

A rapid assessment of bonded labour in hazardous industries in Pakistan: glass bangle-making, tanneries and construction

Collective for Social Science Research, Karachi

Special Action Programme to
Combat Forced Labour

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Foreword

In June 1998 the International Labour Conference adopted a Declaration on Fundamental Principles and Rights at Work and its Follow-up that obligates member States to respect, promote and realize freedom of association and the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.¹ The *InFocus Programme on Promoting the Declaration* is responsible for the reporting processes and technical cooperation activities associated with the Declaration; and it carries out awareness raising, advocacy and knowledge functions – of which this Working Paper is an example. Working Papers are meant to stimulate discussion of the questions covered by the Declaration. They express the views of the author, which are not necessarily those of the ILO.

This Working Paper is one of a series of Rapid Assessments of bonded labour in Pakistan, each of which examines a different economic sector. The aim of these studies is to inform the implementation of the Government of Pakistan's National Policy and Plan of Action for the Abolition of Bonded Labour, adopted in 2001. The research was conducted under the guidance of the Bonded Labour Research Forum (BLRF), a distinguished group of Pakistani research and development specialists, convened by the Ministry of Labour, Manpower and Overseas Pakistanis with the support of the ILO. The Rapid Assessments were undertaken by independent Pakistani researchers, who were selected by the BLRF for their competence and experience in the different sectors. This paper examines labour arrangements and bonded labour in three hazardous industrial sectors in Pakistan: construction, glass bangle-making and tanneries. The research and analysis was undertaken by a team of researchers from the Collective for Social Science Research in Karachi. The same team also investigated domestic work and begging, the results of which are reported in another Working Paper.²

The research programme was overseen by Caroline O'Reilly of the *Special Action Programme to combat Forced Labour (SAP-FL)* of the Declaration Programme in Geneva. Ali Khan worked as Research Coordinator for the duration of the research process, based at the ILO in Islamabad.

SAP-FL is providing on-going technical assistance to support the Ministry of Labour and its partners to implement the National Policy and Plan of Action, so as to bring about the effective eradication of bonded labour in Pakistan.

March 2004

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¹ The text of the Declaration is available on the following web site: <http://www.ilo.org/declaration>

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Glossary

Glass Bangles

<i>Bailan</i>	Roller
<i>Bhatti</i>	Small-scale ovens
<i>Buble wala</i>	Worker who manages bowl filled with molten glass
<i>Chaklai</i>	Worker responsible for finishing work on bangle
<i>Chatai wala</i>	Worker who sorts glass wires by size
<i>Chikai wala</i>	Worker who pulls glass wire
<i>Churi</i>	Bangle
<i>Ginaya</i>	Worker who counts bangles for making bundles called Tora
<i>Guli wala</i>	Worker manning furnace who takes molten glass wire and places on roller
<i>Jorayya</i>	Worker who joins the open bangle
<i>Jugai wala</i>	Worker who maintains temperature of oven using woodfuel
<i>Katayya</i>	Worker who cuts glass spiral to make open bangle
<i>Loam wala</i>	Worker who shapes the bangle
<i>Mena Kari</i>	Fine engraving
<i>Muthey wala</i>	Worker who picks glass spiral from roller
<i>Pail wala</i>	Worker who shapes the bangle
<i>Pani wala</i>	Worker who brings drinking water for other workers
<i>Peshgi</i>	Advance payment for workers
<i>Purdah</i>	Segregation of adult women from non-family males
<i>Sadhayya</i>	Worker who straightens the open bangle
<i>Siddiqui</i>	Kinship-based community from Ferozabad, India involved in glass-bangle making
<i>Sikai wala</i>	Worker who dries bangles
<i>Tar wala</i>	Worker manning furnace who controls the hot wire of molten glass
<i>Thekedar</i>	Contractor or sub-contractor
<i>Tora</i>	A bundle of bangles containing around 280 bangles

Tanneries

<i>Chamar</i>	Traditional "low" caste leather worker
<i>Chirai</i>	Cutting of hide
<i>Gate bund</i>	Entry restriction at factory gate
<i>Goth</i>	Village (Sindh)
<i>Gur</i>	Mollases
<i>Isai</i>	"Low" caste Christians in Punjab, also known as Masihis
<i>Kammi</i>	People of "low" service castes in Punjab
<i>Karaah</i>	A large open pan for boiling or cooking
<i>Khateek</i>	Profession-based caste group of tanners originating in eastern Punjab, also known as Shaikhs and Khateek Shaikhs
<i>Khawai</i>	De-wooling
<i>Masihi</i>	"Low" caste Christians in Punjab, also known as Isai
<i>Palti</i>	Soaking of hides done manually in Kasur, also known as wagar
<i>Peshgi</i>	Advance
<i>Tableeghi-jamaat</i>	A missionary religious organization

<i>Thekedar</i>	Contractor or sub-contractor
<i>Ustaad</i>	Teacher/trainer
<i>Wagar</i>	Soaking of hides done manually in Kasur, also known as palti

Construction

<i>Adda</i>	Specific public place in city where workers gather and wait for prospective employers, akin to informal employment exchange
<i>Bajri</i>	Fine and coarse aggregate and work related to this material
<i>Begar</i>	Uncompensated labour
<i>Bharai</i>	Concrete work
<i>Bheel</i>	Non-Muslim caste originating in the Thar desert classified as Scheduled Caste
<i>Hari</i>	Agricultural tenant farmer
<i>Jamadar</i>	Labour head or foreman
<i>Kaam ki chall</i>	To set the tempo of work
<i>Kammi</i>	People of "low" service castes in Punjab
<i>Langar</i>	Alms food distributed at shrines
<i>Mazdoori</i>	Unskilled manual labour work
<i>Mistri</i>	Mason
<i>Munshi</i>	Manager or main contractor's assistant
<i>Odh</i>	Traditional semi-nomadic caste group specializing in mud and construction work, also known as Rangar in Punjab
<i>Osari</i>	Filling of wall with construction material
<i>Rangar</i>	Traditional semi-nomadic caste group specializing in mud and construction work
<i>Sardar</i>	Head
<i>Sufi</i>	Muslim mystic
<i>Theka</i>	Contract
<i>Wang</i>	Mud filling in curve of wall
<i>Wangaar</i>	Reciprocal labour arrangement

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Chapter One: INTRODUCTION

This report presents the results of a “rapid assessment” (RA) research project on bonded labour in three sectors in Pakistan: glass bangles, tanneries and construction⁴. These rapid assessment studies are part of a larger group of studies commissioned by the Bonded Labour Research Forum in Pakistan and sponsored by the International Labour Organization. Each assessment is based mainly on sector-specific fieldwork.

a) Issues in bonded labour research

Bonded labour constitutes one of the gravest violations of individual human rights. Its presence in any society poses a serious challenge not only to the people who are bonded, but also to all individuals and institutions. Bonded labour is a coercive and oppressive labour arrangement disguised by seemingly legitimate and “voluntary” transactions between individuals. This “transactional cover” is, indeed, the main difference between “bonded labour” and outright slavery and, not surprisingly, issues concerning the definition of terms absorb much of the attention devoted to the policy debate on bonded labour.

Internationally recognized and nationally endorsed legal definitions of bonded labour can be powerful instruments in the fight against bonded labour. At the same time, however, statutory definitions do not remove the problem of consensus-building; they merely displace this problem to the interpretive level. In other words, the question changes from “What is bonded labour?” to “To what extent does a particular labour arrangement come within the purview of bonded labour statutes?”

Empirical research allows us to address this question in a meaningful manner. It is possible to highlight three themes relevant in empirical research on bonded labour in Pakistan. These are, respectively, violations of the person, debt bondage, and social hierarchy.

i) Physical restriction, coercion, violence against the person

Bonded labour is generally perceived – both at the popular level, as well as in the minds of legislators and the judiciary – as akin to slavery. Any labour arrangement involving the loss of an individual’s liberty and where physical restriction and violence against the person are accepted norms is abhorrent. Some types of personal abuse – such as child labour, sexual exploitation and rape – must be explicitly included in the category of violence against the person. These and other forms of abuse exist in Pakistan in a range of social and economic relationships. They are not limited to instances where people are held in chains, but also exist in less conspicuous settings where the chains are the invisible ones of social control.

ii) Debt bondage

Debt bondage is now widely recognized as a common “legitimization” of bonded labour. Legislative definitions are built around the issue of debt bondage and the *peshgi* (i.e., advance payment for workers) system. Debt bondage also poses some of the most serious legal and policy obstacles to the eradication of bonded labour as the credit-labour linkage exists across a range of economic relationships, many of which do not appear to be particularly oppressive. The extent to which a labour arrangement involves debt bondage depends on a range of other factors: Is there something structural in the initial advance that makes the debt non-serviceable? Do the terms of the contract create monopolistic relations between the creditor and debtor? Is the use of physical violence an accepted form of sanction within any given credit contract? Different forms of credit-labour linkage are known to exist in the various sectors of the Pakistani

⁴ The Collective for Social Science Research also investigates bonded labour in domestic work and begging. These Sectors are reported in Declaration WP No. 22.

economy. Their documentation would clarify the range of activities where coercive practices exist, with or without the presence of debt bondage as a legitimizing mechanism.

iii) How social hierarchy affects access to law and markets

Existing empirical work in Pakistan (as well as in other parts of South Asia) has shown the importance of ethnic and/or caste hierarchies in the persistence of bonded labour. Certain groups, due to their ethnic and/or caste identity, are perpetually disadvantaged in access to the rule of law and markets. Ethnic and/or caste hierarchy, therefore, needs special attention in empirical research on bonded labour.

b) Analytical approach

The present study is premised on the understanding that bonded labour is usually disguised behind seemingly legitimate and “voluntary” economic transactions. From an analytical point of view, it is useful to consider the range of activities where some level of coercion might exist. Some of these activities will come under the purview of legalistic definitions of bonded labour; others may fall outside it; and still other activities, though they fulfil the legal definition of bonded labour, may not be particularly oppressive or coercive. The violation of the person is only the most conspicuous and extreme form that “bondedness” might take.

