

## PAKISTAN: HOME-BASED WORKERS STRUGGLE TO CLIMB OUT OF POVERTY

By Zofeen Ebrahim

KARACHI, Jan 25, 2010 (IPS)

Razia Khatoon, 36, crouches over a huge wooden frame, her eyes squinting in the dimly lit room inside a squatter settlement in Orangi town in Karachi, Pakistan's largest city.

She deftly stitches one bead after another to embellish a semi-finished embroidered woman's dress, stretched over the frame. She says she has no time for "small talk" as the "order" has to be delivered within the day. "If we don't finish this by the evening, we may not get another order," declares Khatoon.

While she feels fortunate that she can still earn, the domestic demand for goods such as the dresses she makes, has shrunk considerably, as everyone is reeling from the impact of a sharp rise in the prices of essential commodities since Pakistan's economy took a hit less than five years ago.

The mother of ten adds that there are too many like her who would jump at the chance to take over her job if she showed even the slightest sign of vacillation.

"We work 10 to 12 hours daily, and it takes us three days to finish one piece" she explains. She earns 700 to 1,500 rupees (8.3 to 17.8 U.S. dollars) a piece depending on the intricacy of the pattern.

Khatoon has been at it for the past 18 years.

Khatoon is among the 8.52 million home-based, or informal, workers in Pakistan, representing 70 percent of the women workforce in the country, based on the 2009 Pakistan Economic Survey.

HomeNet Pakistan, a network of organisations working directly with home-based workers (HBWs), says the figure could be as high as 80 percent.

Home-based business or cottage industry products in Pakistan range from incense sticks, bangle decorations to women's and children's apparel. They also cover carpet making, fruit cleaning, prawn peeling and packing, box making, pottery and stitching jute/gunny bags. These are major sources of income among a large number of Pakistan's poor.

Large manufacturers contract their work out to middlemen, who get it done, often under a piecemeal arrangement, by these informal labourers.

Unlike those working in the formal economy, whose activities are monitored and taxed by the government, Khatoon has none of the benefits enjoyed by the former.

The informal sector does not fall within the definition of 'workers' by the government, says Zera Khan, secretary-general of the Home-Based Women Workers Association, recently formed by the Labour Education Foundation, a non-government organisation (NGO). Hence, she says, the sector does not enjoy the protection and security provided by labour laws, including the Payment of Wages Act, the Maternity Benefits Ordinance and the Employees Old Age Benefit Act.

Experts say globalisation have shrunk the size of large-scale industrial sector and increased the share of informal workers in Pakistan, putting additional pressure on women to supplement the household income.

Based on the Pakistan Labour Force Survey of 2007-2008, the informal sector accounts for more than 73 percent of the total employment. In the last two years, it has grown by 28 percent, says HomeNet's national coordinator, Ume Laila Azhar.

Kaiser Bengali, an eminent Pakistani economist, calls this expansion of informal work the "reverse cascade effect," which hits those "right at the bottom".

Pakistan's economy began spiralling into a decline by the end of 2005. Since then it has been struggling to limp out of the recession owing, among others, to high defence spending amid unrelenting militant attacks. Incessant unrest and violence have driven away potential investors.

The country's unemployment rate is estimated at 7.40 percent of its total workforce, which is roughly 50 percent of its population of about 168 million.

In its August 2009 report titled 'No Cushion to Fall Back', the Women in Informal Employment: Globalizing and Organizing (WIEGO) says, "when formal labour markets constrict, retrenched workers often turn to the informal economy." In developing countries, where this phenomenon is

particularly evident, "there is often a paucity of public services or programmes to support the unemployed."

WEIGO, a global independent network seeking to improve the conditions of the working poor, dispels the notion that the informal sector does not suffer during economic crises. "Many work at or below the extreme poverty line, making less than 1.25 dollars a day and are unable to lift themselves out of poverty," it states in its report.

Asma Ravji, who works for Sungi, another NGO working for HBWs, says some of the main issues confronting the latter are "irregular work, irregular monthly income, lack of insurance and safety nets as well as labour rights". Since they are not organised and do not have unions or associations, they cannot negotiate for wages and as a result are exploited by middlemen, adds Ravji.

"The economic downturn is going to force even more women to enter the informal sector, and given Pakistan's security/law and order situation, coupled with women's responsibilities on the home front, more women and children are expected to join home-based work," predicts Dr Saba Gul Khattak, a member of the central government's Planning Commission.

Recalling a similar trend 10 to 15 years ago that prompted structural adjustment policies, Khattak says: "As general subsidies are being lifted, the poor would be hit more and, logically, women and children would be more vulnerable to home-based work, which is not regulated and where remuneration is extremely low. Their bargaining ability is systematically reduced."

Khatoon is all too familiar with such a situation. Her six older children, now out of school, help her with her work.

According to HomeNet, youth make up the highest proportion of unpaid family workers (47 percent) while over 42 percent of home-based workers fall between the ages of 15 and 24.

"We were doing all right and, by God's grace, were able to send the kids to school and give them three square meals a day. Life was good," says Nasir Sabir, Khatoon's husband. "But last year, we had to pull our children out of school," says Sabir, who helps his wife, among others, by bringing in orders, taking them back, and getting the needed supplies.

"The price of food items has skyrocketed and broken our backs. What is the poor to do? Feed the children or send them to school?" asks a frustrated Sabir.

A few lanes away from Khatoon's house, Suraj Jamal, 55, and her teenage daughter are busy making 'agar battis' or incense sticks. Taking a dollop of the thick gooey batter, the two carry on working while Jamal's husband, Mohammad Alam, an electrician, acts as translator and interpreter for IPS, since his wife speaks only Bengali, the native dialect of the Bihari community in eastern India, where she hails from.

"We make between 60,000 and 70,000 sticks a week. For every 1,000 sticks we are paid 9.50 rupees (11 U.S. cents). In the market, a packet of a dozen incense sticks is sold for 15 rupees (17 cents)," says 60-year-old Alam, noting the hefty mark-up.

Jamal is afraid to ask the contractor for a raise. "He may go elsewhere," she says.

Economist Bengali, who is advisor to the Chief Minister of Sindh province on planning and development, says HBWs are doubly marginalised. "When there is widespread unemployment or surplus labour, the price of labour automatically goes down."

Jamal and Alam's teenage daughter says her family has stopped eating breakfast in these leaner times.

As of 2009, undernourishment in Pakistan has afflicted 28 percent of the population – up from 24 percent from the previous year, according to the Food and Agriculture Organisation, a specialised agency of the United Nations.

Fifty-something Zahida Mumtaz's husband suffers from a failing kidney and does not have a permanent job. She gets a paltry 20 to 50 rupees (23 to 59 cents) for every one dozen girl's dresses she stitches.

"I know I'm getting very little because the same dress is sold for 200 rupees (2.3 dollars) by the factory to a retail shop. I saw the label myself just before it was being packed and sent off!" she says. "If we refuse or complain of low rates, the contractor will take the order elsewhere."

She adds: "We work so hard, even longer and then we do housework too. Why are we paid a pittance? Just because we don't go to factories does not mean our work does not count?"

But things seem to be looking up for the HBWs like Mumtaz. Late last year, a National Policy on Home-Based Workers was formulated. It is expected to help the informal sector finally get some of the benefits that are otherwise unavailable to them at the moment.

The Ministry of Women Development, Ministry of Labour and Manpower, Sungi and HomeNet Pakistan have signed a memorandum of understanding, mandating them to work together on the legislation and implementation of the policy, says Ravji.

Until then, life for many informal workers, like Khatoon, Jamal and Mumtaz, will remain steeped in poverty.