

Current Trends of Decent Work in Cotton Ginning Small and Medium Enterprises of Pakistan

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Abstract: Since 70% of the labor force of Pakistan is the part of informal economy, poverty alleviation is conditional with improvement in quality and quantity of available work. Pakistan has entered into an agreement with International Labor Organization (ILO) through "Decent Work Country Program" which bounds it to implement on Decent Work Agenda. Current study investigates the status and trends of decent work issues in 17 cotton ginning small and medium enterprises (SMEs) in three districts of Pakistan. There was some evidence of child labor however; children were not engaged in hazardous work. Most of the employments (90%) were seasonal (for three months), characterized by insecure and inadequate working conditions. There was a gender based discrimination in daily wages i.e. Rs. 328±12 for male workers while Rs.187±9 for female workers. Average daily working hours (11.79±0.166) were higher than that of set by Factories Act, 1934 of Pakistan (maximum 10 hours a day for seasonal employment). Seven kinds of hazards were identified at work place i.e. dust, noise, cold and heat stress, slips and trips and bad light and chemicals. These conditions led to nine health related issues including whistling ears (23%), frequent cough (20%), frequent fever (15%), cut and bruises (12%) and backache (12%), headache (10%), sleepy at work (4.5%), poor eyesight (4%) and eye injuries (0.5%). Owners provided workers with few facilities i.e. residence (70%), meal (16%) and advance salary (8%). Importantly, fifty five percent of the respondents were not satisfied with their work and income. Current survey will serve as a baseline and can support in streamlining decent work programs in cotton ginning SMEs of Pakistan.

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1. Introduction

Internationally, work is considered as a way of escaping from poverty. Majority (70%) of jobs fall under predominant informal economy of developing countries like Pakistan (GOP, 2009). The economy of Pakistan is volatile in nature and is characterized by insecure conditions and inadequate economic activities. Therefore, providing more and better jobs cannot lead to an economic growth unless coupled with improved quantity and quality of available work is such a way that it can lead to poverty reduction (Bell and Newitt, 2010).

To cope with this challenge, International Labor Organization (ILO) has proposed a Decent Work Agenda which gives emphasis on fair and sustainable working opportunities for sustainable development. Decent work rests on four interdependent and mutually reinforcing constituent pillars i.e. (1) access to productive employment and income opportunities, (2) rights at work, particularly with respect to the core labor standards, (3) systems of social protection (e.g. child labor, forced labor, gender discrimination etc.)

and (4) a voice at work through social dialogue (freedom of association). It is therefore an approach to development that emphasizes employment that is accompanied by rights, representation and protection (ILO, 2010).

Besides social justice, decent work is also an important contributory factor to economic development by encouraging stronger standards of governance and promoting social development (e.g. employment and education). To achieve the Millennium Development Goals (MDGs), decent work has been highly endorsed internationally as an objective of the development agenda. Different elements of decent work need different focus in a given region, country, sector or workplace depending on the particular challenges (Anonymous, 2010).

Research has shown that better compliance with international labor standards (e.g. higher wage and working time standards and respect for equality) can translate into better and more satisfied workers and lower turnover of staff. Investment in vocational training programs can produce better-trained workforce and generate more employment. Similarly,

adopting safety standards can minimize costly accidents and health care expenditures. Moreover, employment protection can promote risks taking and innovations. This intern often brings about improvements in productivity and economic performance (Shah et al., 2014; Tansel, 2002).

Pakistan became an ILO Member in 1947. Besides the ratification of 34 ILO Conventions (including the 8 Fundamental Conventions), Pakistan has also committed to the Millennium Development Goals (MDG). Decent Work Country Program 2010-2015 (DWCP, 2010-2015) is the outcome of ILO's close consultation with the government, employers' and workers' representatives. This was followed by the establishment of National Plan of Action on decent work (NPADW, 2010 – 2015) which covered four broad priority areas that emerged from consultations; 1) labor law reform, 2) employment generation through human resource development, with a focus on employable skills, 3) social protection expansion, including in the informal economy and 4) tripartism and social dialogue promotion. Achieving social justice, peace and prosperity for all through freedom, dignity, economic security and equal opportunity are enshrined in the Constitution of Pakistan (GOP, 2011).

