highlighted by migrant communities were not harassment by employers but by law enforcement agencies. Due process of law at the time of investigations, arrests and detentions needs to be ensured for all migrant workers (Articles 16-20). Usually, irregular migrants' encounter with law enforcement agencies involves payment of bribes for release/freedom. The procedures of arrests and detentions were beyond the scope of this study and have not been examined, but further study might be

needed.

It can be said that the communities are harassed or exploited by the political parties as well. The demographic weight of the Bengali/Burmese communities can be the motivation for political parties to approach the communities during times of elections with unfulfilled promise of the provision of citizenship. Generally, strict measures (such as raids) have not been conducted on irregular migrants. They are not arrested nor deported followed by strict rules. Ambiguous status of irregular migrants allows law enforcement agencies or political parties to take advantage of their vulnerability. Two councillors were elected from migrant communities in the last local bodies elections. Nevertheless, one of respondents feels that this would not help his community for better future but he considers it as one of the tools for political mobilization of the migrant communities.

Issues of integration, social mobility

It was estimated that 80 per cent of the migrant community members were born or/and brought up in Karachi. Those who were born or brought up in Pakistan regard themselves as Pakistanis. The issues mostly highlighted by the migrant communities were issuance of CNIC and passport. The Citizenship Act, 1951 under Section 16A draws a line of recognition as citizen of Pakistan if they were in Pakistan before 1975. Therefore, in fact, if any person arrives after the said year, she/he has no recourse to claim her/his citizenship. However, the enforcement of the law is weak and much depends on the amount of bribe migrants pay for it, according to respondents. As described earlier, many fraudulent NICs and passports were issued through bribery. At the same time, even those who come under the citizenship entitled category, find themselves struggling with lack of documents to present evidence of residence to the concerned authorities. The registration of NARA is supposed to give amnesty to those who do not have legal status in the country but ironically the arbitrary enforcement of law does not allow the migrant community to have a sense of security and gives the impression that the NARA registration would degrade their status in the country. One of respondents was of the opinion that NARA registration was good for single migrants but not for those with families. With NARA registration, single migrants whose principal motive is earning money can at least fulfil their purpose, i.e. finding a job. However, it is not good for those

with families who will face multiple needs for living.

Given the fact that they have been living in Karachi for the last 20 or 30 years and majority of them were brought up or born in Karachi, the communities or individuals were almost completely integrated in the local society. If he/she is not migrated himself/herself, they regard themselves as Pakistani but not as Bangladeshi or Burmese. Some are not even interested in their parents' original place and has no desire to visit that place, either.

"I want to visit Bangladesh once just out of curiosity, but not for the purpose of staying there. I was brought up in Karachi and will continue to live here." (Bangladeshi-origin female migrant who migrated at the age of 3)

"I never think about Burma and Bangladesh because I have no one I know there. I am interested in going either to Dubai or Saudi Arabia where my relatives are living." (Burma/Bangladesh origin Karachi-born male whose parents spent many years in Saudi Arabia before migrating to Karachi)

As far as language is concerned, use of Urdu is widely adopted by migrant communities, families and individuals. Even for education, though majority is studying at madrassahs, communities do not opt for educating their children by the way that inherits their cultural values and norms and their languages.

Then, can we say they are completely adapted to, or integrated into Pakistani society? One of respondents shared that if they confine themselves within lower strata of the host country, i.e. Pakistan, they may not face many issues. However, once they wish to have ambition in the host country, their social mobility will be limited. When they want to work for multinational companies or study further in higher education institutions, there is stigma on "Bengali" speaking people even though they have proper legal status.

Provided that they continue to stay in the existing legal status and laws addressing migrant communities are not properly implemented, the migrant groups residing in Pakistan would continue to be taken advantage of for their vulnerability, especially by law enforcement agencies and political parties. Their integration into the society may go further, but their vulnerability or

insecurity may remain.

On the other hand, for the case of migrants with legal documents but having same kind of migratory history, some do make effective use of the transnational nature of networks of their families to obtain upward social mobility. There is evidence of movement of migrant families and descendants not only from their place of origin but from and to the third countries as well. Money earned in the third countries had sometimes been invested in Pakistan in the form of property or in business. This adds another dimension to the migrant communities' interaction with the host societies which cannot be grasped by the traditional stereotypes of migrants. The changing characteristics of migrant communities need to be captured from time to time.

Issues of female-headed household

Both Burmese and Bangladeshi women are considered to be less mobile. They, therefore, tend to be engaged in home-based work rather than working outside such as in factories. Female labour participation rates of irregular migrant communities are not captured by official data but perceived to be low by the community members. Interviews of female workers revealed that those who were working outside tend to be either from female-headed households or belonged to disparately economically disadvantaged group.

"My husband went blind six years ago and could not work. I became ill, too. Sometimes I could earn Rs. 20 to 30 per day for peeling shrimps. When I have no work, we have nothing to eat. Some people give us small money to survive." (Bengali woman)

"My husband went to Bangladesh two years ago and could not come back here. I had worked for a factory for six years, but had to quit due to health problems. Now I sometimes peel shrimps." (Bengali woman)

"I was divorced and staying at my parent's house now. After my mother died, I started working as a maid to take care of my siblings. I earn Rs.1,800 per month, not enough for my household." (17years old Bengali woman)

Economic necessities compel migrant women

to work outside. Same as Pakistani women of the lower strata of the society, migrant women are usually unskilled, and are paid less, which makes their household extremely vulnerable. This vulnerability intensifies when they fall sick.

Conclusion

Is the NARA registration policy in line with the ground realities of the irregular migrants in Karachi?

As for policy in terms of regulating the inflow of labour migrants, there has been no concrete policy formulated by the government so far. The push factor from the migrant communities is apparently seeking better economic opportunity or escaping insecurities in the country of origin. As for pull factors, there seems to be little demand for foreign workers by employers in the case of Pakistan. It could be the reason that policy formulation on migrant workers has not been a priority of the government. While there is no shortage of low-skilled, low-paid labour to act as pull factor, regulative valve of the influx of migrant workers in the country had been a network of smuggling agents and groups involved in fraudulent issuance of travelling documents and identity cards.

The employers apparently make use of migrant workers simply because of their presence in the country, but not from the motive of exploiting them for reaping economic benefit. This could be the reason why migrant workers have not faced any discrimination in terms of working conditions; they are working in already severe conditions like most of the Pakistani nationals.

The influx of migrants workers both from Bangladesh or Burma have declined not because of any intervention by the Pakistani government, but because of the deterioration of the country's economy, construction of barbed-wire fencing along the Pakistan-India border and strict action of Bangladesh government against the movement of Arakan Muslims into Bangladesh (Human Rights Documentation Units, 2006).

Nevertheless, those who have been in the country for 20 to 30 years most probably will continue to stay. Unfortunately the government policy of registering them and providing amnesty has not been successfully introduced so far. The possible reasons are: 1) contradiction or inconsistency in precedent and current practices could not provide a sense of benefit to migrant com-

munities; 2) proper information has not been disseminated to migrant communities; 3) various aspects of the communities, families or individuals were not fully translated into policies. The benefits of registration listed by the NARA look attractive but these are not necessarily accessed by the irregular migrants considering ground realities, i.e., weak implementation of laws and non-compliance of standards in general.

The census carried out in 1998 did not fully cover migrant population including irregular migrant population, nor was data made public; a constraint that hampers sound argument on the country's policy alternatives.

The NARA's policy - regularization - can benefit the state since regularization programmes can be a good source of information about migrant population in the host country and can aid policy formulation. If regularization is only for the advantage of the state, but not for the migrant communities, motivation for regularization by the migrants would remain low. Nevertheless, proper legal status can give a sense of security to irregular migrants, even if it is a temporary one. However, government needs to build its credibility among migrant communities in terms of consistency and continuity and proper implementation of the policy.

Victims, Menace or Comrades?

The study shows non existence of discrimination in remunerated activities of irregular migrants in Pakistan. Further, if regularization works properly, it is supposed to provide favourable employment opportunities to irregular migrants such as access to formal employment. However, regularization is not always the perfect solution for reducing number of irregular migrants in the country or for granting favourable employment for irregular migrants as other countries' experience shows. In the country where the informal economy is well entrenched and articulated within the formal labour market structures, migrants may remain in the informal economy even after regularization (Papadopoulou, 2005). This might be applicable to Pakistan where majority are employed in the informal sector.

The growth of labour subcontracting might be contributing to hiring of irregular migrants since employers do not need to ensure possession of identity card of employees and employers are not directory contacting irregular migrants.

As the case of Pakistan shows, role of labour market is the single most determining factor for influx as well as for working conditions of irregular migrant workers. Where the informal sector is large, irregular migrants will remain there and where subcontracting prevails, irregular migrant will be inducted there. On the contrary, where labour market is characterized by high flexibility and a small informal economy, even irregular migrants can enjoy upward mobility. (Papadopoulou, 2005).

In Pakistan, it can be said that irregular migrants are not categorically discriminated against, but integrated into the country's informal sector, i.e. the deprived sector. Yet, they are not fully part of unionization. Those regularized under the regularization program and even those who are not legalised can be members of unions for betterment of working conditions as this is one of the rights assured for all migrant workers. This could result in momentum to both nationals and migrants for improving their working conditions.

Recommendations

Promote regularization

Though the current implementation of the NARA policy did not get full acknowledgment from irregular migrant communities, the regularization or proper legal status can give a sense of security, provided the laws and regulations are implemented properly. The review of strategy, implementation procedures and approach of regularization process are necessary to benefit both concerned authorities and irregular migrant communities. Occasional survey on irregular migrants can help evolve arguments about policy options and directions as well as alternative strategy of regularization.

Initiate bilateral talk

Deportation in the consequence of violation of Foreign Act is not really practiced in the country. Nevertheless, one of the constraints for deportation identified by the NARA authorities (as well as by a section of the migrant communities) is that migrants do not possess evidence documents of country of origin as the government of Bangladesh does not accept them as Bangladeshi nationals. Concerted effort might be more effective to get them out of an ambiguous position and endow them with proper status.

Naturalization

It is not clear whether the migrant descents born

in the country have recourse to the Citizenship Act for entitlement of citizenship. Given the fact that those who are born here have been integrated in the Pakistani society and identify themselves as Pakistani citizens, they have neither any desire nor any legal possibility to return to original place of their parents. Realistic policy option such as naturalization or granting a permanent visa needs to be discussed so as to avoid this group of population from becoming marginalised or stateless..

In the Convention relating to the state of refugees, facilitation of naturalization process was stated as an obligation on the part of the ratifying country. Though Pakistan recognized Burmese Muslim as refugees, there was no established naturalization process for them announced publicly. They are also one of the groups deserving naturalization.

Facilitating unionisation (recommendations for union activists)

As the study shows, legal status of irregular migrant workers is not a determining factor for discrimination or exploitation, but the country's labour market is. Migrant workers are not discriminated against but are incorporated in unprotected and insecure segments of the society. There are a few unions/associations which include irregular migrant workers as their members. Hence, migrant workers are not fully mobilized, organized and unionized. Equality of employment and rights to participate in trade unions are the basic rights of all migrant workers. They are equal, but in a sense that they are equally suffering severe working conditions as are Pakistani nationals. Both nationals and migrant workers can equally fight for decent work. Facilitating irregular migrants to be a part of unionization should be considered.

