

POLICY BRIEF

From Production to Protection: A National Agenda for Labour Rights and Legal Enforcement

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Context of the Study

Pakistan, one of the world’s leading textile producers, supplies goods to European markets, including Sweden’s healthcare sector. Workers in key production hubs such as Faisalabad and Karachi face low wages, unsafe working conditions, lack of formal contracts, and limited access to social protection. These challenges persist largely because national labour laws contain significant gaps, while enforcement of existing regulations remains weak, allowing unfair practices and impunity within factories and contracting chains. Weak labour law enforcement and opaque supply chains leave workers with little recourse to justice. Recognising both the systemic violations within Pakistan’s textile industry and the weaknesses in European procurement mechanisms, AwazCDS-Pakistan and Swedwatch, undertook an investigative study titled “**PUBLIC MONEY, PRIVATE HARM: The Role of EU Procurement in Perpetuating Labour Violations**” to examine the entire supply chain from procurement to production in order to inform recommendations for improved accountability and worker protection.

The primary data collection methods consisted of semi-structured in-depth interviews and focus group discussions (FGDs). In total, 12 in-depth interviews were conducted with factory workers, alongside eight FGDs involving a total of 89 participants – approximately an equal number of men and women. All workers interviewed were employed at factories engaged in the final stages of manufacturing of textiles for the European market, including the Swedish healthcare sector. The mapping of the factories was done by using an international database. The participants in the study represented nine different factories, providing a broad view of working conditions across the sector. In addition, one interview was conducted with a factory middle manager to capture insights from a supervisory perspective within the production hierarchy.

To complement the workers’ perspectives, ten key stakeholder interviews were conducted with experts from academia, media, NGOs, trade unions, and government agencies in Pakistan. These interviews provided valuable background on the structural and systemic challenges facing labour rights in the textile industry and offered external viewpoints on the enforcement gaps that persist despite legal frameworks. Public procurement is one of the EU’s strongest tools to influence market practices and promote social responsibility. Representing **15% of the EU’s GDP (~€2 trillion annually)**, it has the potential to support fair labor, human rights, and environmental protection. Yet, current procurement practices fall short, especially in high-risk sectors like textiles.

Overview of data collection via interviews

Method	Interviews	Participants	Total
FGDs (4M, 4F) with workers	8	10–13	89
In-depth (workers)	12	1	12
Experts	10	1	10

The study underscores the urgent need for the EU to embed Human Rights and Environmental Due Diligence (HREDD) across all procurement stages, turning public spending into a strategic tool for equity, accountability, and sustainable supply chains.

Key Facts & Findings

1. Contractual Exploitation

Most workers are hired informally through private contractors without written agreements, leaving them without minimum wages, social security, or legal protection. High secrecy and illiteracy enable exploitative practices, including forced signatures and excessive overtime.

3. Gender Pay Gap

Women are concentrated in the lowest income groups, earning as little as 6,000 PKR/month despite identical tasks and hours as men. Women are largely restricted to repetitive roles like sorting, stitching, and quality control, while men hold supervisory positions. Limited training and promotion opportunities further suppress earnings.

2. Wage Theft

Workers often earn far below the legal minimum wage of 37,000 PKR, sometimes as little as 250 PKR/day. Delayed payments, unpaid overtime, and contractor deductions are widespread, while living wages exceed 75,000 PKR.

4. Excessive Working Hours & Overtime

Workers regularly exceed the legal 48-hour weekly limit, often working 16–18 hour shifts without proper breaks or overtime pay. Complaints include denied breaks, delayed payments, and unsafe working conditions, leaving workers exhausted and still unable to meet basic household needs.



- » **KARACHI — TEXTILE INDUSTRY SNAPSHOT**
- 306 textile mills¹
 - Major hub for spinning, weaving & processing
 - Large concentration of factory-level labour
 - Key sourcing hub for export-oriented production

- » **FAISALABAD — TEXTILE INDUSTRY SNAPSHOT**
- 290 textile mills (Punjab listing)¹
 - Pakistan’s largest power-loom & weaving cluster
 - High-density industrial workforce
 - Major centre for dyeing & finishing units

- » **PAKISTAN — NATIONAL TEXTILE CONTEXT SNAPSHOT**
- 1,266 textile mills nationwide¹
 - 8.5% of GDP from textiles²
 - 60% of Pakistan’s exports are textile-based²
 - Textile industry provides livelihoods to millions.