Pakistan's labor market is undergoing structural changes i.e. there is increasing share of industry over agriculture in total employment. However, despite of decreasing share to Gross Domestic Products (GDP), the employment in agriculture sector is increasing. Studies suggest this structural transformation cannot benefit the majority of workers without decent and productive employment. According to the Pakistan Employment Trends Report 2010-2011, roughly six out of ten (61.6%) employed people in Pakistan are considered to be vulnerable, or "at risk of lacking decent work". It is also recognized that the large shares of female and youth vulnerabilities (78.3% and 60.9%, respectively) need special attention (GOP, 2011).

Adherence to social norms and human rights standards is becoming very important for the industry to compete in international market. Although a number of social and environmental standards pertaining to the working conditions in the industry and commercial sector are already being implemented on voluntary basis by certain industries in Pakistan but these are insufficient and ineffective to the goals. Most of these standards have their origin in the "Core Conventions of ILO", which define the fundamental human rights at workplaces (Bell and Newitt, 2010).

Cotton ginning sector is a seasonal industry strongly integrated with the cotton farming and agricultural/rural economy of the country. With the increasing demand of sustainable cotton (better cotton) across the world, emphasis is being given by the donors and brands on sustainable production and consumption throughout the cotton supply chain. This involves responding towards basic needs and bringing a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, in order not to jeopardize the needs of future generations (WWF, 2012).

Pakistan is the 4th largest producer of cotton in the world and 8th largest exporter of textile products in Asia. This sector contributes 9.5% to the GDP and provides employment to roughly about 30% (15 million) of the 49 million workforces of the country. At present, there are about 1,200 ginning units which contribute for textile products with annual capacity of 20 million bales. Ginning factories are the major clients of the cotton growers and provide raw material to the textile industry and the oil mills. There are 456 ginning factories only in two districts of southern Punjab i.e. Rahim Yar Khan and Multan (PCGA, 2008).

The main objective of the study was to assess and document, for the first time, the decent work conditions in the following areas of ginning enterprises of Pakistan: i) child Labor including hazardous and worst forms of child labor if any, ii) forced labor and its contemporary forms iii) freedom of association iv) wages, remuneration and working hours v) conditions of employment (contracts), vi) discrimination in employment, wages and work conditions based on gender, caste, creed, language or any other grounds and vii) occupational health and safety

2. Methodology

This study was conducted in two districts (Bahawalpur and Rahim Yar Khan) of Punjab province and one district (Sukkur) of Sindh province during January to March, 2013. A total of 81 workers were interviewed in 17 randomly selected ginning enterprises (Table 1 & 2).

Collection of data about decent work conditions was based on a semi-structured questionnaire. Interviews of 81 gin workers including adult men, adult women, youth and children were made to assess working conditions of the ginning enterprises.

Table 1. The information on number of workers employed on contract and permanent basis

Districts	Number of ginning factories covered	Mean number of workers employed	
		Contract basis	Permanent basis
Bahawalpur	5	32	55
Rahim Yar Khan	6	13	68
Sukkur	6	24	27

Table 2. Social profile of respondent workers of ginning factories

District	Number of Respondents (Male; Female)	Married (%)	Average Age	Average Children	Average family size	Literacy %	Seasonality in employment
Bahawalpur	26 (19; 7)	61.54	28.00±2.97	3.25±0.57	5.96±0.66	44.00	100%
Rahim Yar Khan	28 (24; 4)	57.14	31.11±2.66	3.06±0.59	6.00±0.60	57.14	92%
Sukkur	27 (26; 1)	66.67	29.44±2.20	4.06±0.77	6.65±0.63	40.74	96.15%