Developing safety net for the needy

The study found that irregular migrant's household becomes more vulnerable when a bread-earner fall sick or when it is a female-headed household. Yet, there is no mechanism to support these vulnerable groups among the community. Though Article 28 of the ICRMW assures migrant's rights of access to emergency medical care, there was no such provision by the state. It is recommended for migrant communities or non governmental organizations to develop safety net for the needy among the migrant communities.

Appendix 1

Details of Interviewees

Gender		Total	
Male	Female	6	18
12			

Origin		Total	
Bangladesh	Burma	3	18
9	5		

Field of Work		Total	
Fisheries	Textile/Garment	1	18
5	9	1	1
		1	1
		1	1
		1	1

Migrants/Descendants		Total	
Migrants	Descendants	10	18
8			

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Brick Kilns and Bondage

Bisharat Ali

Introduction

According to a recent estimate, clay brick manufacturing sector in Pakistan contributes 1.5 per cent to the GDP and provides livelihood to about 2 million people largely as informal, casual/seasonal labour. The sector uses old technology of coal-fired Bull's trench kiln and manual techniques for production. The sector is unregulated and afflicted with debt bondage. Most of the bonded labourers in brick industry are in the Punjab province—where 5000 brick kilns out of total 6000 are located—followed by Sindh, Khyber Pakhtoonkhwa and Balochistan.

Apparently an outcome of poverty, debt bondage is closely linked to the socio-cultural fabric of society. The vicious cycle of bondage subjugates the families economically, socially and physically rendering them incapable to break out of the trap despite putting in hard labor. The term 'bonded labor' refers to workers who render services under conditions of bondage arising from economic considerations, notably through a loan or advance. Where debt is the root cause of bondage, the implication is that the worker and his dependants or heirs are tied to a particular creditor for a specified or unspecified period until the loan is repaid. The majority of Pakistan's bonded labourers belong to religious or lower caste minorities. Usually, the entire family works, hence, child labour, is widespread. Physical and emotional abuse of workers is common.

Working conditions

Brick kiln workers can be divided in two categories: who work and live on the brick kilns with their families and those who live at settled villages/towns and work at nearby brick kilns both individually and with families. Personal observation reveals that second category of the brick kiln workers is, comparatively, better off economically and socially than the first category.

The reason is the second category of the brick kiln workers feels less insecure than the first category as they have their own homes. Those living at the sites have no or little social support and are more vulnerable at the hands of the brick kiln owners. However, both the categories of brick kiln workers, in most cases, get advances and are bound to work at the terms and conditions set by the brick kiln owners. Unless they have paid all the debt and are declared as such by the owner, they feel 'bound' and 'insecure' because no brick kiln owner gives work to a person who has not paid debt of any previous owners.

The majority of the workers/families live in mud dwellings built at the premises of the brick kilns due to poverty and lack of shelter. A limited number of the workers have a written contract and the rest have a verbal understanding. Remuneration is fixed on the basis of the number of bricks made/carried. On average, workers have to work for 11-13 hours. Usually a brick kiln worker (pathera) family gets up early in the morning; male family members including children go to work place, which is just a five minutes walk for those who live on site. Then they start mixing up the mud they had prepared earlier and then start the process of making bricks. Female members join in a bit later after finishing household chores. The work continues till afternoon and then they can take a short break. Women with infant children usually bring them along at work and feed them during this break. Work starts again which is ended at sunset around 6 to 7 pm. Female members leave to cook and do other chores while male members spend couple of hours more at the site preparing mud for the next day.

Health and safety

Brick kiln workers work and live in very poor conditions and degraded environment. The coal-fired kilns emit hazardous smoke and gases.

The workers who stoke the kilns and those who work with the mud do not use any protective gears. According to a worker Daulat Ali Mohsin the workers have no basic civic facilities at all. Brick kiln workers live at the sites in small mud huts and at most of the sites they use same water for brick making, drinking, food processing and bathing. The children (both male and female) work with their parents and do not go to the schools as there are no facilities at the sites:

There is a lot of dust and workers complain that chest and skin diseases are very common besides fever among kiln workers and their families. No measures have been taken to protect workers from such exposure. At a couple of brick kilns in Multan district, owners even do not make proper arrangements for water used in making the mud and workers are compelled to use sewerage and chemically polluted water for this purpose. For instance workers at brick kilns around fertilizer factory in Multan told that there is no arrangement of water for mud making and they are using chemically polluted water discharged from factory for this purpose. In the same locality at another brick kiln, workers use city's sewerage water for mud making. All this is seriously affecting their health but owners pay no attention.

About 90 per cent of the brick kilns are located in rural area. The reasons are availability of cheap land, proximity of roads for transportation of fuel and bricks, proximity of markets for bricks and low paid workforce.

Wages

One of the major issues of brick kiln workers is that they are paid very low wages. Already buried under debt, brick kiln workers face difficulty in managing the household budget given the current inflation. The brick kiln owner takes verbal commitment from workers while giving advance to them and continues to deduct 20 to 40 per cent of their income on weekly basis. Besides, workers at brick kiln do not get the wages that are notified by the government for this sector. For example government of Punjab has fixed Rs 442 per 1000 brick making in the province but, according to APBMU the workers are getting Rs275 to 350 per 1000 bricks.

There is no mechanism for fixing national wages for the sector. Different provinces fix different wages for similar work: in Punjab the rate is Rs 442.48 per 1000 bricks; in Sindh, Rs 280 per 1000 in Khyber Pakhtoonkhwa Rs 295. Wages

for brick kiln workers in Balochistan could not be ascertained. This is an irrational mechanism for wage-fixing because commodity prices and all other factors are similar all over the country. In 2009, the government raised the national minimum wage for unskilled work to Rs. 7000 per month. The wages for all categories of workers are notified by provincial governments under the Minimum Wages Act, 1961. Punjab Ministry notified the rate prevalent today (Rs. 422.48) in 2008.

A family consisting of four persons (man, woman and two children) could make 1000 bricks in a day after working 8 to 11 hours. It amounts to each person earning Rs 75 to 88 per day given the rate kiln owners are offering per 1000 bricks making.

It is to be noted that hand baked bricks are sold for more or less the same prices all over Pakistan. The brick kiln owners sell 1000 baked bricks in Sindh and Punjab for Rs 2,100 to 2,600. According to a brick owner, the cost of labour and inputs comes to Rs 1600 to 2000 per 1000 bricks. According to a union representative, the owners spend Rs 1400 to 1800 per 1000 bricks. It means the owners are earning a profit of Rs 600 to 1200 per 1000 bricks but are not willing to pay fair wages to the workers.

Recent developments

Supreme Court of Pakistan issued directives in June 2010 to all Chief Secretaries of four provinces to register all the brick kilns. Initially provincial governments did not take action. The brick kiln workers and their representatives have also been demanding that all brick kilns must be registered so as the workers could access social security benefits. According to the National Coalition Against Bonded Labour, 3,456 kilns out of 3858 kilns in Punjab have been registered under the Factories Act 1934 in recent years.

In Sindh province, after intense pressure from the workers and civil society organizations, a separate portfolio of Bonded Labour was established in 2008. It was first time that a provincial government realized the issue of bonded labour. This response was followed by the government of Sindh's decision to form a committee' to monitor the process of registration of brick kiln in the province. It is being claimed that more than 500 brick kilns have been registered with the provincial Labour Department. Some 62 brick kilns and their workers have also been registered with SESSI. The Labour Department, Sindh, has also

shared the list of registered brick kilns but social security cards to the brick kiln workers in the registered kilns have not yet been provided.

The incidence of bonded labour in brick kilns is very high in Punjab. A 2004 survey of brick kilns in Punjab by the Federal Bureau of Statistics found that nearly 90 per cent of workers took advances from the kiln owners. The Punjab government in 2008 started a major project, Elimination of Bonded Labour in Brick Kilns, in Lahore and Kasur districts at a cost of Rs123 million under its annual development plan. For the first time, Punjab government has allocated fund to fight bonded labour. Through the project, with the assistance of NGOs, the Punjab government has been providing education to approximately 7,000 children in 200 non-formal schools and helping 5,000 or so children to enroll with mainstream state-owned educational institutions. The Labour Department claims to have conducted a survey of all the brick kilns in the Punjab province to register. However, brick kiln workers in Faisalabad and adjacent districts deny any facility provided to them, like social security cards etc.

Labour Legislation: Applicability and non-Implementation

The major labor laws applicable to brick kiln industry and indirectly relevant to the issue of bonded labor are as under:

- i) Factories Act 1934; the law relating to working conditions and health and safety of the workers at the workplace.
- ii) Minimum Wages Ordinance, 1961; dealing with the fixation and implementation of minimum wages for different categories of skilled and semi-skilled workers including the brick kiln workers.
- iii) Payment of Wages Act, 1936; deals with the payment of wages, time period of payment and mode of payment of wages to the workers.
- iv) Industrial and Commercial Establishments (Standing Orders) Ordinance 1968; relates to terms of employment, bonus, gratuity and group insurance of the employees.
- v) Workmen Compensation, Act 1923; relates to payment of compensation to

the workers in case of injury or death.

- vi) Industrial Relations Act; deals with registration of trade unions, CBA, collective bargaining, conciliation and labor judiciary.
- vii) Employment of Children Act 1991; regulates employment of children in factories and brick kilns.
- viii) Employees Social Security Ordinance which provides medical coverage to the workers.
- ix) Employees Old Age Benefits Act which deals with old age pension.

If all these laws are implemented properly, brick kiln workers would have been in better conditions. Unfortunately successive governments have failed in implementing the above laws in brick kiln sector. Besides, the workers have also have not been able to form a nation-wide pressure group that caused the government have been very lenient with the brick kiln owners.

Emerging self agency

The brick kiln workers' alliance of the four provinces, All Pakistan Bhatta Mazdoor Union (APBMU), was formed in 2005. It campaigned for registration of brick kilns under the Factories Act 1934 and the coverage of brick kilns workers under labour laws. The APBMU had provided a nation-wide platform to realize their labour rights. Unfortunately it could not sustain and disintegrated quickly. Efforts are being taken by the labour leaders and brick kiln workers to revive the platform.

However, the workers have continued their struggle as localized informal workers' organizations and unions in the provinces of Punjab and Sindh. In many cases, different NGOs are supporting groups of brick kiln workers in their struggle for legal rights. Brick kiln workers in Hyderabad, Sanghar, Lahore, Multan, Sahiwal and Faisalabad have been more vocal in demanding their rights as are supported by civil society organizations and media.

In Shehdadpur, Sanghar District, a group of 200 brick kiln workers prepared a "Charter of Demand" that include 30 per cent raise in rates of different type of work at brick kiln. They formed a committee, consisting five members who represented different type of workers. This

committee presented the Charter to the Brick Kiln Owners Association and started a series of meetings with local political leadership, officials, media and local consumers. This resulted in formal talks with the local Owners' Association and both the parties reached a written agreement in which kiln owners from 32 brick kiln group agreed on raise in wages: The news of this initiative has created confidence among workers of other kilns that they can bargain with owners if united and organized on a platform.