The main objective of the proposed research, therefore, is to use qualitative research tools to document the range of labour, credit and labour-credit arrangements that exist in particular sectors of the economy. In examining the economics of these relationships, we can make a more comprehensive, multi-disciplinary analysis that provides insights into the social and political dimensions of any particular labour, credit, or labour-credit arrangement. Case studies are developed to document the dynamics of these different forms of arrangements and, in particular, to further understanding of the vulnerability to bonded labour.

c) Methodology

The aim of the present study and complementary studies undertaken in the first phase of the programme of research on bonded labour is to develop some empirical insights into the nature and scope of bonded labour in Pakistan, using “rapid assessment” (RA) tools.

The rapid assessment is a useful starting point for a long-term research programme on bonded labour in Pakistan. The RA gives programme and policy-makers a useful overview of the issues, and indicates future research needs. In other words, the RA is most valuable as a preliminary framework, but insufficient unless its insights are further explored.

This RA used qualitative methodology, with some modifications, in all three sectors covered by this report. Since the purpose of the RA was to gain a preliminary insight into the nature of the problem, and offer insights, questions and issues for further research, the tools of qualitative research were the most appropriate for gaining a significant level of insight in a relatively short period of time. Further, since it examined some of these sectors – even at this preliminary level –for what appears to be the first time, qualitative tools were also useful for helping to frame a future quantitative exploration at some future point.

The field tools used were as follows:

- 1) **Community profiling:** Based on observation, informal interviews, and available research, the field researchers provided a brief social, economic, and development profile of each research site. A site was a place, either work or residential, where people engaged in the labour sector in

-
- question were assembled. The profiling information, although gleaned from a simple exercise, provided valuable detail on caste and other social issues influencing bondedness.
- 2) **Key informant interviews:** Field researchers identified knowledgeable individuals, employers or employees, in each community who could provide an overview of the kind of people engaged in the labour sector being explored, the employers, the labour arrangements, and issues of coercion/harassment or bondedness. Key informants also helped to identify other individuals for formal interviews.
 - 3) **Informal interviews:** These discussions with individuals or small groups proved the most valuable source of information. As time was short, restrictions on the employees inevitably tight, and some sectors dangerous to explore, informally structured interviews were the bedrock of our RA methodology. The themes of labour arrangement, migration, coercion/harassment, bondedness, vulnerability, etc., were explored with numerous individuals and their employers during this RA.
 - 4) **Formal interviews:** This category includes in-depth interviews with individuals (employers, contractors, or employees) in the research sectors, as well as structured focus groups. The interviews were recorded and documented for analysis. A greater reliance on focus group discussions was not possible in the RA due to the sensitive nature of our inquiry in some areas.
 - 5) **Observations:** Field researchers spent significant time quietly observing employees at the workplace, whether factory, construction site, or sidewalk congregation of beggars. Their observations form a significant part of our research data, functioning as a cross-check to interview material and providing new opportunities for understanding the complexity of a given labour sector. Some localities were observed in significant detail and findings were enhanced with select interviews. This technique, allowing for a more rapid coverage of a workplace in a given sector than a full-blown community profile and numerous informal/formal interviews, has resulted in the inclusion of numerous observation sites in the RA report.

The RA focused on two provinces: Sindh and Punjab. Within these provinces, urban as well as rural settings were covered to allow for maximum opportunity for comparison. In Punjab, the city of Lahore and the district of Sargodha (including nearby villages and the town of Sargodha) were the RA research sites. In Sindh, urban Karachi, and district Sanghar (including Shahdadpur town and nearby villages) were covered. In addition, the town of Kasur in Punjab was a tanneries research site and the city of Hyderabad in Sindh was the main research site of the glass bangles industry.

Fieldwork took place from December 2002 to January 2003. It took approximately two weeks of fieldwork to cover each sector (both Punjab and Sindh), with tanneries being the most time-intensive. Field researchers prepared individual site reports upon completing coverage of a particular location, compiling their interview notes/transcriptions, observations, and community-profiling information before proceeding to a new site. Site selection was done after initial scoping to identify localities where communities of workers could be found.

The emphasis varies slightly among the qualitative research tools used for the different sectors due to the nature of the sectors themselves. For example, in the bangle-making sector, focus group discussions proved a vital source of information.

d) An overview of sectors

Hazardous industries and bonded labour

The three sectors were selected for the RA study as representative of hazardous industries. The main hypothesis here was that some types of work and technologies may be so hazardous, unpleasant or both, that normal economic rewards are insufficient to attract and retain an adequate workforce. To ensure a

supply of labour, therefore, such hazardous and unpleasant jobs must be associated with coercive labour arrangements, including debt bondage.

Within the “hazardous and/or unpleasant” sectors, moreover, the glass bangles, tanneries, and construction sectors were selected for different reasons. From existing literature, it was known that the glass bangle-making industry in Pakistan uses home-based women workers and children working at home as well as in the factory. The nature of the hazards they face –e.g., exposure to high temperatures – is a serious one.

The tanneries sector was selected because it was thought to involve *a priori* highly unpleasant work since much of the processing involves the handling of or exposure to animal by-products, a traditional taboo in parts of South Asia. Glass bangles and tanneries, therefore, were presumed to represent different forms of hazard and unpleasantness – in terms of the technology as well as in terms of social perceptions.

The third sector in the “hazardous sector” list – construction -- was thought to be altogether different from the first two in several ways. Although several sub-sectors within construction might qualify as hazardous from a technical point of view, in terms of popular perception in Pakistan, work in this sector is not regarded as being particularly hazardous or unpleasant. Some notable exceptions may be related to work on infrastructure projects in remote and inhospitable regions, where forms of extra-economic coercion may be used to ensure labour availability.

The construction sector, moreover, was interesting from other points of view. As one of the largest sources of employment in Pakistan, even the low intensity of hazard may translate into a high degree of overall exposure to hazard. Furthermore, construction work is widely considered one of the bottom-line activities for poor, unskilled and asset-less workers. Finally, the sector was thought to be associated with casual labour markets –the far end of the spectrum in terms of coercive labour arrangements from bonded labour. It was important to test this view of construction as the domain of casual labour and, as well, as to understand the workings of casual labour markets to gain insights into labour arrangements that deviate from casual labour.

Some preliminary comparisons between sectors

The three sectors represented in this report are highly heterogeneous in terms of their histories, geographies, economics, sociologies and demographics. Perhaps what they have most in common is the lack of research on labour arrangements, especially concerning coercive labour arrangements such as bonded labour.

It is possible, however, to make some preliminary comparisons between these three sectors, particularly from the point of view of labour arrangements. The introduction to each sector indicates that glass bangles, tanneries and construction come under the rubric of hazardous industries. From the point of view of our conceptual and empirical approaches, however, the main contrast appears to be between glass bangles and tanneries on the one hand, and construction on the other. The former two sectors are location-specific and structured, in contrast with the latter that is omnipresent and amorphous.

Glass bangles and tanneries represent specific technologies and production processes – around a narrow range of products – located in a few specific regions or areas. Construction, on the other hand, is everywhere, encompasses a variety of different “technologies” and “processes”, and is difficult to pin down around a specific product or service.

For the purposes of the rapid assessment, glass bangles and tanneries present relatively simple issues that can be easily framed into empirical questions. The complexity increases when we move to construction, partly because the nature of the product becomes diversified; partly because the workplace is always a

temporary abode. A rapid assessment of construction activities also becomes more challenging because they account for a large part of the workforce, are present in every conceivable part of the country, and involve many different types of activities.

The questions that we are able to ask and those that we can expect to answer in the rapid assessment differ from one sector to the next. In the case of glass bangles and tanneries, for example, we can expect to gain a fairly clear descriptive account of the sector, and also form relatively confident opinions about the nature of labour arrangements found here. In the case of begging (covered by the companion report by the Collective), in contrast, the rapid assessment barely scratches the surface – it can, at best, give some general indicative views about what to expect in this “sector” and where to look for coercive labour arrangements. The sequencing of the sector chapters is intended to reflect the transition from the relatively simple to the more complex and challenging⁵.

e) Structure of report

Chapters Two to Four provide sector-wise reports on glass bangles, tanneries, and construction, respectively. These chapters are self-contained to a great extent and may be read as stand-alone sector studies. Each chapter begins with a brief statement of the research team’s assumptions concerning the sector, and an overview of its research strategy, methodology and fieldwork. This information is followed by a description of the sector, including details of the nature of work, working conditions, technology (where appropriate), and profiles of individuals and communities associated with the sector. Finally, each chapter provides details of labour arrangements and identifies and analyzes conditions of coercion and bondedness.

Although each chapter provides sector-specific conclusions, some cross-sector themes are addressed in Chapter Five (Conclusion). This chapter draws upon the findings of all the sectoral studies undertaken by the Collective. The comparison of labour arrangements and other findings within and across sectors provides some useful insights into the nature of labour arrangements, in general, and bonded labour, in particular. This chapter ends with recommendations regarding future policy and research work.

Annex One is a sector-wise literature review based on a search of recent published and unpublished sources. Each sector review begins with a short summary of the existing material.

⁵ The sequencing of chapters is glass bangles, tanneries, construction (in this report); domestic work, begging (in the Companion report, Working Paper No. 22).

Chapter Two: GLASS BANGLES

The large-scale manufacture of glass bangles is thought to have its antecedents as a cottage industry that has grown in scale and size over the last few decades. The products – glass bangles of different types – are popular fashion accessories in Pakistan and its neighbours in the South Asia region. As such, the market for this industry is mostly a domestic one, and the demand for the product is concentrated at times of the year marked by festivities.