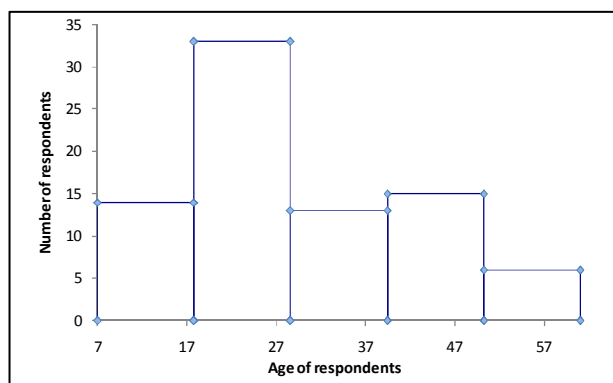


Fig. 1. Frequency distribution of respondents on the basis of their ages

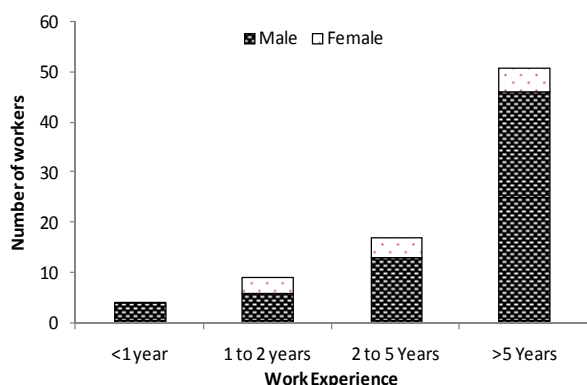


Fig 2. Experience profile of respondents related to ginning SMEs

The questionnaire was designed to collect current decent work conditions including working hours, daily wages, types of facilities provided by the employers (e.g. residence, loan, transport, advance

salary etc.), discrimination at workplace and issues related to occupation health and safety. Besides this, the information on basic social profile of workers including age, gender, education, marital status, and family size was also recorded. Moreover, some bad impacts of poor working conditions on the health related issues of workers were also recorded. All the questions in the data forms collected from the field were coded and entered into a database designed for this purpose. The interviews were also electronically recorded and recordings were reviewed wherever required for accuracy. Averages with standard errors, percentages, paired sample t-test, frequency distribution test and Pearson correlation coefficients were applied wherever required. Data was analyzed by using XLSTAT software (XLSTAT, 2008).

3. Results and discussion

The information on mean number of workers employed either on contract or permanent basis is given in table 1. The workforce in ginning factories was dominated (82%) by males. Contrary to the national male to female ratio of 78:22 in the labor force, ginning factories were preferred by male labor force (GOP, 2011). These figures however do not represent the poor quality of work and remuneration that many Pakistanis face.

At least 57% of the respondents in this study were married with 5 to 6 kids. Frequency distribution test revealed the maximum number (33) of young workers were having age of 17-28 years. The age of oldest group (6 workers, 7.4%) ranged from 50 to 61 years while the age of youngest (the children) group (14 workers, 17.2%) ranged from 7 to 17 years (Table 2).

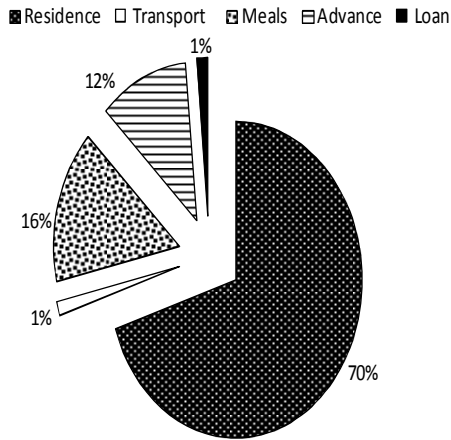


Fig. 3.Type of facilities provided by gin owners to their workers

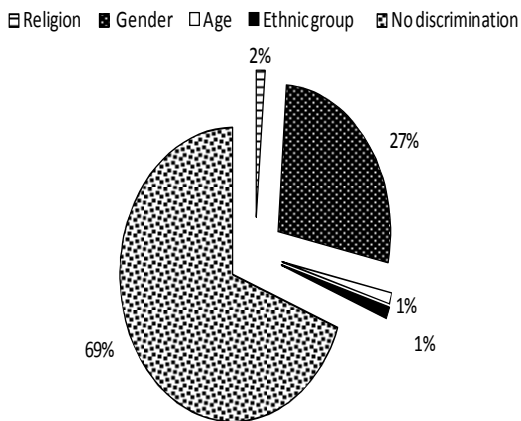


Fig 4. Type of discrimination in hiring and salaries as reported by 81 gin workers

However, they were not involved in any hazardous work. Children less than 13 years of age constitute 13 percent (3.8 million out of 40 million in this age group; 2.7 million in the agriculture sector) of labor market in Pakistan (Fasih, 2007). The Employment of Children Act of 1991 in Pakistan provides that “no child below the age of 14 years shall be employed in any factory or mine or any hazardous employment or in specific occupations, making employment of children a cognizable offence punishable by fine and imprisonment”.