During last five years thousands of brick kiln workers got release from bondage through the intervention of the judiciary. For example in 2009, according to news reports, some 428 brick kiln workers were released in Sindh only. In some cases civil society organisations facilitated brick kiln workers' release from bondage but in many cases the workers approached the district courts directly to get relief. However, only release from debt bondage is not the solution of the brick kiln workers' plight. In case of Sindh province, it is observed that after release from the clutches of exploiting kiln owners, very few of could find a decent job and rest of them either returned to debt bondage or are living in pathetic conditions in the camps near Hyderabad. ■

End Notes

- ¹ Abrar Ahmad, Consultant, Energy Projects, Islamabad, SDPI Bulletin, Jan-March 2010)
- ² Zulfiqar Ali Shah Bukhari, Consultant, Legal Services for Engineering and Energy Projects, Islamabad, SDPI Bulletin, Jan-Mar 2010.
- ³ The State of Bonded Labour in Pakistan, 2009, National Coalition against Bonded Labour, Islamabad.
- ⁴ Javed, Mohammad Iqbal, Bonded Labor in the Brick Kiln Industry of Pakistan, The Lahore Journal of Economics, Summer 2006.
- ⁵ ILO, 2001:32
- ⁶ For example most brick kilns in Matiari and Sanghar districts of Sindh province derive their labour from nearby villages and towns and after visiting those villages and town I found that their living conditions are better than those who live with their families at brick kilns. It should be noted that in Punjab province most of the work force of brick kilns live at the sites.
- ⁷ Mohammad Arif, a brick kiln worker confirms that they are bound to oblige the 'verbal' contract with the brick kiln owner while taking the advance/seeking the work.
- ⁸ When asked Rasheed Noonari, a brick kiln worker at Shehdadpur, said that the brick kiln owners have strong loyalty and friendship/solidarity with each other and, to curb the uprising of workers, brick kiln owners don't give employment once we have a rift with one owner.

⁹ Shah, Zulfiqar. Analysis of interventions in bonded labour report, PILER, 2005

¹⁰ Daulat Ali Mohsin is a brick kiln worker and president of All Pakistan Bhatta Mazdoor Union (APBMU). He works at a brick kiln in Faisalabad.

¹¹ Shah, Zulfiqar. Analysis of interventions in bonded labour report: PILER 2005

¹² Javed, Mohammad Iqbal, Bonded Labor in the Brick Kiln Industry of Pakistan, The Lahore Journal of Economics, Summer 2006.

¹³ President of APBMU Faisalabad

¹⁴ Abid Ali, a brick kiln worker at Piraywala area near Multan.

¹⁵ Feroz Ali runs a brick kiln near Bhit Shah in Matiari district of Sindh Province.

¹⁶ Mohammad Eidan Noonari is president of APBMU in Sindh and works at brick kiln near Shehdadpur, Sanghar district of Sindh province.

¹⁷ The National Coalition against Bonded Labour (NCABL) is a coalition of civil society organizations of Pakistan formed with collective objective to uplift the plight of bonded labourers through joint struggle for the realization of their rights to equality before law and equal entitlements and protection before the public and private institutions. Found inthe alliance has more than 30 members. This coalition also aims at raising the profile of bonded labour in Pakistan along with strengthening the coordination among various civil society actors.

¹⁸ The State of Bonded Labour in Pakistan, 2009, NCABL, Islamabad.

¹⁹ <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/national/big-industrialists-deny-workers-rights-adviser-160>

²⁰ Sindh Employees' Social Security Institution (SESSI) is a service oriented organization. The function of the Institution is unique in nature for the welfare of labour class. It aims at providing medical care facilities and cash benefits to the secured workers and their dependants.

²¹ When brick kiln workers of Sanghar district were contacted they denied any provision of these cards. However, the brick kiln they work on is showed registered with the labour department of Sindh.

²² http://www.antislavery.org/english/campaigns/take_action/background_bonded_labour_in_pakistan.aspx

²³ <http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/the-newspaper/local/lahore/joint-efforts-urged-to-curb-bonded-labour-360>

²⁴ Rahi, Shujaat Ali Shah, The State of Bonded Labour. NCABL. p74

²⁵ Deniel and Discrimination: Labour rights in Pakiastan. PILER. 2007

²⁶ This has been taken from the office record of the brick kiln union. Though not registered with the government workers were able to sign a MoU with the kiln owners' association in the Sanghar district.



Social Protection for Workers: Mind the Gap

Zeenia Shaukat

Introduction

Social protection is generally understood to be a set of public policy actions that address poverty, vulnerability and exclusion. The term broadly implies support to the poor and vulnerable through social assistance and social insurance programmes. Though social protection is often used interchangeably with social security and social safety nets, these are subsets of social protection. Social security and social safety nets may feature similar products and services; they differ substantially from each other in terms of concept and aims. Social safety nets primarily include benefits in cash and in kind such as cash transfers, food-related programs, price and other subsidies, and public works programs etc. Social security offers unemployment insurance, retirement income, disability income, access to healthcare, nutrition, housing, and other payments to all employed persons and their dependants. It also includes labour market intervention establishing minimum wage, abolition of child labour, elimination of forced labour; amendments and implementation of labour legislation.

Social security is rights-based, emphasising a framework of collective social responsibility as it establishes that people derive their individual rights from social security. Social safety nets are based on the premise that poor have to be facilitated to allow them to manage (economic) risks and prevent them from resorting to measures that undermine their assets. The main objective of safety nets is to create conducive environment for the acceptance of market-based reforms and ensure political stability. While both social security and social safety nets offer protection, they represent a markedly different approach in terms of individual life cycle. Social security covers old-age, maternity and childcare benefits, safety nets concentrate on existing labour force and to a limited extent on children. The two, therefore, cannot be interchanged as

protection mechanisms. Though social security nets are important, especially in times of economic downturns, to ensure sustainability for the vulnerable, social security continues to be a preferred mode of protection for its broad and right-based scope.

Social Protection Programmes in Pakistan

There are a number of social protection schemes pursued by the state, some of them specifically targeting employed population while others focusing on the disadvantaged. However, due to its limited scope, this paper will give greater coverage to national level schemes specific to workers only.

The Poverty Reduction Strategy Paper II identifies and divides the government's social protection strategies along the lines of direct and indirect provisions: direct provisions include employment-based guarantees (such as Employees' Old Age Benefit Institution, Workers' Welfare Fund and provincial social security benefits); direct transfers (Zakat, Pakistan Bait-ul-Mal and now Benazir Income Support Programme); and market-based interventions (microfinance). Indirect provisions include the provision of the minimum wage; lifeline tariff on electricity; and food subsidies. Pakistan Poverty Alleviation Fund also features as an important contribution outlining measures to encourage community participation for enhanced income-generation and social uplift activities. For the purpose of this study, we will focus on the direct transfers identified by the PRSP, for their impact on the working class.

Before a review of social protection system is undertaken, it is important to understand the dynamics of Pakistan's economy and the labour market. A look at emerging issues should also help explain the significance of social protection allowing space for a clearer analysis.

Pakistan's Labour Market

Pakistan has a population of 169.9 million as at end-June 2009. The total labour force of the country is 53.72 million, out of which, 50.79 million are employed while 2.93 million persons are unemployed, resulting in an unemployment rate of 5.5 per cent. The three main sectors of the economy are agriculture, industrial and the services sector. The services sector has a dominant share in the Gross Domestic Product at 53.8 per cent while the agriculture sector's share stands at 21.8 per cent and that of the industrial sector is 18.2 per cent. In terms of employment, 45 per cent of the labour force is employed by the agricultural/forestry/fishing sector, 13 per cent by the manufacturing sector, 6.6 per cent by construction, 16.5 per cent by the wholesale/retail sector and 11.2 per cent by the community/social and personal services.

Pakistan's economic structure is largely tilted towards the informal sector, which accounts for 73 per cent of the employment in main jobs outside agriculture sector. The size of the informal economy is roughly 30 per cent. The sector is more dominant in the rural areas (75 per cent) compared to the urban centres (71 per cent), where there is greater concentration of formal activities at 29 per cent. As the informal sector is totally linked to the private sector, the private sector makes a significant contribution to the economy. In Pakistan today, over 77 per cent of the commercial banking sector, 100 per cent of the textile and telecommunications sector, and a significant part of the cement, sugar, automobile and fertilizer industries are in the private sector. The Sector's contribution to the GDP at current factor cost is estimated at an overwhelming 84 per cent.

A vast majority of jobs in the private sector are generated in small enterprises sector comprising 1-4 people. This sector engages almost 95 per cent of the total (employed) labour force. On the other hand, Pakistan has an insignificant "medium" sector that employs only 5 per cent of the labour force. Public sector employment - once a source of employment for a significant part of the workforce - in the wake of reforms, adjustments and down-sizing has declined over the years. Today, it constitutes less than 10 per cent of the employed labour force (5.81mn). Pakistan's 650,000 strong armed forces, are not counted in the labour force survey.

The wage structure in Pakistan is highly irregular characterised by lack of implementation of the

minimum wage (now at Rs 7,000). According to the Labour Force Survey 2008-09 the white collar-ness of an industry division seems to positively influence the size of the wage. The average monthly wages of employees in the agricultural sector (employing 45 per cent of the total labour force), was Rs 5,601 while wholesale, retail trade employee earned an average wage of Rs 5,914. Manufacturing sector wage rate, at Rs 6,769, and construction sector at Rs 6,510 were marginally above the prevailing minimum wage of Rs 6,000 last year.

Current Issues of the Economy

Pakistan's decisive shift to liberalisation in the 1990s followed the nationalisation drive of the state in the 1970s and the aid-driven economy of the 1980s. The post 1999 military-led government of General Musharraf too pursued a supply side economic model, supported by foreign aid, private investments and a preference for services-sector-led capital economy at the cost of the agriculture and the manufacturing sectors. Since the political government took office in 2008, Pakistan's economy continues on the liberalisation path, with the IMF and international aid agencies playing an instrumental role in determining the direction of the economic development and growth. However, the need for state intervention for public welfare and social protection has come to take up significant space in economic discourse and seeks to influence policy-making exercises and the direction of public provisions.

Apart from the state's role, there are a host of issues that directly influence the economy, its direction and the status of labour in the country. Key issues include poverty, compromised social indicators, poor law and order and energy crisis.

Poverty: There have been varied estimates on poverty in Pakistan, but there has been a general consensus that 30-35 per cent of the population could be counted as "poor" based on various definitions of the term. Some estimates suggest that poverty stands at 38 per cent. This translates into 65 million out of 170 million people living below the poverty line.

Social Indicators: Pakistan ranks 141 out of 182 countries on the Human Development Index. The 'Human Poverty Index' value of Pakistan is 33.4 per cent and the country ranks 101st among 135 countries. State's expenditure on health constitutes 3.5 per cent of the annual budget and is 0.54 per cent of the GDP. The

meagre health spending translates into a \$4 per capita as national public expenditure on health. Thus private sector accounts for 75.6 per cent of healthcare expenditure. Social health insurance covers only 5 per cent of the population but represents about 40 per cent of federal and provincial governments spending on health. Similarly, expenditure on education too accounts for only 2 per cent of GDP in 2009-10. Net Enrolment Rate (NER), defined as the number of students aged 5-9 years that are enrolled in a primary school divided by the number of children in the age group for that level of education is 57 per cent (2008-09).

Law and Order: Law and order and terrorism remain paramount deterrents to the economic development of the country. In year 2009 alone, a total of 2,586 terrorist, insurgent and sectarian-related incidents were reported from across the country killing 3,021 people and injuring 7,334 individuals. The direct and indirect cost to the economy due to terrorism since 2005 stands at Rs 43 billion. In year 2009-10, it totalled \$11.5 billion up from \$8.6 billion in 2008-09. This includes loss of exports, foreign investment, privatization, industrial output, and tax collection, etc.