Relatively little research is available on the conditions of work in this sector. Existing literature is largely focused on two sets of issues: the prevalence of women and child workers, and the exposure to potentially hazardous technologies. Due to the sector's association with traditional cottage industry, one would expect to find poor labour and safety standards, connections with social background or caste, traditional forms of labour arrangements that are exploitative and coercive, and that much of the work is home-based, involving all members of a household, including children.

As in the case of tanneries and construction, the RA focused on three sets of issues: first, to understand in some detail the technologies and processes currently in use in this sector; second, to identify labour arrangements in the sector, in general, and in specific processes, in particular; and third, to identify elements of coercion and bondage, and the possible link between these and the technologies being used in the sector.

a) Brief summary of fieldwork

Although glass bangles are produced on a small scale at a number of locations in Pakistan, by far the largest concentration of this sector is in and around the city of Hyderabad in Sindh. Within Hyderabad, our fieldwork focused on three sets of locations: (a) Sindh Industrial and Trading Estate (SITE); (b) old city localities of Noorani Basti, Ilyasabad and Churi Para; and (c) three sectors of Latifabad.

The field investigation consisted of community mappings, interviews of factory owners, contractors, workers, other key informants, such as government employees and social activists, informal and formal group discussions, and direct observation. A total of 22 interactions were carried out. An all-male team carried out the initial fieldwork, later joined by female field researchers. The timing of the survey coincided with the busiest work period for the sector – namely, from around Shaban till around Eid-ul-Azha. Although this timing affected the availability of potential interviewees, it was possible, with the help of our contacts in the area, to meet with the number and type of people needed.

The fieldwork was done without hindrance and factory owners and contractors as well as workers gave their opinions in a free and frank manner. Female team members were able to conduct interviews and group discussions with women in their homes, while most of the male interactions were carried out in more public places.

b) Description of sector

The glass bangle sector in Hyderabad is concentrated around three distinct localities: the Sindh Industrial & Trading Estate (SITE) area, the old city, and Latifabad. The SITE area is a formal industrial zone, housing a number of factories where initial processing of raw materials is carried out. Around 35 bangle factories operate here, and all of these are formal sector entities. These factories occupy relatively large premises, covering several hundred square meters each. The other two localities – i.e., the old city and Latifabad – correspond more closely to the “cottage industry” image of the sector: much of the productive activity is carried out in small, family-run workshops or inside homes.

Sindh Industrial & Trading Estate (SITE)

All the glass bangle factories are situated in the Sindh Industrial and Trading Estate (SITE) area in the south of Hyderabad city, around 2km from the main city. Some 500 factories operate in SITE in different sectors (i.e., textile, oil, hard board, glasses, agricultural equipment and motorcycles, etc.). The SITE area is well-planned with wide and well-maintained roads. Reorganized as SITE after 1947, the area was already an industrial estate prior to the foundation of Pakistan. Among the industries present at the time of independence, there was a glass factory which, reportedly, formed one of the bases on which the glass bangle industry of Hyderabad took off after 1947. Around 30 glass factories now operate in the area exclusively making glass-bangles.

The old city: Churi Para and its environs

Churi Para and its neighbouring localities of Noorani Basti and Ilyasabad are the historic core of the glass bangle sector in Hyderabad. It is in these localities that the bulk of the workers, contractors and traders live and work, and it is here that many of the transactions originate and end. These localities house the main wholesale market for glass bangles in Pakistan.

Noorani Basti, Ilyasabad and Churi Para are part of what was the old city of Hyderabad. These areas are mostly congested with small housing units and narrow streets. Most of the homes contain one room, kitchen, washroom and small courtyard. Much of the home-based work in the glass bangles industry is carried out in such homes. These neighbourhoods are, nevertheless, urban localities, equipped with basic services (i.e., education, health, water, electricity, gas, etc.).

The main population group that forms the core of the glass bangles sector in Hyderabad is the Ferozabad Siddiqui community. These people are Urdu-speaking migrants from the area of Ferozabad in western Uttar Pradesh in India who began arriving in Hyderabad in 1947. Some leading members of this community, however, are thought to have had older links with the existing glass manufacturing industry in Hyderabad. Ferozabad was and remains an important centre for the production of glass bangles in the sub-continent, and the Siddiqui community of Ferozabad remain the leading bangle-makers.⁶

At the time of independence, the Ferozabad Siddiquis from India migrated to various locations in Pakistan, including Lahore, as well as the cities of Shikarpur, Sukkur, Rohri and Hyderabad in Sindh, where they soon took up their traditional work of making glass bangles on a small scale. Hyderabad proved to be an area with good potential, since it already had a glass factory, and because it provided better access to markets than other smaller towns of Sindh.

In Hyderabad, the Ferozabad Siddiquis settled in what came to be known as Churi Para or Bangle Quarter, and its adjoining localities of Noorani Basti and Ilyasbad. They form the majority of the population of these localities. Among other things, the Siddiqui Welfare Society has established a charitable hospital for the community in Churi Para.

⁶ The surname Siddiqui is used by a large number of Urdu-speaking Muslims with roots in northern India. These tend to be a diverse group and do not necessarily share close kinship relations with each other. The Ferozabad Siddiquis, however, think of themselves as a close-knit group with a strong sense of professional, community and kinship identity. In this sense the Ferozabad Siddiquis appear to differ from other Pakistani families bearing the surname “Siddiqui”.

Latifabad sectors

The other residential area of Hyderabad known for the glass bangle sector is Latifabad. The former rulers of Sindh, the Talpur Mir family, gave this land to the city of Hyderabad for the resettlement of migrants from India on the condition that the area be named after the renowned Sufi poet Shah Abdul Latif Bhitai. In the early 1950s, as the old part of the city became congested, families from the Ferozabad Siddiqui community began to move out to Latifabad, and settled in sectors nine, 10 and 11. These families brought their traditional industry with them, expanding the glass bangle sector to Latifabad.

Siddiquis and others

Although the Ferozabad Siddiquis remain the core community in the glass bangles sector, people from a number of other communities have also entered the sector as workers, contractors and traders. The new entrants – who have increased in numbers over the past decade or so – are from diverse ethnic, caste and biradri backgrounds, including Sindhis, Punjabis, Rangars, as well as Urdu-speaking communities other than the Ferozabad Siddiquis. On the other hand, some families of Ferozabad Siddiquis have stopped working in the sector and taken other jobs in Karachi and elsewhere. It is difficult to ascertain quantitatively, however, the extent to which the sector and the Ferozabad Siddiquis have diversified.

Number of workers

It is also hard to work out, on the basis of a Rapid Assessment, the approximate number of people involved in the sector in Hyderabad, although we can offer an educated guess on the upper limit. A medium-sized glass factory in the SITE area working to normal capacity is likely to employ only around 20 workers on a full-time basis. However, to process output into finished bangles at a rate that does not lead to the over-accumulation of stock, an additional 500-900 workers are likely to be required. Since the number of factories in the SITE area is around 30, we estimate that 30,000 workers is the upper limit in the sector in Hyderabad.

This figure appears modest, compared with the figures (ranging from 300,000 to 1,000,000) casually mentioned by a number of key informants. Our figure also appears to be in line with our estimate that around three to four thousand families residing in the three old city localities are associated with glass bangle-making.

Technology and processes

We identified around three dozen distinct processes and skills in the manufacture of glass bangles. It is convenient to classify these various processes within three broad stages, identified by the output of each stage of the manufacturing process. In the first stage (open bangle), molten glass is converted into semi-circular open bangles that are bundled together into a *tora*. In the second stage (closed bangle), the open bangles are leveled and joined into closed bangles. The final stage (finished glass bangle) takes the closed bangle and produces the finished glass bangle. Most of the processes in each stage of the production cycle involve the application of intense heat to glass for the purposes of melting, shaping, reshaping, and joining. The diverse processes require different sources of heat – including furnaces, ovens, and even small burners. Other generic processes include snapping glass, making bundles of bangles, and the application of chemicals for cleaning and polishing bangles.

Stage one: open bangles in factories

The open bangle stage is almost entirely carried out in larger factories located in the SITE area. Relatively large, high-temperature furnaces are used to melt the raw material that consists mainly of used bottles. The

furnace needs to be fired for a whole week before molten glass of usable quality can be obtained. The molten glass drips from the furnace in fine wires, which are rolled while hot, into spiral shapes over rolling pins. This first process requires a great deal of skill and attention: any break in the consistency of the molten glass wire can render the material unusable.

As soon as the glass spirals cool, they are taken off the rolling pins. The spiral is then snapped to create a fine curved glass wire, or an open bangle. The open bangles are bunched together into bundles known as *toras*, which contain around 300 bangles each. The jobs of removing the glass spiral from the rolling pin, snapping them open, and then bunching them into *toras* are all known, respectively, by separate names, and are all regarded as skilled tasks. Once the open bangle is in a *tora* it can be taken out of the factory for further processing in the old city or Latifabad.

Stage two: closed bangles in old city or Latifabad

The *toras* of open bangles are transported to small-scale workshops or to home-based workers in the old city or in Latifabad. Two main tasks make up the second stage. Workers known as *sadhayya* straighten the open bangles and other workers, *jourayyas*, then join the ends to form closed bangles. Both processes require the application of heat to the bangles. The *sadhayya* bakes the open bangle on baking trays in small ovens either installed in their homes or rented in other local workshops. The *jourayya* joins the bangle using an open flame, also carried out either at home over a narrow stove, or in a workshop.

Stage three: finished glass bangles in old city or Latifabad

The closed bangle is then taken to a further set of small workshops or home-based workers for a series of processes associated with “finishing”. Some of these processes, such as cleaning and reshaping, require further applications of intense heat over stoves or small ovens, while other processes such as polishing and dyeing require the application of various chemicals.

The finished glass bangles are again bunched together into *toras* and transported to the main wholesale market and on to other wholesalers and retailers in Hyderabad as well as across the country. It is estimated that Punjab accounts for around three-quarters of the output of the Hyderabad industry.