¹ Rentech Digital business listings, 2025
² Punjab Board of Investment & Trade (PBIT), 2024–2025

5. Absent Social Security

Despite legal requirements, most workers, including those with 10–15 years of service, are excluded from social security benefits. Social security cards and EOBI benefits are largely restricted to supervisors and managers, while regular workers receive repeated false promises. Medical care, paid leave, and pensions remain inaccessible.

6. Overreliance on Social Audits

Social audits in Pakistan’s textile sector largely fail to detect human rights abuses or engage workers meaningfully. Factories stage operations, falsify documents, and coach workers to hide violations, while auditors often overlook issues or accept bribes.

7. Certifications as a Smokescreen

Certifications like BSCI or OEKO-TEX® STeP are widely displayed but rarely benefit workers, highlighting the need for independent, management-free assessments. These often give a false image of compliance to satisfy international buyers.

8. Discrimination & Sexual Harassment

Female workers face frequent harassment but rarely file complaints due to fear of retaliation and inaccessible grievance mechanisms. Policies exist but are rarely enforced.

9. Erosion of Union Rights

Workers face severe barriers to unionisation. Any suspected union activity can lead to dismissal or blacklisting, and worker-management committees are largely symbolic.

10. Poor Occupational Health & Safety

Occupational health and safety in Pakistani textile factories is critically inadequate. Workers face hazardous conditions, lack essential safety gear, and endure poor ventilation, overcrowding, and excessive noise. Fire safety measures and sanitation facilities are insufficient, with improvements often only temporary during audits. These conditions contribute to preventable illnesses, injuries, and fatalities, disproportionately affecting women and vulnerable workers.

RECOMMENDATIONS

EU-Focused Recommendations for Ethical, Transparent, and Sustainable Procurement

- To ensure public procurement, policy reforms are needed at EU level and across EU Member States to ensure HREDD (Human Rights and Environmental Due Diligence) is integrated as a mandatory requirement in all stages of the procurement cycle, from pre-tender assessments to contract performance. Such requirements should align with the UNGPs and OECD Guidelines’ risk-based approach, and emphasize meaningful stakeholder engagement, supplier risk assessments, and accessible grievance mechanisms
- Adopt the Most Advantageous Tender (MAT) approach to prioritize sustainability and social impact alongside price and technical specifications.
- Redefine “link to the subject matter” to include supplier practices, not just the procured good or service. Enable exclusion of suppliers linked to severe human rights violations and reward responsible companies with preferential treatment.
- EU suppliers must disclose country of origin, factory data, and subcontractor information in an EU-wide registry accessible to contracting authorities, reducing opacity and labor exploitation risks.
- Design contracts with realistic delivery timelines and clear accountability to prevent cost-cutting at workers’ expense.
- European Member States should systematically collect and share procurement data. Develop tools to track sustainability progress, identify risks, and benchmark outcomes.
- Invest in procurement expertise to implement due diligence effectively, strengthen leverage over suppliers, and achieve consistent, long-term sustainability outcomes.

Key Recommendations at the National Level

- Strengthen and update labor, environmental, and human-rights laws to align with international standards and close existing gaps.
- Increase funding and staffing for inspection bodies so they can conduct regular, unannounced monitoring across sectors.
- Establish digital, multilingual platforms for workers and communities to safely report violations without fear of retaliation.
- Publish annual data on labor rights, workplace safety, environmental compliance, and human-rights indicators to promote transparency.
- Introduce strong legal protections for whistleblowers to ensure confidentiality and prevent retaliation.
- Ensure minimum wages, social protection schemes and enforce strict occupational health and safety standards, especially in high-risk sectors.
- Engage unions, employers, civil society, and communities in structured consultations before policies or reforms are finalized.
- Address the pay gap between male and female workers and provide fair compensation and benefits, including overtime compensation, maternity leave, and paternity leaves.
- Collaborate with non-governmental organizations (NGOs) to provide workshops and training sessions on workers' rights.
- Empower national and provincial human rights commissions, environmental commissions, and labor commissions to monitor compliance, investigate complaints, conduct public hearings, and issue binding recommendations.
- Enhance media professionals' understanding of labour rights issues and working conditions in the home textile industry.

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