Energy Crisis: Another important challenge faced by the country's economy is the power crisis. The energy shortage that intensified in the last few years was fuelled by the rise in demand for commercial electricity caused by a higher economic activity, subsidised energy supply and growth in the use of electrical appliances in the last decade. The rise in growth was not matched by expansion in generation capacity. The share of public sector expenditure on power sector, which averaged at 28% in the 1980s, fell to 3% in the current decade. The cost to the economy due to power crisis is serious, leading to a slowdown in economic activity and job losses. The cost of industrial power outages in year 2009 came down to 2.5 per cent of the GDP causing 535,000 jobs losses in this period alone.

The economic meltdown, the spate of terrorism, the expansion of an increasingly privatised and informal structure of the economy, the state's declining role in economic regulation as well as in social protection has marginalised Pakistan's working class to a great extent, leaving them vulnerable to market imperfections and fluctuations. As we will see below, the labour market structure remains outside the government's regulation regime, while labour laws and their

implementation order too do not favour the working class. A poor social security regime thus has adverse impact on workers' welfare in the backdrop of deficits in the social and the economic structures and the non-regulation of the labour market.

Constitutional Provisions for Social Security

Pakistan's constitution outlines social security as a basic right of the citizens and marks state's role in establishing institutions to fulfil this constitutional guarantee. Pakistan is one of the few underdeveloped countries that recognises social security as an explicit citizenship right. Article 38 of the Constitution of Pakistan binds the state to "...provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means; provide basic necessities of life such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, creed, caste, or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment; (and) reduce disparity in the income and earnings of individuals..."

Pakistan has also ratified ILO Convention 18 on Workmen's Compensation (Occupational Disease), Convention 19 on Equality of Treatment (Accident Compensation), and Convention 118 on Equality of Treatment (Social Security). All these conventions require the state to ensure provisions for safety at work and compensation in case of occupational diseases and death, extend relevant branches of social security (medical care; sickness benefit; maternity benefit; invalidity benefit; old-age benefit; survivors' benefit; employment injury benefit; unemployment benefit; and family benefit) to its workforce; and maintain non-discrimination in extension of related benefits.

National Legislation

The country follows a set of legislation, few of which were inherited from colonial rule, dealing with social security. Key legislation covering the provision include:

The Provincial Employees' Social Security Ordinance (PESSO), 1965: This comprehensive piece of legislation provides cash and in-kind benefits for employment injury, sickness, maternity, death, invalidity and iddat. Being a provincial ordinance, the PESSO is applicable to

employees on the provincial level only. Those covered include regular and contract employees, skilled, unskilled, supervisory, clerical, and manual workers. The PESSO, however, excludes persons in the service of the State including armed forces, police and railway servants, and the employees of the local council, municipal committee, cantonment board or any other local authority. Under the current law, employees drawing salary up to Rs. 10,000 are liable to be registered under the PESSO.

The Workmen's Compensation Act, 1923: This Act is applicable on establishments not covered by the PESSO. Under this law, workers are entitled to compensation for work injury, occupational disease, invalidity and death. The present rate of compensation in case of death and invalidity is Rs. 200,000.

The West Pakistan Maternity Benefit Ordinance 1958: The Act applies to the whole of Pakistan and provides for 12 weeks of paid maternity leave for women employed in an establishment, whether industrial, commercial, or otherwise. The Mines Maternity Act 1941 while providing for the same for women, prohibits the employment of or work by pregnant women in a mine during specified period before and after childbirth. Both these acts are however, not applicable in establishments that follow PESSO.

Employees Old-Age Benefits Act, 1976: Under this law the employees of selected private sector industries/establishments are entitled to Old-Age Pension, Old-Age Grant, Invalidity Pension, and Survivors pension. The Act covers non-government establishments that include construction industry, factories, mines, road transportation services, hospitals, clubs, hostels, organisations and not-for-profit messes, as defined in the related acts.

The presence of formidable constitutional provisions and legislation is neither matched by the political will to implement laws, nor have there been adequate efforts to protect and promote the interest of workers and the marginalised in the successive economic programmes and policy directions adopted by the state. Pakistan's labour laws and policy orders have been generally exclusionary and selective, with restricted scope and coverage. The social security services, as will be studied in detail in the latter part, too are characterised by limited outreach and deficits in designs.

Social Protection Facilities/Schemes

Employee Old Age Benefit Scheme:

The social security scheme for private sector employees under the EOBI Act 1976, covers industries or commercial establishments with five or more employees, with an option of voluntary registration for organisations with less than five employees. The scheme requires employers to pay 6 per cent of lower basic salary of the employees while the employees contribute 1 per cent of the salary. The government makes no contribution to the scheme. Minimum pension rate is Rs 2,000 a month. According to the EOBI website, there are 48,377 active registered employers and 2,164,160 active insured persons. However, the number of beneficiaries is just 358,230.

Workers Welfare Fund (WWF) in Pakistan:

The Workers Welfare Fund was established in 1969, followed by the Workers Welfare Fund Ordinance 1971 to make provisions for regular source of income for the fund. This ordinance is applicable to industries that earn Rs. 100,000, employ more than 50 workers, have paid-up capital of over Rs 2 million or fixed assets worth Rs 4 million. Such industries are required to pay 2 per cent of their income to the fund.

The fund administered by the federal tripartite board is used for: (i) construction of houses that are sold to workers, (ii) marriage grant to workers for marriage of their daughters, (iii) scholarship for workers' children, and (iv) construction of educational institutions and hospitals; death grant, ambulance service, water supply schemes, tricycles for the disabled, and provision of sewing machines etc.. Qualified workers include those who fit the definition of 'Workman' outlined in the IRA 2008, in addition to having registered with the EOBI or the PESSI. The workers are also required to have at least three years of association with any industrial unit to avail the WWF. Workers also contribute under the 'Workers Participation Fund'.

The industries/establishments currently covered by the WWF include: factories, workshops and establishment producing articles employing electrical, mechanical, thermal, and nuclear or any other form of energy transmitted mechanically; mine or quarry or natural gas or oilfield employees; a section of transport services; and any concern engaged in the growing of tea, cof-

fee, rubber or cinchona.

In terms of coverage, the record of the WWF is no better than the EOBI. According to the figures provided by the WWF Office, 2,456,212 workers have benefitted from the products and services of the WWF over a period of forty years from 1971 to March 2010.

Provincial Employees Social Security Institutions (ESSI):

Introduced in March 1967, the Employees Social Security Institutions was reorganised on a provincial basis in July 1970. The Board of Trustees in the Provincial Employees Social Security Institution (PESSI) include representatives of employers, workers, and Government. The scheme covers contingencies such as sickness, maternity, work injury, invalidity and death benefits. The ESSI is applicable to industrial and commercial establishments employing 10 or more employees (except Balochistan where it applies to five workers or more). The coverage is provided to the employees of these establishments drawing monthly wages up to Rs. 10,000. The ESSI is funded through contribution of employees at 7 per cent of the wages of secured workers. Apart from the different number of worker thresholds, the coverage of the PESSI is similar to the EOBI in that they exclude government workers, the armed forces and other nominated industries.

Workers Children Education Scheme:

Established in 1972, this scheme provides free education to two children of a worker up to any level. Applicable to establishments of ten or more employees, the scheme is financed through the contribution paid by employers at the rate of Rs. 100 per worker per annum. The scheme is managed by the Provincial Social Security Institutions.

Pension for Government Employees:

Permanently employed public servants, and those in the armed forces, and the police receive pensions and other benefits under the regulations pursued by the respective governments. Government servants are entitled to receive pension and other benefits such as provident fund on retirement, at the age of 60 or earlier after 25 years of pensionable service. However, contract employees hired by the government are not entitled to any social benefits.

Private Sector Pension Plans:

Private sector pension plans are uncommon, though they are promoted by multinationals. These defined benefit plans are employer-funded on the basis of actuarial recommendations. These offer benefits in the form of life annuities for the retiree and reduced contingent pensions for the spouse and minor children. The pensions accrue at the rate of 1 per cent to 3 per cent of basic pay for each completed year of covered service. Contributions to these plans are tax deductible, subject to a maximum of 20 per cent of salary earned by members.

Direct Income Transfers

Direct income transfers are not specifically targeted at workers, but are meant to serve the needy. Four institutions comprise the major sections for direct income transfers: Zakat, the Pakistan Bait-ul-Mal (PBM), the Benazir Income Support Programme (BISP) and the Punjab Food Support Scheme.

Zakat:

The Zakat and Ushr Ordinance in 1980 made Zakat deduction at the rate of 2.5 per cent on the value of specified financial assets a compulsory exercise once a year for Sunni Muslims. Zakat is disbursed under different programmes, such as: financial assistance (guzara allowance), educational stipends (generally directed at Madrassahs), healthcare, Eid grant, assistance to leprosy patients, national level health institutions, and marriage assistance. A total of Rs.768.7 million was disbursed under different Zakat programmes during July-March FY 2009-10, marking a reduction of 46 per cent compared to Rs. 1.421 billion during the same period in FY 2008-09. The number of beneficiaries too recorded a decrease of 25 per cent, from 538,050 during July-March in the previous financial year to 404,124 during the same period of the current financial year. The amount distributed constitutes 0.005 per cent of GDP in 2009-10.

Issues:

About 25 per cent of the Zakat budget is given through institutions while the remaining 75 per cent is disbursed directly to individuals through Local Zakat Committees. Being tax-financed social transfers, Zakat would appear to have real redistributive potential. Its tax-based feature also lends itself to a permanent and earmarked source of revenue, ensuring sustainability. Furthermore, due to the nature of the Zakat system the burden of contribution falls mostly on upper income households. Therefore, Zakat has

the potential of playing a strong redistributive role.

Evaluations, however, suggest that Zakat has failed as both a redistributive and a risk management mechanism. This failure appears to stem from the same parochial social relationships which fragment access to informal social protection within the community. Various studies indicate corruption, patronage, exclusion, and distortions in the Zakat machinery. The issue of patronage is particularly serious. A study by the Social Policy and Development Centre (2000) observed that procedures involved in identifying eligibility for Zakat lent itself to 'some patronage at the local level'. The Zakat department relies heavily on political persons for identification of the needy, and those with connections with political figures such as a nazim, MNA or MPA get easy access to Zakat funds, even if they do not strictly fall in the category of the deserving. It has also been observed that the religious identity of the potential beneficiaries creeps in as a factor influencing the distribution. Shias, recent converts to Islam, and other sects biased against on religious grounds do face discrimination by the Zakat officials. There are issues with information system as well. A World Bank/Gallup study in the 2006 concluded that of those that needed assistance but did not apply for it, more than 25 per cent did not know where to go (for information and access to the funds).

Pakistan Bait-ul Maal:

Established in 1992, the Pakistan Bait-ul Maal aims to provide assistance, mainly cash stipends, to those groups, primarily religious minorities, who are excluded from the Zakat programme. It is funded through federal grants as well as smaller grants from the provincial and local governments, national organisations, international agencies and voluntary donations. The PBM runs programmes encompassing food support, child support, rehabilitation of child labour, vocational training, support to medical centres, and others. It is largely dominated by the Food Support Programme which provides a bi-annual cash transfer to poor households. However, the size and contribution of the PBM has declined in recent years. It started with Rs 6 million in 1992 benefitting 25,000 individuals and went up to Rs 5.52 billion disbursed in FY 2007/08 to around 2 million households. However, in year 2009-10, the PBM disbursed an amount of Rs. 1.65 billion relative to Rs. 2.7 billion incurred in the corresponding period of FY 2008-09, marking a

decrease of 38.9 percent. The number of beneficiaries has declined by 22.8% from 1,437,569 during July-March FY 2008-09 to 1,110,264 over the same period in the current financial year. According to the Economic Survey of Pakistan 2009-10, the decline in disbursements and number of beneficiaries is caused by the merger of the Food Support Scheme, a major component of the Pakistan Bait-ul Mal into the Benazir Income Support Programme since FY 2008-09.