Literacy rate of gin workers ranged from 40 to 57% in three districts. Half of the respondents reported two meals in a day while other half reported 3 meals in a day. According to the latest Pakistan Labour Force Survey 2009-10, the overall literacy rate (age 10 years and above) is 58 percent (69.5

percent for male and 45.2 percent for female) (GOP, 2014). Most of the employment was seasonal i.e. 100, 92 and 96% in Bahawalpur, Rahim Yar Khan and Sukkur, respectively. As the majority of ginning industries are established in or near rural areas, rural people constitute the major proportion of labor force. Moreover, ginning factories work for about 4 to 5 months, therefore more than 90% employment was seasonal. Rural workers are the most vulnerable group towards poverty and food insecurity. Typically, seasonal agricultural workers do not enjoy labor protection as that of permanent employees (Arif, 2008).

Males had more work experience than females (Fig 1) and experience increased significantly (Pearson's correlation coefficient= 0.502 at p=0.05) with the age while there was no relationship of experience with the average daily wages. Males had longer working hours (11.79 ± 0.166 hours day⁻¹) than the females (8.19 ± 0.806 hours day⁻¹) (t-test; P-value <0.001, d.f=79, alpha=0.05) while females rarely availed overtimes. The wages of males (Rs. 328 ± 12 day⁻¹) were significantly higher than the females (Rs. 187 ± 9 day⁻¹) (t-test; P-value <0.0001, d.f=78, alpha=0.05). Section 34 of the Factories Act, 1934 of Pakistan provides that “no adult worker shall be allowed or required) to work in a factory for more than 48 hours in a week; if the factory is seasonal, while 50 hours a week in case of permanent or annual nature, a worker may work for maximum limit of 56 hours a week. As for the daily hours, these may not be more than 9 hours a day (in case of seasonal; 10 hours). These results indicate that both male and female employees are working beyond their legally allowable working hours. Male workers are at higher work stress than females, though they get higher wages both at daily and hourly basis.

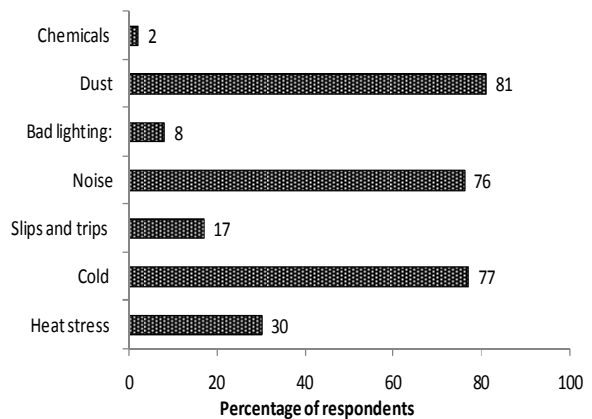


Fig 5. Flaws in occupational health and safety measures in ginning SMEs identified by respondent

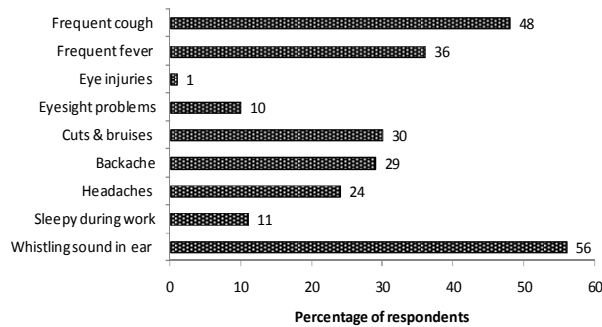


Fig 6. Ill effects of poor working conditions in ginning SMEs on respondent workers

Availing overtimes significantly increased average daily income (Pearson's correlation coefficient= 0.307 at p=0.05) (Table 3). From year 2000 onward, the proportion of those males availing excessive hours has risen by 1.4 percent (ILO, 2011). However, such assessments are not possible for females who remained under-represented and under-utilized in the labor market i.e. as unpaid family workers in rural areas and as poorly paid unskilled industrial labor force in urban areas. Forty five percent of the male respondents and 33 percent of the female respondents were satisfied with their work and income.

Results revealed that factory owners provide certain facilities to the labor force i.e. residence (70% respondents), meal (16%) and advance salary (8%). There were almost no transport and loan facilities (Fig 3). Ninety percent of the respondents had their residence within the radius of 5 km from their factories therefore, 50% of the respondents travelled on their feet.