Nature of hazard and unpleasantness

The general impression of working conditions in the sector is that the work is hard and monotonous and the work environment unhealthy. Workers and other stakeholders in the glass bangle sector in Hyderabad agreed on the three types of industrial hazards: exposure to high temperature and unstable material; long and continued exposure to fumes; risk of injury and burns from the handling of hot and sharp material.

Tar-wala and guli-wala: exposure to high temperatures and unstable material

Male respondents consider the first process of the first stage of the manufacturing cycle (i.e., the work with molten glass at the open bangle stage) the most dangerous job. The task requiring prolonged exposure to extremely high temperatures and unstable material is the job of the *tar-wala*, *guli-wala*, and others involved in the maintenance of the flow and consistency of the molten glass string emanating fresh from the high intensity furnace. The line of molten glass can easily break and seriously burn the operator’s eyes, face or body. Protective clothing and visors are, apparently, not used in the industry.

These jobs, based in the larger factories in the SITE area, are considered to be highly skilled, requiring both attention and stamina on the part of the worker. The workers employed in these processes are thought to be among the best-paid workers in the sector.

Long and continued exposure to fumes

For the work carried out in smaller workshops and in homes, workers identified two particular sources of hazard. Many of the processes require the heating of glass bangles in ovens or on open flames. Exposure to fumes from fuel and heated glass is reported to cause flu-like symptoms, such as sore and runny eyes, headaches and nasal and throat irritation. Persistent exposure to this environment, moreover, is thought to cause serious ailments, including asthma and TB. Scabies was also commonly reported among home-based workers due to the excessive use of chemicals.

Danger of minor injury and skin burns

Workers in the smaller establishments are also vulnerable to cuts and skin burns on their hands from handling hot glass. Some of the chemical processes in the cleaning and polishing of glass bangles are associated with various skin diseases.

Wider environmental dangers

Home-based work in this sector requires the use of various sources of fire and heat, without reasonable safety precautions. We documented several cases where fires had broken out due to accidents in ovens used for heating bangles and where these fires had spread and engulfed several homes. A number of local respondents felt that the glass bangle sector should not continue as a cottage industry, but be formally organized and located in specially developed locations away from residential colonies. Some of these respondents (for example, a 35 year-old mother called P who works as a beautician in her time away from glass bangle work) said that their other economic activities are endangered by the environmental hazards posed by the glass-bangle sector.

General hazards of child labour

Child labour is evident at all stages of bangle work, in factories, in the smaller workshops and at home. The working environment in these places is challenging even for adult workers; for children, some younger than 11 or 12 years-old, this environment is positively harmful. Oven work is highly hazardous for children and linked to vulnerability to respiratory diseases, such as asthma and TB. The people working in the sector are clearly aware of the dangers. As one worker reported: “The moment a child worker at an oven gets a coughing fit, we know it is the first symptom of TB and we remove him immediately to be replaced by a fresh child.”

We came across a number of children as young as ten who routinely help their mothers at home by getting through a few *toras* after school. These children slip almost unintentionally into making glass bangles as an extension of their household chores. Unfortunately, as our informants themselves said about their work, “Once in, always in”.

c) Workers and labour arrangements

The RA began with a number of hypotheses concerning the nature of work in the glass bangles sector. We expected, for example, the sector to resemble a traditional “cottage industry”. Correspondingly, we anticipated that labour and safety standards would be poor, and that home-based work carried out by women and children would be common. Finally, in line with the “cottage industry” image of the sector, we expected a strong association between workers in this sector and particular social groupings (such as traditional caste calling).

The fieldwork conducted for the RA confirmed these prior hypotheses to a great extent. In addition, it provided fresh insight into the precise structure of industrial organization and the economic and social relationships that underpin the sector in Hyderabad.

Traditional profession, skilled work

There is a strong sense in the glass-bangles sector in Hyderabad that the work is a traditional profession, much of it requiring a degree of skill and learning. The sector is dominated by people belonging to a particular kinship-based community, “the Siddiqui community”. This community traces its origins to the town of Ferozabad in India, where it is known for its work in the glass bangles sector. The workers consider glass bangle-making the traditional profession of their ancestors, which they brought with them from Ferozabad.

Historically, all of the various classes of people involved in the sector – from workers and contractors through to factory owners – were thought to belong to this “Siddiqui” community. There was a sense, in line with the “cottage industry” image of the sector, that there was some level of social solidarity between people at different levels of the economic hierarchy within the sector. Although a number of “outsiders” have begun working in the sector – mostly in the less skilled jobs – the shared community identity of the Ferozabad Siddiquis remains strong.

While the relationship between workers, contractors and factory owners does not appear to be adversarial, severe economic inequalities within the sector are evident. The RA fieldwork focused on the pay and conditions of the workers – found to be very poor – and we observed that the factory owners and some of the contractors enjoy high levels of income and wealth.

Men, women and child workers

The sector has a high degree of work participation on the part of men, women and children. It consists of three broad types of worksites: SITE area factories, small workshops, and home-based work. The SITE area and small workshops are where adult males and boys work, while home-based work is mostly carried out by adult women, as well as by children of both sexes.

Extremely low wages, particularly for home-based work

The earnings of workers in the sector vary greatly. Home-based women workers earn as little as the equivalent of 50 rupees per day, while skilled male workers in factories can earn as much as 500 rupees per day. These figures are not strictly comparable, since there may be differences in the number of hours worked. The scale of the difference, nevertheless, is worth some further comment. Workers report two main factors that account for the extremely low wages for home-based work.

First, the jobs that are performed in the small workshops or homes are thought to be less skill-intensive and less hazardous than those carried out in factories. This perception, however, needs to be qualified with the observation that non-factory workers also feel under pressure to deliver on quantity as well as quality – poor quality work can be rejected and unremunerated.

The second factor for the low pay for home-based work is that women generally do not have the option of working outside their domestic environments due to strict observance of *purdah*. Women are willing to take on work at extremely low rates of pay because even a marginal increment to earned income is welcome. Since these women are also busy maintaining their households, this implies that women’s leisure time has an extremely low value (in economic terms).

Seasonal nature of labour demand

Labour demand in the sector is highly seasonal. Peak periods of demand for glass bangles are entirely predictable –before the two Muslim Eid festivals and during the traditional wedding season in winter. Despite this predictability, it is nevertheless industry practice to respond to this demand during the peak season itself. The level of activity in the sector goes up dramatically in the Muslim month of Shaban (two months before Eid-ul-Fitr) and remains high until the festival of Eid-ul-Azha – covering a period of around four months. In recent years, this festive period has coincided with the winter season for weddings.

Labour demand, correspondingly, is highly seasonal, and, according to some workers, their total earnings in the four-month busy season equal their earnings during the rest of the year. The high seasonal demand for labour is met by longer hours worked by existing workers, as well as seasonal workers. Seasonal workers, however, are not, by and large, people from other communities or localities coming to work in the glass bangles sector. Rather, the influx appears to come from people in families already involved in glass bangle-making, or those leaving other casual jobs or looking for additional work.

F is a 37 year-old man whose main occupation is to make and market glass beads used for adornment. During the “busy season”, he spends four months as a bangle designer. **F** claims that he earns more money during this short period than his eight months work making glass beads in a small oven (*bhatti*). He earns approximately fifty thousand in four months from bangle work while work on the bead *bhatti* yields only around sixteen thousand in eight months.

Seasonality provides, *prima facie*, some grounds to expect a highly active informal credit market in the sector and, thus, some scope for the presence of bonded labour. Other sectors such as agriculture that are marked by seasonal incomes are associated with periods over which workers incur debts, followed by periods when debts are paid off. The extent to which debt relations operate in the glass bangles sector is discussed further below.

It is important first to report on the nature of labour contracts in the sector. This discussion is divided into two parts: the first part includes work done in factories in the SITE area and the second includes home-based work and work done in small workshops.

Stage one: factories in the SITE area

The sector seems to be divided vertically (in terms of production stages) between the larger SITE area factories on the one hand, and the smaller scale production units in the old city and Latifabad on the other. This division has a clear technological basis. The main technology in the sector involves the sequential application of intense temperature to different forms of glass. The factory, however, is the place where the basic raw material (recycled glass) can be converted into the main working material (open bangles) for the sector. This first conversion requires the use of large high-intensity furnaces, which are feasible only in the factory environment.

Even within the factory premises, however, labour arrangements are further sub-divided vertically. The factory owners are exclusively responsible for the operation of the furnaces, and for the material from its raw form until it leaves the furnace machine. Once the glass wire spirals leave the rolling pin working with the furnace, the primary responsibility for the material as well as the work passes on to a private contractor. Factories, therefore, typically employ very few workers themselves. Apart from ancillary staff, only those workers directly connected to the operation of the furnace and the handling of material before it leaves the furnace are factory employees. Typically, the only production workers who are on the factory payroll are those men who operate the furnace and those (like the *tar-wala* and the *guliwala*) who manage

the molten glass. Even the workers who remove the glass wire spirals from the rolling pin, although employed by the factory, may actually be daily wage-workers.

All of the processes in the production cycle after the glass spiral is taken off the rolling pin are the responsibility of the contractor or *thekedar*. A number of processes are undertaken within factory premises by workers hired by the contractor, such as the *katayya*, *ginaya* and others, mostly employed on daily wages. It is only when the open bangles are bunched together into *toras* of around 300-400 bangles, that remuneration is calibrated to a piece-rate. It is the *tora* that becomes the basic unit of accounting in all further processes.

Stages two and three: small workshops and home-based work

Once the open glass bangles leave the factory premises, the entire production cycle is managed by one or a series of contractors, or *thekedars*. Most of the work from then on is remunerated on a piece-rate basis, with the *tora* as the unit of accounting. The open glass bangles are taken from the SITE area to the old city or Latifabad for making closed bangles. The subsequent processes (e.g., leveling, *sadhaya*, and joining, *jourayya*, as described above) are undertaken by workers in small workshops or at home. The accounting between the contractor and the worker is entirely on a piece-rate basis.