Issues: One problem with Bait-ul-Maal is its limited coverage as it targets religious minorities and others who are unable to benefit from Zakat. Furthermore, like Zakat, Bait-ul-Maal suffers from a culture of patronage where political and social influence determines the distribution. This restricts its outreach. The Bait-ul Maal is financed through grants. There is no identifiable and permanent source of income for the scheme, making it vulnerable to fiscal shocks. The amount transferred is extremely limited too. For instance, Rs 1.65bn distributed this year to 1,110,264 amounts to Rs 1,500 per person. In recent studies, it has been estimated that Zakat and the Pakistan Bait-ul Maal add just 4 per cent to the incomes of the households bordering on the poverty line and meet less than 40 per cent of the incomes of the 20 per cent poorest households.

The Benazir Income Support Programme (BISP): The BISP is a cash transfer programme targeted at families that have a monthly income of less than Rs 6,000 (minimum wage 2008). An amount of Rs 2,000 is disbursed every alternate month to the nominated women of the targeted household. Other eligibility criteria includes: Computerised National ID Card; possession of no or less than 3 acres of agricultural land or up to 3 marlas residential property; no family member in government service; the applicant should not be beneficiary of any other programme; and should not possess a foreign account or a passport. The BISP is a part of current expenditure of the annual budget.

The budget allocation for the year 2010-11 is Rs 50 billion, while it was 70 billion targeting 5 million households in year 2009-10.

At the time of its launch in 2008, the BISP applicants were required to apply through forms distributed by members of the national assembly in their respective constituencies. However, this system was criticised for its potential for political patronage, issues with verification process and

the ID cards conditionality. The beneficiary-identification through parliamentarians was stopped in mid-2009 as the IMF asked the government to adopt a World Bank-devised methodology of identifying the deserving families, preconditioning it with its \$7.6 billion loan for Pakistan. With a \$60 million World Bank loan, the government has initiated a survey using 'Poverty Scorecard' to identify the poor families. A total of 100 points are allocated based on responses to such questions, and the families with scores under 16 points are identified as "deserving". The survey has been completed in 15 districts, while it is underway in 20 others.

Issues: So far, the BISP has received a positive response from the public. Since the old system involving legislators has been abandoned, issues of patronage and corruption have, to some extent, been addressed. However, there have been reservations regarding the Poverty Scorecard being developed. Experts argue that the Scorecard is using the 1994 database which might lead to inaccuracies while ignoring new impoverished regions. At least 37 per cent beneficiaries of the scheme are suspected to be non-poor due to the flawed methodology of the survey. There have also been apprehensions that the involvement of notables and elected representatives in data collection exercise may politicise and negatively influence the beneficiaries' selection process.

Punjab Food Support Scheme (PFSS):

The Punjab Food Support Scheme (PFSS) was initiated in 2008 as a provincial programme. It was originally designed to provide food stamps for the poorest households, but has now been converted into a cash grant of Rs. 1,000 per household per month along the lines of the BISP. The total cost of the scheme is estimated at Rs. 10.8 billion for the year 2008-09. The subsidy is directed at households that do not have a bread-earner; widows, orphans, and the destitute; chronically sick and/or disabled persons; elderly persons who have been abandoned by their family; and the poorest of the poor segments of the society with marginal income.

Issues: A major flaw of the programme is that it relies on local government officials (district and union councils) and political appointees to propose an initial list of beneficiaries. This could lead to corruption and patronage as in the case of Zakat and Bait-ul-Maal, wasting state resources and depriving the deserving section of the population from benefitting from the pro-

gramme.

Other Programmes

Pakistan Poverty Alleviation Fund:

Under the PPAF, the government provides funds to civil society organizations for development of projects forming partnership following a set criteria. The PPAF is sponsored by the Government of Pakistan and funded by the World Bank and other leading donors. As of April, 2010, it had a resource base of US\$ 1,062.79 million (Rs. 79,709.25 million). Credit and enterprise development is the largest component of the PPAF accounting for 76 per cent of cumulative disbursements followed by community physical infrastructure (15 per cent); capacity building assistance (6 per cent); social mobilization grants (2 per cent) and health & education had a share of 1 Per cent. By the end of FY 2009, cumulative disbursements for core operations stood at Rs. 42,933 million.

According to its Director's Report, by the end of June 2009, the PPAF funding had been disbursed in to about 141,000 community organizations/groups in urban and rural areas of 124 districts of the country. This exercise involved 77 partner organizations of which 12 were focusing exclusively on women.

People's Rozgar Programme (PRP):

This is a programme to facilitate access of the unemployed to credit to enable them to start a useful business. A total of Rs. 104.7 billion has been allocated for a period of five years under the current PRP. The maximum financing limit is up to Rs. 200,000, which is disbursed through the National Bank of Pakistan (NBP). Support is extended through Interest Rate Subsidy (6 per cent), Credit Loss Sharing (up to first 10 per cent of total credit loss) and Life/Disability Insurance, while the NBP is offering a set of schemes under the PRP.

The trickle down effect of PRP is extremely limited, as identified by the PRSP report that indicates 65 beneficiaries for Rs 4.9 billion disbursed through the Programme in 2006-07 and 13 beneficiaries for 2.33 billion in year 2007-08.

Microfinance:

Microfinance is an expanding industry in Pakistan. By 2008, the sector had reached more than 1.7 million savers, and had a clientele of almost 1.6 million borrowers, of which nearly half were female. Though the private sector is

very active in the provision of microfinance, the government has aligned the Pakistan Poverty Alleviation Fund with the evolving microfinance landscape in the country. On cumulative basis, the PPAF financed 3,000,000 microcredit loans, of which 46 per cent were extended to women, according to its 2009 Financial Statement. Cumulative disbursement amounted to Rs 6.949 billion in 2009.

Microfinance has usually been subjected to criticism for its inability to address poverty. High interest rates, funding-base from donors that eventually influences the policy direction and inadequate institutional specialisation has prevented microfinance from extending sufficient benefits to the poor.

Subsidies:

Apart from the broad schemes, successive governments have used subsidies as a tool to protect the poor from bearing the burden of rising costs of essential items. Subsidies on wheat, sugar, fertilisers and utilities have been extended by the state on a regular basis. .

The state's preference for this form of social protection is reflected in the highest share of subsidies in 'Safety Nets' budgets during the recent years. According to the Economic Survey of Pakistan 2009-10, the Safety Nets Budget includes: Social Security and Welfare, Food Support Programme, Peoples Work Programmes, Natural Calamities and Low Cost Housing. Subsidies claimed 91% of the Safety Nets Budget in 2007-08, 79 per cent in 2008-09, and around 77 per cent in Jul-March 2009-10. Drawn from public funds, subsidies are non-targeted in the sense that there is no discrimination between the beneficiaries. In social terms, such an approach benefits rich more than the poor as the former, enjoying higher disposable income, ends up spending less on subsidised items.

The state has also established 745 franchise utility stores, acting as price moderators that provide items for daily use at a comparatively lower price than the market.

The Benazir Zarai Card Scheme (BZCS):

The Benazir Zarai Card Scheme (BZCS) offers institutional credit to farmers of up to Rs 500,000. The Agri-Credit product enables access to quality inputs at reasonable prices. The Scheme is expected to benefit 3.8 million farmers in its initial stages, and aims to imple-

ment a structure of institutional credit replacing the passbook system.

Public Works Programme [Currently titled People's Work Programme (PWP), previously Khushal Pakistan Programme]: The PWP has been recently revived for small development schemes covering basic areas such as: provision of electricity, gas, farm-to-market roads, and water supply. The programme targeting rural unemployed/landless haris, envisages serving the dual purpose of providing employment and improving infrastructure. The programme design engages the local communities to identify relevant projects.

The Benazir Employees Stock Option Scheme (BESO):

Through the BESO Scheme, employees of the state-owned entities will be given 12% shares, worth more than Rs. 110 billion free of cost. So far, 22,745 employees have been given shares certificates in five entities namely Heavy Mechanical Complex (HMC), Oil & Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL), Sui Northern Gas Pipeline Limited (SNGPL) and Pakistan State Oil (PSO). The government states that the distribution of shares among its workers would create motivation and raise their stakes.

The Benazir Green Tractors Scheme:

Launched in 2009, the scheme envisages the supply of 20,000 tractors to farmers over a period of two years, with a subsidy of Rs 0.2 million per tractor.

The National Internship Program:

Offering cash for work to fresh but unemployed graduates, the year-long National Internship Program includes placement for applicants with various government organizations according to their qualifications and broader academic disciplines for a period of one year.

Issues with Social Security Schemes

Social security remains an under-represented and low priority item in the economic order of the country and as a part of the state's interaction with the workers or citizens. This is not only reflected in its minimal budget allocation, but also in the structure and the outreach of these programmes where deficits such as restricted coverage, limited scope and systemic weaknesses prevent a major section of the population

from benefitting from these facilities.

Low Budget Spending

The Economic Survey of Pakistan 2009-10 maintains 'Pro-Poor Spending' as separate head counting 'Market Access and Community Services', 'Human Development', 'Rural Development', 'Safety Nets' and oddly 'Governance' as five major areas of spending. This Pro-Poor Spending has undergone a mixed trend in the last few years as it was 4.89 per cent of the GDP in 2006-07, 9.7 per cent in 2007-08, 7.46 per cent in 2008-09 and 4.3 per cent in 2009-10. Social security and welfare is a part of the pro-poor spending falling under the 'Safety Nets' area.

Tracing 'Social Security and Welfare' as a part of the budget and the GDP allows a better understanding of the government's spending priorities. A look at related figures demonstrates that the state does not favour social protection as an important means for welfare. In the federal budget 2007-08, the 22.5 billion earmarked for social protection comprised merely 1.5 per cent of the budget. In 2008-09, it was 1.45 per cent of the budget followed by an even lower percentage of 1.107 in 2009-10. The share of social security and welfare in the GDP remained low at 0.23 per cent of the GDP in 2007-08, 0.288 per cent in 2008-09, and 0.18 per cent in 2009-10. The minimal spending on social security not only reflects low government interest in this important area, it also goes on to influence the quality of social security products, their outreach and the delivery capacity of the respective departments. These deficiencies are manifested in low coverage, inadequate provisions, design flaws, and inability of the government to make these institutions efficient.

Coverage

The existing social security programmes are highly exclusionary in terms of the beneficiaries covered. Large sections of the workforce remain unprotected. The two general and most comprehensive social security schemes, the PESSI and the EOBI, do not cover workers from the agriculture sector, the self-employed, and the informal economy, and those establishments that employ less than ten (PESSI or five (EOBI) workers.

The agriculture sector is not covered by any legislation and provisions pertaining to labour in Pakistan. Similarly, the small and medium scale sectors too have not been protected by any social security provisions. Informal labour, which

constitutes 73 per cent of the non-agriculture labour force and includes construction, transport, wholesale and retail sectors, home-based workers, daily wage labourers, and domestic help among others too remains outside the ambit of social security provisions.