Table 3. Pearson correlation coefficient matrix between age, gender, working hours and earning of 81 respondents

	Age	Gender	Working Hours	Daily wages
Gender	0.137	-	-	-
Working hours	0.072	-0.617*	-	-
Daily wages	-0.073	-0.483*	0.307*	-
Experience	0.502*	-0.169	0.146	0.214

Sixty nine percent of the respondents did not report any discrimination in employment; however, notably, 27% workers reported gender based discrimination i.e. preference of male over female labor force (Fig 4). Persistence of gender inequality is one of the main caveats of Pakistan's economic development history. Pakistan ranks 66th with respect

to Gender Empowerment Measure (Human Development Report, 2006) largely due to very low manifestation of female to male earned income ratio (wages) and other labor force statistics which confirm the gender gap in labor force participation (Sabir and Aftab, 2007). There is dire need for the policy development and implementation on women empowerment in education, employment and decision-making besides providing legal, political, economic and social rights to women (Alam, 2011).

Respondents identified seven kinds of hazards on their work place (Fig 5) i.e. dust, noise and cold being the most important (26, 26% and 28% respondents, respectively) followed by poorly recognized displeasure due to heat stress, slips and trips, bad light and chemicals (10%, 6%, 3% and 1% respondents, respectively). With the modernization in industrial technologies, occupational health and safety has become a serious issue particularly for the third world countries like Pakistan where the majority of the workforce is illiterate. Moreover Pakistan lacks the basic awareness of occupational health and safety as these workers merely receive non-formal traditional trainings. Pasha and Liesivuori (2003) found that working conditions and environment are poorer in small industries as compared to medium sized industries.

Respondents also identified nine health related issues potentially induced by poor working conditions (Fig 6). The most frequent problems included whistling ears (23%), frequent cough (20%), frequent fever (15%), cut and bruises (12%) and backache (12%). Other less frequent problems included headache (10%), sleepy at work (4.5%), poor eyesight (4%) and eye injuries (0.5%). In case of any emergency, 41% respondents had access to first aid boxes and 64% had the facility of transportation to some nearby hospital. Health and safety is the fundamental right guaranteed to the workers under Article 37(e) in the Constitution of Pakistan. However, there is no independent legislation on health and safety except the obsolete Hazardous Occupation Rule 1963 under the Factories Act 1934.

A large number of small and medium scale industries (ca. 75%) which are working within informal sector, without any moral and legal obligation of occupational health and safety, and social protection (Awan, 2001). The incidences of occupational diseases and injuries are poorly reported from Pakistan, The incidence of occupational diseases and injuries is probably very high in Pakistan as the majority of accidents are not reported to the Labor

Department. Moreover, there is no effective enforcement or strict requirements for reporting such injuries and illnesses with concerned regulatory authorities.

4. Conclusion

There was some evidence of child labour in ginning SMEs i.e. 14 workers having less than 17 years of age. However, the situation was not worse as they did not perform any hazardous work. Literacy rate was poor as it ranged from 40 to 57% in three districts. Most (90%) of the employments were seasonal (for three months), characterized by insecure and inadequate working conditions e.g. work experience had no edge in predicting wages. Sixty nine percent of the respondents did not report any discrimination in employment except gender based discrimination in daily wages i.e. male workers were getting higher daily wages (Rs. $328 \pm 12 \text{ day}^{-1}$) than that of female workers (Rs. $187 \pm 9 \text{ day}^{-1}$). Average working hours ($11.79 \pm 0.166 \text{ hour's day}^{-1}$) were higher than that of set by Factories Act of Pakistan (maximum 10 hours a day for seasonal employment). Due to low wages there was strong trend of availing overtimes in male workers which significantly increased their average daily income. Seven kinds of hazards were identified at work place i.e. dust, noise, cold and heat stress, slips and trips and bad light and chemicals. These conditions lead to nine health related issues included whistling ears (23%), frequent cough (20%), frequent fever (15%), cut and bruises (12%) and backache (12%). Other less frequent problems included headache (10%), sleepy at work (4.5%), poor eyesight (4%) and eye injuries (0.5%). Besides many poor working conditions, owners provided workers with few facilities i.e. residence (70%), meal (16%) and advance salary (8%). Importantly, fifty five percent of the respondents were not satisfied with their work and income.

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Competing Interests

The Authors declare that they have no competing interests.

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