The rates for the different activities vary from process to process. The work of *sadhayas*, for example, fetches 1.60 rupees per *tora*; a woman working with her children for around five to six hours could get through around 50 *toras*. The work of joining the open bangles to make closed bangles draws around 3.50 rupees a *tora*; one woman might get through around 30 *toras* in a day. In this process, however, the fuel costs are also borne by the worker – i.e., the piece-rate includes the cost of heating the glass bangle for joining it. It was reported that fuel worth 20 to 25 rupees might be expended over 30 *toras*. In other words, the effective daily earning of a woman doing *jourayya* work amounted to around 80 rupees.

All other processes in stages two and three of production are also remunerated on a piece-rate basis. Some variations in these processes were reported depending on the contractor's involvement in the provision of other materials. In the case of polishing, for example, the contractor provides chemicals, while, as noted above, fuel costs have to be borne by the worker.

Some workers themselves act as small contractors, taking on work on a piece-rate from larger contractors. Some of these small contractor/workers then hire young boys to work with them (or for them) on daily wages at small workshops. The wage rates for these boys vary according to skill and experience, from 20 rupees for novices to 100 rupees for skilled teenagers.

Crucial role of the *thekedar*, or contractor

Although the sector appears to be divided vertically between large factories on the one hand and small workshops and home-based work on the other, these are merely sites where different technologies required for various stages of the production process are located. In fact, the production cycle appears to be closely integrated not around a worksite but around the functions of the *thekedar*, or contractor. The contractor's stake in the production cycle begins even while the material is in the factory itself, and continues until the product is passed to the wholesaler. Almost all the workers in the sector, therefore, barring the few who work directly for factory owners, are involved in labour arrangements with contractors of various types.

Many of these labour arrangements are also integrated with corresponding credit relations – i.e., the contractor makes advance payments, or *peshgi*, to a worker, and then deducts the advance from the worker's pay when the accounts are settled. Contractors settle their accounts with workers at different

intervals. Some workers are paid every day, others after a week or so, and with some workers, accounts are settled when there is a major break or holiday – such as, on the eve of Eid – in the production cycle. The issue of *peshgi* is taken up for further discussion below. It is useful, before proceeding, to point out some nuances of the *thekedar*, or contractor, system.

As mentioned above, even in the processing of the initial raw material into *toras* of open bangles, contractors handle some of the processes on behalf of factory owners. After the *tora* is made, the product goes through several processes outside the factory. The *thekedar* who takes on the *tora* needs to pay a surety to the factory owner (who also acts as the stockist) for the material that he takes out of the stock. This is usually a lump sum payment of 20,000 rupees that is refundable once the finished product is delivered back to the stockist. The *thekedar*, therefore, needs to make considerable investment, both to pay the surety, as well as to finance the various processes that need to be undertaken. Virtually all of the labour arrangements are managed by *thekedars*, or contractors. Factory owners or stockists are always once-removed from these dealings.

After the *thekedar* has overseen the processing of the bangle from the open bangle form to the closed bangle, he returns it to the factory owner or stockist. At this point the bangles are bought by the “dealer.” Some of the bangles are sent for “moulding”; others are sent for “polishing”. At this stage, contractors, or *thekedars*, handle the work on behalf of the dealer who will sell the finished product to the wholesaler.

The main *thekedar* may further sub-contract different operations and processes to smaller sub-contractors. There is a great deal of social networking and even mobility among *thekedars* and between *thekedars* and workers, depending on the availability of financial capital. The *thekedars* are usually from the same kinship community (primarily, Ferozabad Siddiquis) as the workers, and are often their relatives and neighbours. Women of the community, who cite *purdah* as the main reason for their restriction to home-based work, have regular work dealings with male *thekedars*. Although women interviewees were careful to point out that the *thekedars* do not enter their homes, and that all dealings are conducted on the doorstep, even this level of interaction signals some degree of social proximity.

d) Forms of coercion and bondedness

Our fieldwork confirmed a number of prior hypotheses concerning the glass bangles sector in Hyderabad. It also threw fresh light on a number of issues of economic and social organization. Relatively few workers are employed directly by factory owners and much of the work is sub-contracted. Sub-contracting might appear to be the hallmark of a cottage industry, but even many “modern” industries are increasingly organized around sub-contracting systems. This study of the glass bangles sector, therefore, provides a useful template for understanding labour arrangements across a range of industries.

It is useful to recall two key features of the industry. The first is that seasonality in product demand translates into seasonality in production and the demand for labour, which in turn, implies some kind of active informal credit arrangement between employers and employees. Seasonality of labour demand also implies that employers place a high premium on the availability of workers during the peak season. Moreover, some aspects of the production cycle – such as the operation of large, high-intensity furnaces in SITE area factories – have very high start-up costs, implying that interruptions are particularly costly for employers.⁷

The second feature is the crucial role of *thekedars* in the production process. Factory-owners, stockists and traders contract out virtually all management to the contractors, including the need to ensure labour at

⁷ It might be recalled that one important technological explanation for the existence of bonded labour in the brick kiln sector is the presence of high start-up costs for employers.

peak periods. *Thekedars* make significant investments, including various credit arrangements with factory owners, traders and workers. It is natural to ask, therefore, if *thekedars* resort to interlinked labour-credit contracts, resulting in bondedness and coercion.

No extreme form of bondedness or coercion

In fact, the fieldwork for the RA revealed no evidence of extreme forms of bondedness or coercion in this sector. While it is true that the work is poorly paid and conditions hazardous and unpleasant, we heard no reports of any harshness, let alone physical or even verbal abuse. *Peshgi* is widespread, and there is a sense that workers who have taken a loan are obliged to continue working for that employer.

It is worth pointing out some factors that might explain the absence of extreme forms of bondedness and coercion in the employer-employee relationship.

One of the motivations for looking at this sector was to examine the possibility that hazardous and unpleasant work might lead employers to use coercive tactics to hold otherwise reluctant workers. In the case of the glass bangles sector, however, the “hold” of employers over workers involved in the most dangerous tasks – such as *tar-wala* and *guli-wala* – is through the more conventional route of higher rates of pay. It is perhaps fortuitous that the most dangerous work is also regarded as the work requiring the greatest skill. These workers, the highest paid in the glass-bangles sector, command over 500 rupees per day, a wage four to five times as high as the prevalent daily wage rate for casual unskilled workers in the area.

A second factor that may explain the absence of obvious forms of bondedness and coercion is that the main labour contract is between workers and *thekedars* – i.e., between people who are closer to each other both in economic and social terms than, say, would be the case if the workers were contracting directly with factory owners or traders. The “cottage industry” organization implies a level of professional and social solidarity between the different economic actors. The shared “Siddiqui” identity of people who trace their origins to a common place (Ferozabad) is part of this apparent social proximity.

The *peshgi* system

It was noted above that the glass bangles sector appears to have some of the preconditions -- such as seasonality and the crucial position of the contractor – for interlinked labour-credit arrangements. The *peshgi* system is indeed active and resembles the classic labour-credit interlinkage observed in other sectors of concern. Workers take advances ranging from a few hundred rupees to several thousand rupees from their employers (either factory owners or *thekedars*). These advances are taken against the understanding that the worker-borrower will pay back the amount by deducting the advance from his or her wages. A worker is obliged to work for his creditor, until the advance is cleared. A new employer may clear the advance and then enter a labour-credit relationship with the worker.

The *peshgi* system was found to operate at all levels, and for workers engaged at all stages of the production processes described above. At first glance, *peshgi* appears to resemble labour bonding: There is an inter-linked labour-credit contract. Workers are constrained in their access to alternative employment opportunities. The agreements are not formally recorded or written, and there is the danger of arbitrary interpretation on the part of the employer-creditor. Workers work in hazardous and unpleasant conditions for wages that are, in some cases, below the reference market wage.

According to our informants, around half of all workers or more are involved in credit relations with their employers. There are important variations, however, in the scale of involvement of different types of workers. Workers who take or are offered the largest loans are the skilled factory employees who also

happen to be the highest paid workers in the sector. These workers can have debts in the range of 20,000 rupees or more. Adult male workers who work in the small-scale sector often run up debts of between five and ten thousand rupees. Women workers generally avoid taking loans and advances, and their debt rarely goes over a few hundred rupees.

Reasons for taking loans vary. As noted above, the seasonal nature of work can lead to some role for financial intermediation. Larger loans may be taken to finance lump consumption or investment needs. Workers may also regularly take “expense money” from their employers to cover daily expenditures when the final account for their work is cleared only after the contractor himself receives final payments further down the value chain. This reveals an important insight: the contractor-worker credit transaction is but one in a chain of transactions in the glass bangle industry. In fact, the existence of deferred payments on the part of the contractor indicates that the effective credit relationship might even be from the worker to the employer.

That the size of loans appears to be calibrated to the earning capacity of a worker within the season supports the view that *peshgi* is only one aspect of a more general financial relationship between employer and worker. Women workers – i.e., those taking only small cash advances of a few hundred rupees – feel under little or no compulsion to work for a particular *thekedar*. In fact we were able to document a number of cases where women home-based workers had changed *thekedars* or were working, simultaneously with more than one *thekedar*, maintaining separate credit accounts with each. This indicates that the amount of the loan is seldom higher than what may be cleared within a season.

Adult male workers in small workshops as well as those in factories typically take larger loans. The size of these loans, too, is comparable to earning capacity within a season. The usual practice for obtaining a loan is to give a few days prior notice to the employer. If a worker wants to leave employment, he also has to give notice of a few days. At times, the advance is small enough for it to be covered by work already done – though the settlement of accounts must wait till the close of the season. In cases where the outstanding debt is larger than the work done for a particular employer, the process of debt transfer does not appear to be particularly troublesome for the worker.