Even the tilt in favour of the formal sector fails to offer adequate coverage to the related sections. For instance, according to the EOBI website, out of 2,164,160 active insured persons, the number of beneficiaries is just 358,230. The PESSI too is limited in its coverage. In terms of workers (excluding dependents) covered under the PESSI, the available data shows that about a million workers in the whole country employed in 41,498 establishments benefitted from the Social Security Institution. Together, the EOBI and the PESSI cover merely 5 per cent of the total workforce of 53 million.

The Workers Welfare Fund is restricted in the same manner. According to the figures provided by the WWF Office, 2,456,212 workers have benefitted from the products and services of the WWF during the period of 1971 to March 2010. The Scheme provided 60,001 houses to workers, gave 52,395 workers educational facilities, provided 1,251,599 workers health benefits and 129,916 workers marriage grants. In total, it covered merely 4.5 per cent of the labour force in the last 40 years.

Registration

One major reason behind the restricted scope and delivery capacity of social security schemes in Pakistan is loopholes in the system that allow easy escape for those evading extra cost. The EOBI Scheme covers industries/establishments with five employees, the WWF covers those that employ more than 50 workers, and the PESSI is applicable to commercial setups employing 10 or more workers. This means that even those establishments with one worker less than the minimum requirement remain outside the ambit of these schemes. Furthermore, the absence of a self-registration system for workers promotes under-reporting on the part of the employers, since the responsibility of employees' registration lies with them.

The design of the schemes places the onus of financial contribution as well as resource mobilisation in terms of set up, time and energy on the employer, making registration with these schemes an unattractive proposition. Many establishments that are covered by the law are

either not registered or if registered, the full strength of the workers are not covered.

Looking beyond the element of evasion, enforcing coverage remains a problem since employers have repeatedly contested the compulsion for providing updated list of workers. In case of the PESSIs, many employers provide the number of workers and the appropriate payment, but have refused to submit lists of workers covered citing continued staff turnover.

It has been repeatedly suggested that the workers should have the right to register themselves in cases where employers fail to get them registered. The right to self-registration of workers from the formal, informal and the self-employed sector will ensure expansion of benefits of the current social security schemes to a larger section of the workforce.

Another restricting feature of the ongoing social security institutions is the provincial nature of some of the schemes. The PESSIs are regulated and run under provincial management; hence the beneficiaries are able to obtain the services only if they are physically present in the province of their registration. The employees are required to update their registration in case they move to another province. The government is considering provincialising other social security schemes following the 18th Amendment that authorises greater provincial autonomy. Such a move would not only restrict social security schemes, these could negatively impact inter-provincial movement of labour.

Design Flaws

One important deficit with the design of the social security system that promotes greater contribution from employer compared to employees is that such a system takes away sense of ownership from the workers. Since employees are not made to contribute towards their own benefit, the sense of participation of workers towards their own welfare is not created.

Lack of Systematic Targeting

The exclusionary nature of the social security schemes is augmented by a system of selected targeting that favours better-off formal sector workers including civil servants and state enterprise workers, given their low tax base. At the same time, jobs that are particularly vulnerable to accidents and work-related injury such as the construction and the transport sectors get little

coverage. Furthermore, excessive employment security for formal sector workers promotes informality and reduces employment prospects for the poor and the marginalized groups.

Adequacy

The real value of pensions received by the beneficiaries is extremely low and this becomes even more challenging in the face of spiralling inflation. Fixed in nominal terms, the adjustment in the pension rates are hardly adequate to keep up with the rising cost of living. The minimum pension offered by the EOBI, for instance is Rs. 2,000. This amount is extremely limited in the backdrop of expanded household expenditure (estimated to be Rs. 8,583 nationwide according to a study). For government servants, pensions are fixed according to the length of the service. There is no provision for indexation of the payment with the rising cost of living which leads to erosion of real content over time.

Organisational Deficiencies

Organizations implementing social safety programs are involved in multiple activities outside their core competency, for instance running schools, hospital, training centre etc. Though the legislation allows investment of funds, such practices have led to the allegations of corruption both in the EOBI and the WWF. For instance, the EOBI's recent move to participate in a tender bid to construct and operate the Rs. 17 billion Karachi-Hyderabad Motorway (M-9) raised concerns regarding relevance and transparency.

The involvement of social security bodies in construction and other activities also lead to duplication of other ministries' work. The Workers Welfare Fund constructs and operates schools and hospitals, which is a replication of the line ministries' work.

There have also been reservations about the lack of effective monitoring and evaluation mechanisms pertaining to these schemes. Weak internal review; absence of third party validation, assessment of benefits to the intending beneficiaries, and regular audits; limited data base and follow-up actions restrict improvements, expansions and an understanding of issues related to these schemes.

Cumbersome Processes

Poor management of the systems and official transactions has led many stakeholders to call for improved procedures at the EOBI and other

social security institutions. In the past, there have been complaints from employers and employees against harassment at the hands of the EOBI staff, poor maintenance of records, and evasion and manipulation. Inconsistencies in payments and time-consuming bureaucratic procedure with regards to claiming of benefits have also been raised as major issues by workers, hindering their access to the schemes.

High Administrative Cost

Though the latest figures on administrative costs related to each institution is unavailable, high administrative per capita cost has been an issue highlighted in a number of studies. Such costs eat into the funds reserved for workers. In the Federal Budget 2010-11 documents, the administrative cost of social protection that falls under Current Expenditure is alarmingly high at Rs. 916 million out of Rs. 1,463 million in 2010-11 and Rs. 3,866 million out of Rs. 4,384 million in 2009-10.

Revamping Social Protection in Pakistan

The existing social protection apparatus has failed to benefit workers and even non-workers due to its limited coverage, design flaws, inadequate provision and low budget allocation by the government that restrict the proper development of these schemes. Upcoming developments such as provincialising the social security schemes are further likely to complicate the situation compromising the access of the beneficiaries to these schemes.

In the past, the state had constituted several taskforces and committees to make recommendations for improvement in the social security systems in Pakistan. The proposals of these committees and those from experts in research papers and policy outlines pertain to expansion in the scope and coverage of the schemes; enhancing tax base of the country to fund social security; consolidation of existing schemes to create one-window operation and promoting greater contribution from employees to encourage ownership. A brief explanation of the proposed reforms is given below.

- There should be a system of self registration of workers with social security institutions. This should reduce dependency of workers on employers for registration and should also encourage workers participation and commitment to

pursue their own welfare. A system of self-registration and self-payment should also promote expansion in coverage, while also allowing workers to move from one sector to the other, without compromising their interest.

- Social security schemes should cover agriculture labour, self-employed, daily wage earners and all sections of the informal economy.
- A 2002 Taskforce on Labour Welfare had made some useful suggestions regarding upgradation of the social security apparatus in the country. The Taskforce had proposed the establishment of a National Social Security Institution (NSSI) and National Pension Institution (NPI). According to the proposal, the NSSI should be mandated to universalise the social security system for all workers across all sectors of the economy either through employer's contributions or through self-contribution. The secured workers would be issued a national security card to entitle access to social security institutions. A national, as opposed to a federal institution, was proposed to ensure provincial autonomy stays intact. Similarly, the NPI was proposed to be responsible for handling old-age pensions and related matters. It was suggested that the Pension Institution should work on the patterns of the EOBI but with universal coverage of all workers.
- The 2002 Taskforce on Labour Welfare had also suggested the establishment of a National Labour Welfare Authority to oversee the work of the NSSI and the NPI. The proposed Institution was envisaged to act as an autonomous body - with representation from the policy makers, legislators and the civil society - capable of underwriting the security of benefits under the NSSI and the NPI. It was also suggested that the labour levies be collected by the Labour Welfare Authority to create space for one-window operation for the convenience of the stakeholders.
- Countries with a low per capita income such as Pakistan, have always expressed reservation that a lower tax base and a much larger base of claimants restrict

source of funding for social security. Pakistan's current tax base stands at 10 per cent of the GDP. The Country's debt-to-GDP ratio, which touched 61 per cent just recently, leaves the economy more dependent on external finances. Understandably, public welfare remains a compromised agenda in a scenario where donors' priorities shape economic agenda. An overhaul in tax collection systems and base is indeed needed to promote resource availability for public welfare and social security programmes from internal sources.

- The existing schemes should be redesigned to enable workers to commit greater contribution to the schemes compared to employers. Workers' payment towards the scheme will enhance sense of participation enabling employees to exercise some control and say over the nature and magnitude of benefits. Furthermore, excluding the employers from making direct contributions will address their genuine grievance that such schemes add to their operational cost. The government would also be in a better position to direct taxes on employers, which it is currently unable to due to employers' resistance on the grounds of a high business cost.
- The organisational deficits of all social security institutions need to be addressed. Currently, there are issues related to corruption, delayed payments, inefficiencies, overlapping in programmes, duplication of mandate and functions, and redundant products and services. These need to be addressed to enable these institutions to serve the existing beneficiaries in a more organised manner.

Conclusion

Pakistan is one of the few underdeveloped countries that outlines social security as an explicit citizenship right and marks state's role in establishing institutions to fulfil this constitutional guarantee, as enshrined in Article 38 of the Constitution. Though a number of legislation have been developed in this regard followed by the establishment of related institutions, the coverage of social security schemes remains extremely limited. Schemes targeting workers including the EOBI, the WWF, the PESSI, and the

Workers Children Education Scheme offer pensions, grants, low-cost housing, medical benefits while also covering contingencies such as sickness, maternity, work injury, invalidity and death benefits to varying degrees. However, together these schemes cover only around 5 per cent of the total labour force.

The social security schemes for labour remain narrow in terms of their design, scope, adequacy and organisational and systemic deficiencies. The government's budget allocation for social protection too has been on a decline, standing at 0.18 per cent of the GDP in 2009-10. None of the social security programmes cover the agricultural sector, the informal sector, the self employed, wholesale and retail sectors, home-based workers, and daily wage labourers. These employ the bulk of labour force in the country. The exclusion of these sectors from the existing schemes restricts state's capacity to deliver on its constitutional obligations and ILO commitments regarding social protection.

In the face of deteriorating economy, rising poverty and spiralling inflation, the restricted scope and outreach of social protection schemes negatively impacts the wellbeing of labour. The need for revamping the social security apparatus is therefore imperative. Extension of social security schemes across all economic sectors, a system of self-registration, consolidation of services for one window operation, creation of sustainable source of funding for social security and promoting greater contribution from employees to encourage ownership are some of the key starting steps that need to be taken to rebuild social security institutions and strengthen systems to deliver on public welfare force. The Central Labour Advisor of the federal Ministry of Labour admitted lack of capacity. There is no mechanism in the Ministry to prepare compliance briefs and follow-up reports to be submitted to the ILO as committed by the government. The posts of researchers were abolished in 1998 and since then the Ministry has no research team.

Conclusion

The power loom workers' seven-year old struggle in Faisalabad presents a test case of emerging initiatives in collective bargaining in the informal sector. The LQM, as representative of workers, has succeeded in pressurizing the state to intervene, organize tri-partite consultations as mandated and notify enhanced piece-rates for power loom cloth production within the existing frame-

work. The revised minimum wages are, however, not implemented due to myriad factors.

