



International
Labour
Organization

INCREASING PRODUCTIVITY AND COMPETITIVENESS THROUGH LABOUR LAW COMPLIANCE IN PAKISTAN'S TEXTILE SECTOR

The textile industry is the largest manufacturing industry in Pakistan, the fourth largest global producer of cotton, and the eighth largest exporter of textile products in Asia. It contributes to 8.5% of GDP and provides employment to 30% of the 56 million strong national workforce, or 40% of industrial employment. Punjab Province dominates the textile industry in Pakistan.

The GSP-Plus status, granted to Pakistan by the European Union, became effective on 1 January 2014, granting Pakistani industries duty-free access to European markets. It is crucial to the competitiveness of Pakistan's textile industry. However, maintaining this GSP-Plus status depends on how well the Government of Pakistan implements and reports on the application of 27 UN human rights conventions, including the eight ILO fundamental Conventions ratified by Pakistan.

FACTS AND FIGURES

Partners:

Pakistan Textile Exporters
Association (PTEA)

Beneficiary Country:

Pakistan (Faisalabad in Punjab)

Time Frame:

February 2015 to December 2017

Partnerships and Field Support Department (PARDEV)

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THE RESPONSE

Realising the economic and employment implications of non-compliance for Pakistan, the Government, through Ministry of Overseas Pakistanis and Human Resource Development at the Federal and Department of Labour and Human Resource Development at the Provincial levels, has developed an International Labour Standard (ILS) Compliance and Reporting Programme to improve workplace practices in the textile industry together with the ILO.

The programme will ensure the application of labour laws through the active engagement of the textile industry in order to guarantee the continuity of Pakistan's exports to the global market. A part of this project will be implemented with financial support from the Pakistan Textile Exporters' Association (PTEA). Other supporting partners include the Ministry of Textile Industries, Ministry of Commerce, the Employers' Federation of Pakistan (EFP), and the Pakistan Workers' Federation (PWF). The ILO will extend its technical advisory role in the implementation of the project.

A supervisory system has been proposed to ensure the application of labour standards. The ILO will provide technical assistance in building capacity to improve reporting on national and international obligations. A three-tiered inter-connected solution serves as part of the initiative, which involves the following:

- strengthening the capacity of the Government to report on ILO conventions through enforcement of National and Provincial Labour Laws.
- strengthening the capacity of workers' and employers' organizations to effectively advocate for labour law compliance and reporting;
- engaging industrial associations and industrial establishments to promote responsible workplace practices and reporting mechanisms, which will be bridged with the public labour inspectorate and which will enhance the labour inspection regime.



RESULTS

The involvement of sector-wide industrial associations proves very helpful not only in ensuring the systematic implementation of labour laws, but also in institutionalizing a sustainable compliance, monitoring and reporting mechanism. The partnership will accordingly be supported at both association and enterprise levels.

In the first year, a minimum of 35 industrial units will be included in the programme, followed by 55 in the second year, and 120 in the following year: a total of 210 industrial units in the textile sector will be supported to ensure their compliance with national labour laws for better productivity.

The project will assist the workers and employers of the target factories to work together to design and implement a workplace improvement plan, with the aim of achieving improvements in working conditions and productivity. This will be done through workplace cooperation, i.e. social dialogue, building on existing bipartite structures at the workplace where they already exist.

Buyers' Forum Pakistan

In 2014, a total of 20 international brands in the textiles sector were brought together in Pakistan by the ILO, IFC and the Government of the Netherlands to collaborate on knowledge management and share best practices aimed at improving environmental, labour, health and safety performance in the sector. With the Buyers' Forum in place, dialogue has been initiated for a conducive investment environment in the textile sector.

The GSP-Plus status granted to Pakistan in 2014 foresees an estimated growth of almost 15% in the textile and garment sector combined, and adds approximately US \$ 1.5 billion to the total exports of Pakistan, boosts investment and employment, enhances institutional capacity, and sustains national economic growth.

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BENEFITS OF PARTNERING

- Improving adherence to national laws, including those based on international labour standards, in Pakistan's textile factories;
- Improving the image of Pakistan's textile industries as responsible workplaces compliant with national laws and international labour standards
- Developing buyers' confidence that compliance with labour laws in these factories is being publicly monitored, and reliably and accurately reported;
- Establishing a coordination mechanism between textile industries, related workers' organizations and labour departments on compliance and reporting on labour laws.