Other features of the *peshgi* system in this sector indicate that the creditor-borrower relationship is relatively evenly balanced. Terms of loan-repayment are usually agreed between employers and workers. Lender-employers appear not to be too apprehensive of worker default, since they share social proximity. Worker-borrowers are also aware that they have to ultimately return to their community.

When asked about the options available to the lender-employer in the event of a worker’s default – say, if a borrower stops working – employers and workers gave similar responses. They said that there is very little that can be done against a worker, except in the way of social sanctions on the part of the community. Moreover, it was felt that there are clear obligations on both sides that have to be respected. If a worker stops working for an employer from whom he has taken a loan, he is normally given a grace period of a month to clear the loan. This grace period is forfeited, however, if the worker then starts to work for another employer within the sector. In this case, the lender would have every right to demand immediate repayment.

Finally, according to our informants, the credit transaction is not regarded as an essential feature of the labour contract. A significant number of workers do not take loans. When queried about the seasonal nature of the sector, some respondents replied that many people accumulate savings during the busy cycle and smooth their consumption over the rest of the year by drawing on these savings. Moreover, there are no conspicuous differences in the wage rates or working conditions of workers who have taken loans and those who have not.

Social networks and the limits they place on outside options

The apparent absence of extreme forms of bondedness and coercion, however, does not imply that bondedness and coercion are totally absent. The glass bangles sector provides us the opportunity to examine non-conventional forms of bondedness and coercion that often remain invisible to outsiders and insiders alike, but which may be pernicious.

The existence of prior social relations between employers (in effect, *thekedars*) and employees (piece-rate workers) is an important factor explaining the absence of the abuse of the person. This social bond, however, implies limited scope for mobility outside the sector for both employers and employees.

Part of the reason that workers are willing to put up with extremely low pay and harsh working conditions is that it is hard for them to imagine a life outside this sector. It would be worth investigating whether social networks that provide protection to workers from some of the worst forms of abuse might not also hinder inter-sectoral mobility and maintain poor wages and working conditions. This might be the case not only in the glass bangles sector, but in a range of similar industries.

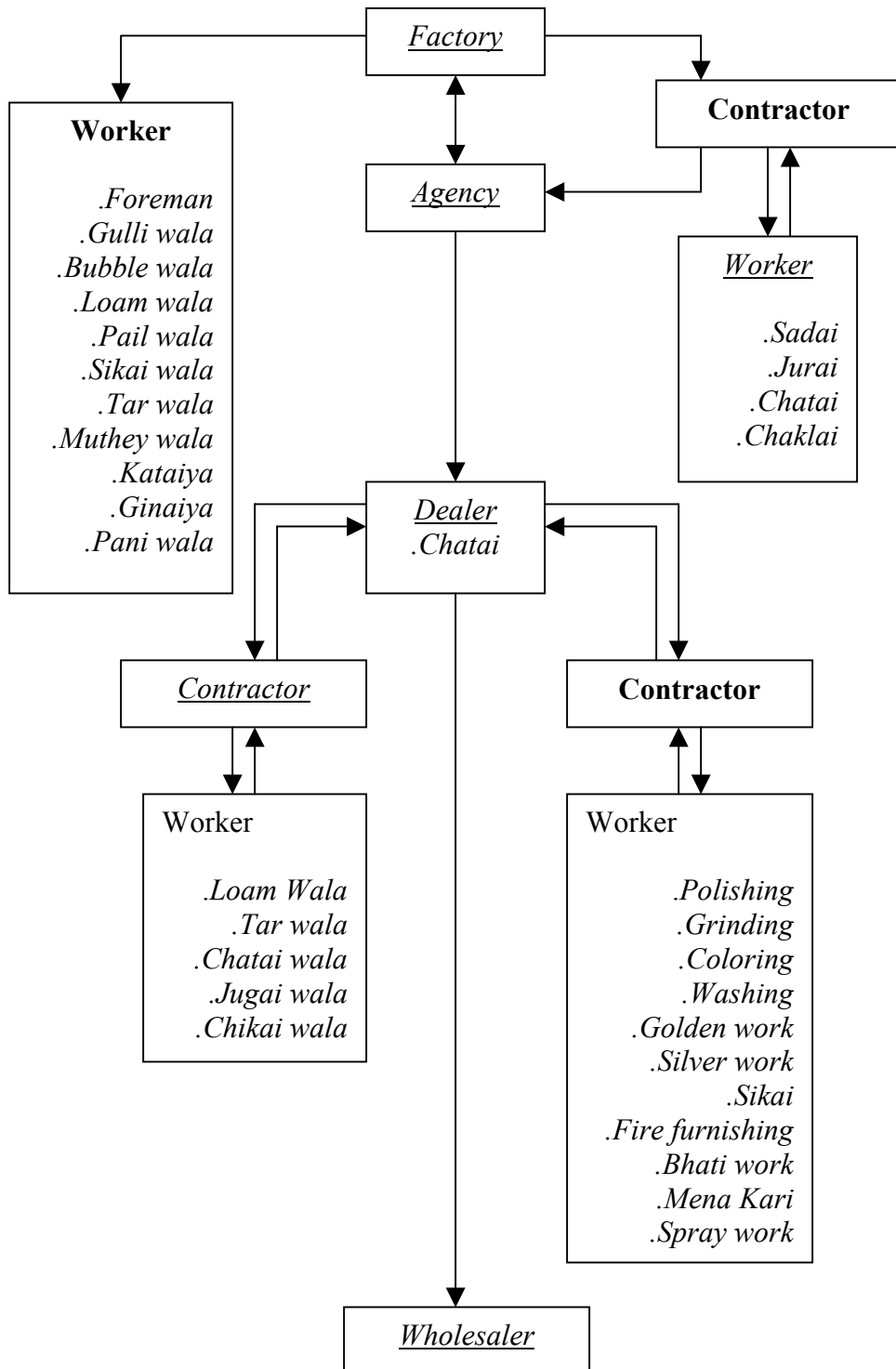
It is considered natural for young children to get involved in paid work. Most people begin working at about the age of ten. The “cottage industry” type of organization in small workshops and home-based work facilitates such entry into the workforce. Children’s work has an immediate cash value to the families and is seen as part of a life-cycle transition.

The effect of this transition is to foreclose other options for these children. Although these children are not physically coerced into working, they internalize their expected roles at a young age and their set of choices is greatly limited at the very outset.

Conclusion

The glass bangles sector in Hyderabad provides a useful case study into the nature of labour arrangements in a relatively low-paid cottage industry dominated by strong communal solidarity. The presence of a *peshgi* system in the sector does not necessarily imply the existence of extreme forms of bondedness or coercion. The social proximity between employers and employees and borrowers and creditors may mitigate the potential for adversarial relations and abuse. At the same time, however, this same social proximity and apparent solidarity may also disguise the presence of pernicious forms of bondedness – as in the internalization of constraints and “normalization” of extreme poverty and hazardous working conditions.

Flow chart



Remuneration of workers according to the nature of work and employment status

Table-1 Stage I Open Bangles

Auto Factory				Bailan Factory			
Name	Status	Employed by	Rate	Name	Status	Employed by	Rate
Foreman	Employee	Owner	4500 / month	Foreman	Employee	Owner	4500 / month
Tar wala	Daily wages	Owner	500-800 / day	Gulli wala	Daily wages	Owner	150-200 / day
Pichkari Wala	Daily wages	Owner	150-200 / day	Bubble wala	Daily wages	Owner	150-200 / day
Muthay Wala	Daily wages	Owner	150-200 / day	Loam wala	Daily wages	Owner	150-200 / day
Kattaya	Daily wages	Contractor	50-60 / day	Pail maker	Daily wages	Owner	150-200 / day
Ginaya	Daily wages	Contractor	50-60 / day	Sikai wala	Daily wages	Owner	150-200 / day
Pani wala	Daily wages	Owner	50-60 / day	Tar wala	Daily wages	Owner	500-800 / day
				Muthy wala	Daily wages	Owner	150-200 / day
				Kattaya	Daily wages	Contractor	50-60 / day
				Ginaya	Daily wages	Contractor	50-60 / day
				Pani wala	Daily wages	Owner	50-60 / day

Table -2 Stage 2 Open Bangles

Name	Status	Employed by	Rate
Sadaiya	Per tora rate	Contractor	1.6
Juraiya	Per tora rate	Contractor	3.5
Chataiya	Per tora rate	Contractor	1-1.50

Table – 3 Stage 3 Closed Bangles

Name	Status	Employed by	Rate
Chataiya	Per tora rate	Contractor	1-1.50
Bhati wala	Per tora rate	Contractor	10
Mena wala	Per tora rate	Contractor	3.5 - 5
Bhati wala	Per tora rate	Contractor	10
Chataiya+Packing	Per tora rate	Contractor	.75 - 2.25
Tar wala	Per day	Contractor	80
Chatai wala	Per day	Contractor	40-80
Jugai wala	Per day	Contractor	20
Chikai wala	Per day	Contractor	20

Chapter Three: TANNERIES

Pakistan is one of the leading manufacturers and exporters of leather products. The tannery sector has received some attention from the social policy viewpoint on two counts: first, due to concern about the adverse environmental consequences of the tannery sector on its immediate surroundings and on the health of workers and other local residents; second, due to concern about the use of child labour in this sector. There have been few attempts – if any – to document and analyze wider labour arrangements in this sector.

The tanneries sector qualifies *a priori* as a sector that involves high levels of industrial hazard, risk of illness and injury, exposure to adverse environmental conditions, and generally unpleasant work. Another prior hypothesis was that the sector makes use of relatively labour-intensive technologies, and has a high preponderance of child and women workers. A further prior hypothesis was that there might be some social stigma attached to leather-related work.⁸

The focus of the RA in this sector was three-fold: first, to understand in some detail the technologies and processes currently in use in this sector; second, to identify labour arrangements in the sector, in general, and in specific processes, in particular; and, third, to identify elements of coercion and bondage, and the possible link between these and the technologies being used in the sector.

a) Brief summary of fieldwork

Although tannery work is carried out in a number of locations in Pakistan on a small scale, there are two important locations where the tannery sector is heavily concentrated: Karachi and Kasur. The fieldwork for the RA was focussed, therefore, on these two locations.