It appears that informal sector workers' initiatives and struggles for collective bargaining have reached a point where input from workers alone will not bring about the required change unless the intervening key stakeholder—the state machinery—is strengthened and other social partners, i.e. academicians, economists and labour support organizations come forward to provide much needed input in to improving and refining the system (criteria for calculating minimum wages, living wages or decent floor wage), institutionalizing a uniform collective bargaining process and establishing monitoring mechanisms in to place. ■

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Minimum Wages and Collective Bargaining: Emerging Initiatives in the Informal Sector

Zeenat Hisam

Introduction

One of the key functions of minimum wage regulation is to ensure basic protection to vulnerable workers who are in a weak position to bargain. In Pakistan, a wage regulation system that works through decentralized and tripartite wage boards at provincial level provides a substitute collective bargaining process for revision of minimum wages in specific industrial undertakings. The statutory monthly minimum wage is determined by the federal government for all categories of workers. This includes 'any skilled, or unskilled, intellectual, technical, clerical, manual or other work' in any industry with the exception of defense services, government services and coal mines. Minimum wage rate in different categories of work are determined locally and sector-wise by the provincial Minimum Wage Boards keeping in view the statutory monthly minimum wage announced by the federal government. The 6-member Wage Board in each province comprises two nominated representatives of workers and two of employers besides the designated Chairman and an independent member appointed by the provincial government. It is believed if the system is further refined and effectively implemented and monitored, periodic minimum wage increases-calculated on the basis of fair criteria-can benefit disadvantaged workers, help reduce exploitation and help reverse the trend of declining real wages for low-wage workers.

In recent years, wage fixing in two specific sectors in the informal economy in Pakistan has emerged as a key concern of workers. In power loom units (in the textile sector) weavers are paid piece-rate, i.e. per meter cloth, and in brick kilns (a sector afflicted with debt bondage) workers are paid at the rate of per 1000 brick produced. As precise criteria for revision of wages by the tripartite Wage Board are not spelled out in legislation, mixed patterns of wage regulation and collective bargaining, both in terms of

process and outcome, have emerged. There are regional differences in the minimum wages fixed for the sectors through Wage Boards though the rate of inflation, commodity prices and other economic indicators remain the same in the provinces. The workers' initiatives/mobilization in power loom sector in the province of Punjab is stronger and broad-based than in the province of Sindh, hence a large number of workers in Punjab are able to negotiate and receive better rates. Also, the power loom workers in the Punjab have pushed for access to social security provision. This case affirms that collective bargaining benefits a broader spectrum of workers and '... goes beyond wage negotiations to include other aspects of working conditions...'

Similar is the case with stronger, consolidated brick kilns workers mobilization in the Punjab compared to isolated and sporadic initiatives in certain districts within the province of Sindh. While the revised piece-rates of different categories of work in brick kilns notified by the Minimum Wages Board in the province of Punjab (in 2008) were acceptable to both owners and workers, the Sindh Wage Board came up with a revision not acceptable to workers. Thereafter, the workers in a few districts in Sindh took a different course to secure improved piece-rates and bargained collectively with brick kiln owners through the direct mediation of the District Labour Office, bypassing the provincial Wage Board.

The paper provides an overview of work relations, minimum wage regulation and wage share and structure. Then it analyzes the power looms' workers initiatives in the province of Punjab.

1. National Socio-Economic Context

Economic constraints

Pakistan's fragile economy is currently going through a down slide. Small gains achieved during the last few years have been lost. Beside food and fuel price hikes and the impact of the global financial crisis'...one of the prime contributors to this derailing is Pakistan's proactive role in war against terror'. With a meager per capita income of \$ 1085—eroded further by a soaring inflation of 20 per cent (ADB, 2009) -and an unemployment rate of 5.2 per cent, the majority of the 53.72 million workforce face extreme hardships as terms and conditions of work deteriorate.

Low wages, long working hours, poor health and safety conditions, rising contractual work and increasing curbs on freedom of association and collective bargaining characterize the current status. Scrapping of protective clauses and introduction of restrictive labour legislation is on the rise. Violations of basic labour rights are on the increase across the board. The state has gradually withdrawn itself from monitoring and implementation of labour laws (initially banning labour inspection in the biggest province through the Punjab Industrial Policy 2003 and later weakening it in other provinces through the Labour Inspection Policy 2006 developed by the ADB consultants). Capacity of labour judiciary to provide justice and oversight is eroding. Trade unions, with legally empowered collective bargaining agency, stands shrunk in power and size and are barely able to put up collective resistance. (Less than 3 per cent of the total labour force, according to an estimate, is unionized.)

The statutory minimum wage, since July 2009, is Rs. 7000 (\$ 85) per month (or \$ 2.7 per day) but the law is not implemented and the overwhelming majority of workers are paid less than the minimum wages. During 2000 to 2007, the percentage of population living on \$2 a day was indicated to be 60.3 per cent and those living on \$ 1.25 a day was noted to be 22.6 per cent.

2. Minimum wage legislation

National legislation

The system of minimum wage fixing evolved rather late in Pakistan compared to other South Asian countries (i.e. Sri Lanka 1941; Burma 1945; India 1948). The Pakistan Minimum Wages Ordinance 1961 was the first major leg-

islation to regulate minimum rates of wages for workers (all classes of workers in any grade, employed in specified industrial undertakings) and stipulated a monthly minimum wage with revisions done not earlier than one year and not later than three years. The law was applicable to every establishment wherein 50 or more persons were employed. The minimum monthly wage stipulated at that time (Rs. 140) was termed inadequate by economists for conditions prevailing then (and was suggested to be Rs. 250).

The Ordinance was followed the Minimum Wages Council Rules 1961, and the Minimum Wages Rules 1962. As this legislation did not specify wage fixing for unskilled workers, the Minimum Wages for Unskilled Workers Ordinance 1969 was enacted (later amended through an Act in 1993 and again in 2001 through an ordinance). The Pakistan Minimum Wages for Unskilled Workers (Amendment) Ordinance 2001 is applicable to all establishments irrespective of the size of the work force (even if there is only one employee) and permits collective negotiations by workers via representation in the Wage Board. The legislation covers informal sector workers (officially 73 per cent of the total workforce). Another piece of legislation with bearing on the minimum wages is the Employees Cost of Living (Relief) Act 1974 which stipulated nominal allowances to be included in the minimum wages accordingly. This Act, known as COLA Act was revised and amended several times.

In recent years the government has adopted an unconstitutional practice of making amendments in labour-related laws through yearly Finance Act. Through this move, the state brings out changes in labour laws without tripartite consultations. The national standard minimum wages is now revised through Finance Act via amendment in the Minimum Wages for the Unskilled Workers Ordinance 1969.

In the 1969 Ordinance 'per month' is defined as a 'working period of 26 days at the rate of 48 hours per week' with 8 hours of work per day. Through the Finance Act 2006, under the concept of 'flexible' timings, an amendment in the Shops and Establishments Ordinance, 1969, has allowed spread over period of daily work, inclusive of rest interval and meals, to 12 hours. In an increasing number of sectors in informal economy work day now legally stretches up to 12 hours; over time is not paid according to stip-

ulated rates, and neither the workers are paid for weekly or gazette holidays.

It is to be noted that all minimum wage legislations and rules exclude agricultural workers, who comprise 44.6 per cent of the country's total labour force.

Gaps and caveats in the minimum wage legislation

Under the Constitution, labour till recently was listed among the subjects that can be taken up at federal as well as provincial level. The federal government drafted labour policy and key legislation and the provincial governments had the prerogative to formulate specific policies, laws, rules and procedures, if required. Hence, wage rates for similar categories of work differ in provinces. Within the province, distinction is made between 'industrial' and 'other areas'.

No criteria (i.e. consumption units, food intake, shelter, clothing, transport expenses) are established in the legislation for fixing of minimum wage for decent living and neither the basis for its revision are set. Also, coverage is limited to 51 scheduled categories in the Punjab (the largest province) and to 36 categories in the province of Sindh.

While the Ordinance 1961 and the Ordinance 1969 can co-exist, the amended versions of the Pakistan Minimum Wages for Unskilled Workers 1969 could have been collapsed to avoid complexity. A major problem with legal text is the use of word 'may' that renders the legislation weak and becomes a ground for argument for lapses in enforcement and specificities. For instance the Minimum Wages Ordinance 1961, Clause 5 (2) and (3) states:

'...the Board may recommend minimum rates of wages for all classes of workers in any grade, and in such recommendation, may specify... time work; piece work; overtime work; and work on the weekly day of rest and for paid holidays...' and '...The rates recommended by the Board may be on hourly, daily, weekly or monthly basis.'

According to a legal text analysis

'The Board is not authorized to recommend minimum wages on its own initiative. The discretion to issue a direction to the Board to recommend minimum wages rests entirely with the Provincial Government...' and '...When recommendations of the Board in respect of minimum

wages have been received by the Provincial Government, it is not bound to enforce them. It may-and that too with such exceptions or modifications as it may specify.'

While the federal government fixes and revises the monthly minimum wage, fixing of piece-rate, hourly rate, daily rate in specific categories needs to be done by the Boards in consultation with representatives of employers organizations and trade unions/workers organizations in the scheduled industrial and commercial undertakings and usually the Boards fail to do so.

Enforcement of the minimum wages legislation-despite clear rules (i.e., for selection of wage board, publicity of rates, penalties for false records, appointment of inspectors)-is totally lacking. Reasons are many and the foremost is a weakened and crumbling labour inspection system. The appointment of the Wage Board chairman is often based on political expediency rather than on the criteria spelled out in the law, i.e. adequate knowledge of industrial labour and economic conditions. Members are similarly nominated. The workers' representatives are almost invariably the old leadership from one or the other politically-affiliated trade union federations with vested interests. Another crucial reason for poor enforcement is non-existence of labour movement, trade unionism or collective struggles in the majority of sectors and establishments. Majority of workers at the lowest tier are not aware of their rights, including the stipulated right to minimum wages.

Ratification of related ILO Conventions

Pakistan has not ratified any of the ILO conventions related to minimum wages. These are: Minimum Wage-Fixing Machinery Convention, 1928 (C 26); Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (C 99); and Minimum Wage Fixing Convention, 1970 (C 126).

Minimum Wage Revision

The minimum wage for unskilled workers set in the 1969 Ordinance at Rs. 140 per month was revised for the first time after 24 years to Rs. 1,500 through an amendment in the Act in 1993, a legislation disapproved by employers and challenged by few in the court on various grounds. The Act was further amended through an ordinance in 2001 and the rate revised. In 2005, minimum wage was revised through the

Finance Act. The raise was also criticized by employers who regarded Rs.3,000 (\$ 36) per month wage on the higher side and its application to establishments with less 50 workers a harsh measure impacting negatively on productivity, a rather baseless assumption as according to the Census of Manufacturing Industries 1995-96, labour cost accounted for 7 per cent of the total cost of production. The yearly revision in minimum wages, since 2005, took place in 2006, 2007 and 2009 via amendments made through the Finance Act.

Currently the national minimum wage is Rs. 7000. But a large number of workers in specific categories and sectors are getting lower than national minimum wages. In a March 2009 survey, undertaken by Pakistan Institute of Labour Education and research, of 500 women garment workers of small units in Karachi, 52.83 per cent respondents were getting a monthly income between Rs. 3,000 to Rs. 5,000. In a survey undertaken by PILER recently of 950 power loom workers (all male) in Karachi, 43 per cent (receiving piece-rate and putting in 12 to 16 working hours) reported making a monthly amount between Rs. 6,000 to Rs. 7,000.