The field investigation consisted of community mappings, interviews with factory owners, contractors, workers, and other key informants, such as social workers and doctors, informal and formal group discussions, and direct observation. A total of 17 interactions were carried out in Karachi, and 16 in Kasur.

The fieldwork was initiated in Karachi through a visit to localities known for concentrations of tanneries. Informants had reported that the tannery sector is spread over three separate sites – Korangi, Landhi, and Teen Hatti. Initial investigation revealed that nearly all of the tanneries in the Karachi area are located in the Korangi industrial site. The Karachi fieldwork, thereafter, was focused on the Korangi industrial site, and its surrounding residential colonies – namely Bilal Colony, Gulzar Colony, Goth Mohammad Ali – where the bulk of the tannery workers are thought to reside.

In the Korangi area, initial contact was made independently with tannery-owners, contractors and workers. Informants were identified through a series of brief informal interactions. It was found that tannery-owners and their representatives (in the form of an owners association) were somewhat reluctant to speak to researchers. Their apprehension, however, was only based partly on the fear that the investigation might uncover coercive employment practices. They were more concerned that researchers might be tax inspectors in disguise. The factory-owners' apprehension of researchers could also be attributed to purely commercial motivations, for example, discretion about precise processes of production and the identity of their clients, also played a role. It was possible, however, to find tannery-owners and managers willing to cooperate and who allowed the research teams to gain insights into the production processes.

⁸ This view was based on the observation that in the northern India caste hierarchy, leather work is regarded as polluting and therefore has a low status. It was also based on the observation that shoemakers or *mochi* are regarded as being close to the bottom of the traditional village hierarchy in central Punjab.

We had little difficulty gaining access to workers and contractors outside factory premises, either in the small cafes and restaurants in the factory area or in their own communities. Interactions were frank and open, with no apparent fear or apprehension on the part of the workers. Male researchers carried out all of the fieldwork in Karachi and all respondents were also males. It was ascertained early on that very few women now work in this sector in Karachi, though women did once work in the sector.

After finishing in Karachi, the survey teams moved to Kasur. The Karachi fieldwork facilitated the work in Kasur, by providing a basis for comparison between the two sites. In Kasur the conditions of fieldwork were significantly different from Karachi. Workers were keen to avoid any visible contact with the research teams, and it was possible to speak with them openly only away from the factory area and in the privacy of their own homes and communities. Factory-owners and contractors in Kasur were also more active in trying to prevent contact between workers and researchers. Unlike Karachi, where factory-owners appeared to be worried about maintaining commercial confidentiality, in Kasur there was a palpable sense that factory owners wanted to avoid any investigation into employment conditions and practices.

Another important difference in the conditions of fieldwork between Korangi and Kasur was the presence of significant numbers of women workers in Kasur. Accordingly, the research teams included both males and females, and a number of interactions were carried out with women workers.

b) Description of sector

This section describes the basic features of the production process and technology. The description here outlines the successive processes involved, and comments on employment conditions with respect to hazard and unpleasantness. Significant differences were noted between Korangi and Kasur. The description of the sector also includes brief profiles of the sites where factories are located and where workers reside.

Korangi: the factory area

The tannery sector of Karachi is located in one segment of the larger Korangi industrial estate. The factory area appears to be well-organized with factories occupying large compounds, off wide streets, and with modern infrastructure. Some of the factories appear to be large-scale and comparable to modern manufacturing installations in sectors such as textiles. Other factories are smaller, and the physical appearance of their premises and buildings is more makeshift, but these too seem to be quite unlike the “traditional industry” image of the tannery sector.

The factories are all large enough to be registered with various government agencies and authorities, and there is an active tanneries association that appears to manage some of the common infrastructure. According to an official association, around 250 tanneries of various sizes operate in the area, of which around 150 are registered with the association. The factory area has a number of mosques that have been built by various factory owners, as well as a hospital constructed by the tanneries association. In addition, the tanneries association runs an industrial training institute.

It is more difficult to estimate the total number of workers involved in this sector in Korangi. As contract workers do much of the work, the number of registered employees of registered companies is likely to be a huge underestimate of the true size of the workforce in the sector. Furthermore, casual workers who are normally in the sector are vulnerable to lay-offs.

It is possible to tender a broad estimate, however, on the basis of the approximate number of establishments and the approximate number of workers required for a medium-sized establishment to function at a normal rate. On the basis of our cursory observations, we are willing to speculate that a medium-sized tannery in Korangi needs to deploy around 25 to 30 workers in order to function at a normal rate. The total number of workers in the sector in Korangi, therefore, is likely to be around 7,500. If we include other ancillary workers associated with the sector, the upper limit of the number of workers is likely to be around 10,000.

Korangi: the residential areas

Adjacent to the tanneries area in Korangi lies a large residential colony made up of three separate localities that have merged into one: Bilal Colony, Gulzar Colony and Goth Mohammad Ali. Bilal Colony and Gulzar Colony, developed and settled by the government from around the 1980s onwards, have straight roads and streets; plot leases were sold by Karachi Development Authority (KDA) to individual lessees. Goth Mohammad Ali evolved from an older rural settlement in the area, although its status has also been regularized.

The three localities correspond broadly to ethnic communities: Bilal Colony is mostly Pashtun; Gulzar Colony is mostly Punjabi; and Goth Mohammad Ali is mostly Sindhi. Migrants or second-generation descendants of migrants dominate all three. Even the “original” village of Goth Mohammad Ali has a large number of Sindhi migrant families from upper Sindh. Many residents have active links with their places of origin, although there are also many who have grown up in Karachi and do not foresee returning to their places of origin.

The physical infrastructure in the three localities is of relatively good quality with paved roads, drains, water supply, electricity, good intra and inter-city transport links and public spaces. There are active commercial areas and corner shops, a number of government as well as private schools, private clinics, and mosques.

As noted above, the residential localities represent ethnic diversity. They also contain at least three other forms of diversity. First, the population appears to be a mix of single male migrants from a common place of origin who share living arrangements, and migrant or second-generation families. Second, these colonies are not just workers’ colonies but include many contractors, small businessmen and even a number of larger employers. Third, although the residential colonies are adjacent to the tannery segment of the Korangi industrial site, they house people associated with the whole range of industrial activity in Korangi and beyond.

Kasur: the factory area

Kasur has 237 registered tanneries and around the same number of unregistered ones, all in the south of the city. The tannery area is unplanned because it used to be a residential area; a number of houses have been converted into tanneries and a few houses remain in the tannery area. Approximately 30 tanneries are on land that belongs to the railways. Five years ago, the railway authority took action against illegal encroachment and demolished a few tanneries. Pakistan Tanneries Association (PTA) negotiated with the railways and now the tanneries built on encroached land are allowed to operate in lieu of a “withholding” tax.

The tanneries of Kasur can be classified by size: large, medium and small. Small tanneries that account for over 60 percent of all tanneries and typically occupy an area of less than 10 *marlas* (approx 250 sq m). All of the various processes involved in the tanning sector are carried out within these confined spaces. The lack of proper ventilation directly affects workers’ health. Dangerous chemicals are stored in the open.

Various statements that appear to signal adherence to labour regulations are inscribed on the main gates of tanneries: “*mazdooron ko rozana ujrat dee jati hay*” (Workers are paid daily wages), “*athara sal say kum umer bachoon ko nokri naheen dee jaigi*” (Children under 18 will not be employed), and “*athara sal say kum umer bachoon ka dakhla mania hay*” (Entry prohibited for children under 18). We comment below on the veracity of some of these statements.

The area is characterized by narrow streets, open drains, stagnant water and a foul smell. As some of the most unpleasant and health-threatening processes of the tannery sector – such as de-woolling and *karaah* work -- are done outside the tanneries on the roadside, these conditions become even worse during the rainy season.

The “Khateek” community is regarded as the pioneers of tannery work in Kasur. The Khateeks, who think of themselves as a kinship group, or *biraderi*, trace their origins to Jalandhar and other cities of eastern Punjab in India. We encountered some confusion in the inter-changeable use of the terms “Khateek” and “Shaikh” or “Punjabi Shaikh” with reference to the communal identity of the tannery owners of Kasur. “Khateek”, it was explained, is the traditional term for people who do tanning work, while “Shaikh” refers to the caste, or *biraderi*, to which the “Khateek” migrants of eastern Punjab belong. It is possible, in principle, for there to be Khateeks who are not Shaikh and vice versa. In practice, however, the two terms are used interchangeably by the people in question, not only in Kasur, but also in other sites such as Korangi where tanning work is established.

It was reported that the Khateek/Shaijks of Jalandhar arrived in Pakistan at the time of the partition of Punjab in 1947. Various groups of families attempted to set up their traditional industry in various towns and cities, including Kasur, Karachi, and Quetta. The Khateeks who settled in Kasur initially established cottage industries where all family members, including women, participated in the work.

The first proper tannery was established by the Khateeks in Kasur in the 1960s. From then on, the tendency has been towards industrialization, with cottage industries being replaced by factories with bigger productive capacities and with the extensive use of non-family labour. The Khateeks themselves have withdrawn their labour and focus on managing their businesses. The large Christian community of Kasur and its surroundings, regarded as being of “low” caste and social status, provided the initial core of employees in the industry. Christians, and Khateeks, therefore, formed the basis of the tannery sector in Kasur.

Subsequently, other groups, communities and *biraderis* entered the sector. A number of tanneries belong to Kasuri Pathan families who claim to be the original “settlers” of Kasur and date their origins in the area back several centuries. However, Khateeks still dominate the sector and own around three-quarters of the tanneries. A number of owners of medium to large tanneries have now shifted their families to Lahore but maintain their businesses in Kasur.