Trends in wage employment and wage inequality

A declining trend in wage employment is noted since the beginning of the current decade. From 37.3 per cent in 2003-04, wage employment share decreased to 36.0 per cent in 2007-08, with a marked drop in female wage employment (31.2 per cent in 2003-04 to 22.2 per cent in 2007-08). In contrast, the number of women working as unpaid family workers has shown a steady increase over the years and from 52.8 per cent in 2003-04 the percentage jumped to 65.0 per cent in 2007-08 (compared to 19.7 per cent men working as unpaid family help). The deterioration in female wage employment needs to be investigated. Anecdotal evidence suggests women bear the major brunt of poverty either through supplementing the household income as unpaid workers in family farms and cottage enterprises or by taking up low-skilled, low tiered work at very low wages.

Within wage employment, the number of casual paid employees is increasing: up from 24 per cent in 1997-98 to 26 per cent in 2005-06. Also, the proportion of daily wage earner has increased from 18 per cent in 1997-98 to 21 per cent in 2005-06.

The trend in real wage levels has been characterized by two factors: declining wage ratio and widening of wage differentials. The gap between wages of low-income and high-income groups widened further in 2005-06. This was due to above-average uptrend in wages in the upper wage groups and also from a massive expansion of low-wage sector. In the corporate sector, civil services, army, and multi-nationals, currently a monthly package for Rs. 100,000 is standard for mid-level professional and managerial staff, in stark contrast with (and 140 times of) the minimum wage of Rs. 7,000 for unskilled worker.

There are disparities in wages between urban and rural areas and between districts. Urban-rural wage differential was noted at 0.70 in 2005-06. Gender-based wage differential was even higher and stood at 0.64 in the same period. Official data indicate that women earn about half of men's earning. In agriculture sector monthly wages of male workers are cited as Rs. 5,927 and of women Rs.2,972. In manufacturing, women make Rs.2,912 per month and men get Rs.7,385.

3. Wages and Collective Bargaining in the Power Loom Sector

The silver lining in this grim scenario, however, is the emergence of sector-based, issued-oriented collective resistance/bargaining initiatives in the informal sector. Initiatives focusing on wage fixing include concerted struggles of power looms' workers in Faisalabad (Punjab) and Karachi (Sindh) and the brick kilns workers in Multan and Sahiwal (Punjab) and Shahdadpur (Sindh).

Mention is to be made of the struggle of one million tenants/share croppers working on the farm lands owned by the Punjab government but unconstitutionally controlled by the military. Led by the Anjuman-e-Mazarain Punjab (Tenants Association Punjab), the 10-year old movement has focused on land rights, in Okara and Khanewal, with its popular slogan Maliki ya Maut-ownership or death-and has continued its resistance, refusing to pay the share to the military. Similarly, the campaign of the Pakistan Fisherfolk Forum (Sindh) on rights on water resources has resulted in enhanced earnings of inland fish workers. The fishers got back the control of water bodies in Badin district from the para-military forces who were forcibly buying fishermen's catch at very low price.

Among these initiatives, the case of Faisalabad power loom workers is discussed in detail to explore strategies adopted by the movement and to recommend indicators for future direction for similar nascent initiatives. The power loom workers initiative in Faisalabad is selected for its broad-base (more than 25,000 members), its focus on minimum wages revision and social security provision, and its continued struggle (since 2003) despite constraints.

Collective bargaining for wages

Weaving is an important sub-sector of the textile industry in Pakistan and the share of small power loom units is high with a total of 360,000 units in operation in the informal sector in different cities employing a significant workforce. Long working hours, poor work conditions, low wages, lack of health and safety measures and lack of social protection characterize this sector. Wages are based on piece-rates that vary with quality of cloth and machine, and are paid fortnightly or weekly.

Faisalabad, the third largest city of 5.5 million is the hub of cotton textile production. Of this, 3.5 million people are directly or indirectly earning their livelihood from the sector and 500,000 are estimated to be working in big and small power loom factories spread all over the city. An informal labour union-Labour Qaumi Movement (LQM)-emerged in 2003 when a few labour activists took to mobilizing power loom workers for collective bargaining with the Powerloom Owners' Association and the District Government. The Movement has retained its informal characteristic as it is not yet registered under any law but has gained recognition at the state level due to its numerical strength.

The movement was strengthened with the induction of 40 labour councilors and 2 union council nazim, or deputy mayors, in local government who won election in 2005 with the support of Labour Qaumi Movement. In September 2005, LQM initiated its first all-out campaign for revision of wages and social security benefits and succeeded in negotiating a tri-partite agreement for 20 per cent increase in piece rates and registration of workers with the social security institution. During the same year, Labour Qaumi Movement members, allied with textile workers in other parts of the country in an effort to form industry-based union to fight collectively for their rights. The effort failed for various reasons, including geographical distances, regional variations and ethnic divisions, but several linkages

among power loom unions in different cities were developed.

Persistent struggle, strategized through expanding membership-base, alliance-building and support-seeking with informal labour organizations and unions, and carried forward through protest rallies, strikes, press conferences, workers' seminars and dialogue with district and provincial governments, showed some results when in March 2006 the District Human Resource Board (DHRB), Faisalabad, accepted workers' demands, after their prolonged hunger strike, for enhanced rates, issuance of social security cards, weekly paid holiday and registration of power-loom factories. A special pay committee was constituted to evolve a formula for increase in wages. Per meter rates of different categories of cloth were enhanced and notified. While some of the power loom owners implemented the new rates, the majority did not. In the absence of effective labour inspection, there was no significant change in wages or over all working conditions.

A political achievement of the workers in 2006 was the transfer of the Director Labour Department, Faisalabad, who had adopted a harsher attitude towards workers after the acceptance of their demands. This came about after the workers took over the Labour Department premises and locked the officials in one room for 6 hours. State officials had a dialogue with the workers and consequently the director was transferred. The replaced director was said to be responsive to the needs and complaints of workers and on occasion took to task the employers on violation of laws. Another important achievement cited by the LQM, was the changed attitude of law-enforcing personnel. Previously the police used to harass, detain and register FIR (first information report) against worker unlawfully. The increasing strength of power loom workers led to the counter formation of the Alliance of Faisalabad Power Loom Owners' Association which sought solidarity with the All-Pakistan Cotton Power-looms Association.

The LQM, with a 25,000 strong membership, continued to rally for implementation of enhanced rates of minimum wages and for further revision during 2007-08. The LQM was able to negotiate a 15 per cent increase in piece rates after the federal government revised the monthly minimum wage in July 2008 to Rs. 6,000. According to the LQM, after the revision, the workers were earning in 2008-09, on aver-

age, a monthly income between Rs. 6,000 and Rs 7,000 but putting up a labour up to 14 hours. Also, not all the power loom owners implemented the revised wages. This led to increasing incidents of confrontation, including physical abuse, between workers and power loom owners. The LQM advocated for revival of labour inspection. Chairman Punjab Minimum Wage Board acceded that abolition of inspection (by the Government of Punjab in 2003) was a major rea-

son for non-implementation of minimum wage law. The Punjab Government agreed in principle to restore the system in October 2008 but no change came about on the ground.

In mid 2009, the LQM served a legal notice to the power loom owners for violation of minimum wages and other labour legislation but there was no outcome due to the powerful nexus between industrialists-politicians-judiciary. In July the

Box The LQM strategies

The strategies adopted by the Labour Qaumi Movement differ significantly from the way traditional, formal, registered trade unions operate in the country. The trade unions in the formal sector do not strategize rank and file cadre to expand its base hence their membership remains restricted. Secondly, the registered trade unions have no strategies to include the informal sector workers. Thirdly, the trade unions avoid confrontational tactics because of their political affiliations and vested interest. The strategies adopted by the movement can be summarized as below:

- acquiring formal organizational structure on the pattern of a trade union (though not a legal entity);
- expanding membership base and establishing units in other cities (Toba Tek Singh, Jhang, Gojra) in Punjab and a few cities bordering with North West Frontier Province (Chakwal, Haripur);
- holding formal training sessions, group discussions and public seminars with the support of civil society organizations, human and labour rights groups;
- providing solidarity support to workers in other sectors in the city (i.e. wood industry workers, brick kiln workers);
- building linkages with trade union federations, labour organizations and left-wing political parties (i.e. National Trade Union Federation Pakistan (NTUFP), Pakistan Institute of Labour Education and Research (PILER); Labour Education Foundation; Labour Party Pakistan (LPP);
- soliciting and participating in tri-partite consultations (state functionaries, employers, workers);
- advocacy and linkages with the Provincial and District Governments;
- linkages with media;
- adopting confrontational tactics (sit-ins, rallies, lockouts, hunger strikes).

The level of change in terms and conditions of work by and large in the power loom units in Faisalabad cannot be ascertained. Due to lack of research on the status of paid minimum wages in the pre and post-revision phases, it cannot be established how many looms pay according to stipulated piece rates or what is the extent of violation by power loom owners despite notification by the provincial government on minimum wage enhancement, though according to the LQM, most of the workers are getting enhanced wages.

The movement, however, has endowed workers with political consciousness, education and information on existing legal mechanisms (i.e. minimum wages law, social security provisions) to claim and access (where possible) rights at work place conferred by the state.

A cursory analysis of tri-partite consultations solicited by the LQM, particularly of the role of the district and provincial governments—as gleaned from the media and the LQM informal documentation—reveals existence of space, within the legal framework, that the state machinery is willing to accede in favour of workers. Each round of consultation resulted in enhanced rates agreed upon by the two warring parties. The Labour Department solicited the LQM support in data collection of power loom units and the workforce. The state functionaries accepted the wrong done by the ban on labour inspections and acknowledged it as the main factor in deteriorating labour conditions. There is a possibility that labour inspection system is restored in future as Pakistan textile industry struggles to catch up the market it is losing. An important aspect to emerge is the increasing awareness within the labour department on its lack of capacity to implement and monitor labour standards in an environment of constraints and anomalies, pressures for social compliance by international buyers and an expanding work

LQM gave a strike call and production in almost 75 per cent of the city's power loom units was suspended. On the district government's intervention and assurance, workers went back to work after 2-day strike to find out the owners had closed down the units accusing workers of violence. The LQM took to organizing regular public meetings (with participation of up to 4,000 workers) in the city that made the provincial government institute a tri-partite committee to avoid confrontation between workers and employers in the backdrop of overall deteriorating law and order situation, secular strife and acts of terrorism in the country. In a final settlement, power loom owners agreed in August 2009, on enhanced piece rates that would translate in to additional Rs 1,500 in the monthly income of a worker on an average. (It is to be noted that in 2009 the federal government has not revised the monthly statutory minimum wages). This gain did not come easy: many LQM activists were arrested and implicated on false charges during the struggle. In addition, long closure of production units meant no wages and severe hardships to the working communities.

In July 2010, the national minimum wages were raised to Rs. 7,000 per month. The LQM took up t

Outcomes

The LQM is not registered under labour (or any other) law but has an organizational structure comprising executive committee and general body. It has 25,000 members many of whom paid initial membership fee of Rs. 120 and pay a monthly fee of Rs. 10. According to the LQM, its campaign, since 2005, has led to the registration of 850 small power loom units (out of approximately 1250 units) under the Factories Act 1934, benefitting 30,000 workers who are issued the social security card by the Punjab Social Security Institution. According to the LQM representative, after the tri-partite consultation and the formation of a tri-partite monitoring committee, the provincial Labour Department sought LQM's assistance in data collection of the number of power loom units in the city and the number of workers. Thereafter, members-volunteers of 14 geographical units, formed by the LQM in the city of Faisalabad, prepared the lists of power loom units in respective areas for the Labour Department. ■

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Notes on Contributors

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