There has also been an influx of non-Christian workers from the surrounding villages in the recent years. These workers are from various “*kammi*” (non-agricultural service castes with low social status) castes such as *mochi* (shoemaker), *ansari* (weavers), *faqeer* (beggars), Janglee/Baloch, and Muslim Shaikhs, as well as some small farming castes such as Kamboh or Araeen. It is thought that while Christian workers once accounted for virtually all labour, they currently constitute less than half of the workforce.

Using the rough method deployed above for estimating the number of workers in Korangi, we offer an estimate of around 15,000 as the upper limit for the number of workers associated with the tannery sector in Kasur. There are around 500 tanneries, and although these tanneries are smaller, on average, than the Korangi tanneries in their productive capacity, they use more labour-intensive processes. We believe that a medium-sized factory in Kasur needs to employ between 20 to 25 workers, which comes to a grand total

of around 10,000 to 12,500 workers. If we add other ancillary workers, 15,000 may represent an upper limit on the number of workers in the sector.⁹

Kasur: the residential areas

Niaz Nagar and Din Garh, the main residential areas associated with the tannery industry of Kasur, are adjacent to the tannery area. The approximate population of these two localities is more than five thousand. These areas are bereft of all basic amenities. There are only two primary schools and no healthcare facilities; people have to visit private doctors or the district hospital that is at the distance of 3km. People are compelled to drink unsafe water; a few well-off families have arranged their own water connection from a nearby safe drinking water pipeline. There is no proper drainage and sanitation system in these localities. A considerable proportion of households in these localities share electricity connections.

Thirty percent of the houses are constructed on railway land. Negotiations are underway with the Railways to give ownership status to its residents for nominal prices.

Tannery workers from a radius of 10km commute daily from their villages, while labourers from distant villages have settled in Kasur. The majority of workers live in shared accommodation. A small proportion of workers have settled in rented houses with their immediate families. A majority of the population is from low-income groups.

Technology and processes

There are two basic stages in the tanning industry in Pakistan, as identified by their respective outputs. In the first stage, rawhide is converted into what is known in the sector as “wet blue”. In the next stage, wet blue is converted into a “crust” that can be exported or supplied to local factories producing leather goods. Some of the larger factories in the Korangi area use their crusts for the manufacture of downstream commodities in the leather industry. Both stages – wet blue and crust – involve a great deal of physical and chemical processing of the basic raw material.

Each successive stage adds to the “shelf-life” of the raw material. The raw hide, for example, has a life of a few days. By the time it has been processed into wet blue, its shelf-life has increased from a period of days to three to four months. The final output of the tanning process – i.e., crust – has a shelf-life not far short of fully processed leather, or several years. In other words, the raw hide must be processed within a few days, and wet blue must be processed within ten days. Crust, on the other hand, might be further processed, transported, or stored, as per requirement.

Strictly speaking, the tanning process starts at the wet blue stage and finishes at the crust stage. Before the wet blue stage – or before the hide arrives at the tannery – there is an initial process of “salination” called “raw-work”, or *kachay ka kaam*. This stage involves the application of salt to raw hides, and is usually undertaken in godowns (warehouses) before the hides are transferred to the tanneries. Moreover, processes after the crust stage are carried out within tanneries. While some of the crust might be exported, or sold to leather processors or manufacturers, some might be held back for further processing in-house – these post-crust processes include “staking” and “shaving”, etc., which involve converting the crust to the specifications of particular leather buyers.

⁹ The Population Census 1998 puts the total number of workers in all manufacturing sectors in Kasur at around 30,000. Our figure of 15,000 workers, therefore, does not appear far off the mark as an upper limit.

The wet blue stage is divided into seven distinct processes:

- (1.) **Chirai**: Hides are cut into one large and straight piece.
- (2.) **Soaking** or *wagar/palti*: During this stage, hides are soaked in water for eight hours to clean salt and blood.
- (3.) **Pasting**. This stage takes 2-3 hours. Sodium and *choona* are sprinkled on hide to clean hairs.

In Karachi, the latter two processes are carried out in large revolving drums with pedals (like giant washing machines), around 2m in radius and in width. In Kasur these processes are known as *wagar* or *palti* and are undertaken in ditches dug in the ground. These ditches, measuring 1 X 2 metres, and over 1m deep, are lined up in rows – typically a line of eight ditches – and hides are soaked sequentially along the line of ditches.

- (4.) **Khawai**: Wool is separated from the hide and sold to sweater and carpet factories. This process is carried out manually in both Karachi and Kasur.
- (5.) **Liming**: At this stage, hides are dropped in big pedal machines with sodium and *choona* that rotate for 24 hours. The purpose is to plump the hides and to preserve them from decay.
- (6.) **Fleshing**. At this stage, leftover fats on hides are cleaned.

Like the processes of “soaking” and “pasting” above, “liming” and “fleshing” are carried out in revolving drums in Karachi, and in a line of ditches in Kasur.

- (7.) **Chroming**. This stage involves sprinkling chromium salt to strengthen the fiber and *meetha* soda to fix the chromium salt.

After completing the above processes, the product is called “wet blue” (semi finished piece). It can now be preserved for three to four months for further work and is easier to transport.

The crust stage is divided into four separate processes:

- (1.) **Washing**: The wet blue is first washed with detergent soap in large drums to clean dust from the skin.
- (2.) **Re-chroming**: Different chromes, chemical agents and oils are used to increase the strength of leather.
- (3.) **Fat-Leaking** Different oils (fish/animal/vegetable) are used for lubrication of fibre to soften the skin.
- (4.) **Retaining /mamosa**: Different oils are used at this stage: vegetable oils to increase the overall strength of the skin; resin oils to add to its thickness; replacement oils to bleach the skin.

After this stage, the wet blue has been converted into a crust and the tanning is complete. The crust is now ready for dyeing.

Further mechanical processes, such as “staking”, “shavering”, and “toggle”, etc., may be carried out in the tanneries to prepare the hide to the specifications of particular clients.

Main differences between Karachi and Kasur

There are several conspicuous differences between Karachi and Kasur in the technology, organization and infrastructure of the tannery sector.

Tannery work appears to deploy more modern technology in Karachi than in Kasur. One possible reason for this difference might be the closer integration of the Korangi tanneries with world markets and their sensitivity to international standards. In Kasur, the tannery sector presents a combination of advanced, semi-advanced and traditional technologies. Tannery work expanded swiftly in Kasur and it was only

during the last two decades that work has shifted from the home to the factory. Another factor might be the larger scale of production and, consequently, the need for bigger, better-organized and more modern facilities in Karachi.

Tannery work in Karachi also appears to be less hazardous than in Kasur. Workers in Kasur are more exposed to chemicals than their Karachi counterparts. The general population is also more exposed to disease in Kasur because the factories are close to residential areas.

Nature of hazard and unpleasantness

It is useful to preface the description of hazard and unpleasantness with a brief discussion of these terms. Any work that significantly increases the probability of injury or other risks to health can be thought of as hazardous. Some types of work involve long-term health risks, such as the increased probability of contracting particular illnesses. These forms of industrial hazard may not be immediately obvious to the people involved in the sector, and are often properly understood only by health professionals. Other types of work involve immediate and palpable risks – such as those related to work-related injury or exposure to dangerous substances. Such hazards are conspicuous and readily identifiable by people directly related to the sector. Besides hazardous work, it is useful to include the category of “unpleasant” work – independent of short or long-term health risks – due to noise, smell, or exposure to unpleasant surroundings and material.

Our investigation of the tannery sector not only confirmed the prevalence of hazardous and unpleasant work, but also indicated the presence of different forms of hazard and unpleasantness. Three forms of hazardous and unpleasant work are particularly noticeable. First, are processes that are not unpleasant *per se* but which are associated with the risk of serious injury. These processes involve the use of machinery (such as, the process of “shavering”) where a small error of judgment may lead to the loss of a finger or a hand. Second, are processes both hazardous and unpleasant as they involve long periods of exposure to dangerous and unpleasant substances. Third, are processes that are not particularly hazardous, if handled with minimum precaution, but are considered unpleasant due to exposure to extreme smells and unpleasant and decaying animal remains. A brief account of some of the processes and the risks involved in these processes is presented here.

Wagar/palti

Wagar/palthi is one of the early processes in the wet blue stage of tanning whereby hides are soaked sequentially in open ditches filled with various chemical substances. Workers involved in *wagar/palti* work can be found standing inside the ditches handling the hides and the chemicals. This process involves a high degree of exposure to harmful chemical substances, and is associated with a number of minor and major skin disorders.

In Kasur, the “soaking” process is carried out using the *wagar/palti* technology. In the Karachi tanneries, however, this process is done exclusively in large mechanical drums. All of the Kasur tanneries visited had lines of open ditches with a cocktail of chemicals in them, while such ditches were not observed in the Korangi tanneries. Workers reported that they are kept in the dark about the precise chemical composition of the fluid in the ditches, alleging that tannery employees mix the chemicals late at night behind closed doors. They believe that the secrecy is to keep workers uninformed about the nature of industrial hazards they face.

Khawai

After the hides have been partly treated by chemicals, they are left to dry. Once dry, the process of “de-wooling” the hides follows. This process is known as *khawai*, and is carried out manually both in Karachi and in Kasur. Workers in both survey areas identified this process as being extremely hazardous, as it

exposes the worker to high doses of chemical dust released when hair is pulled manually from treated dried hides. The dust causes immediate breathing difficulty and throat irritation and, in order to function for hours on end, the workers eat small amounts of sweets, or *gur*, and take frequent tea-breaks. This process was widely reported to be a cause of various respiratory disorders such as coughing, asthma and even TB. None of the workers at either site was found to use protective clothing or face-masks. *Khawai* work is carried out entirely by women workers in Kasur, while in Karachi it is undertaken by Pathan males.

Fleshing

Fleshing, the final process in the wet blue stage, was identified by the Karachi workers as particularly dangerous and unpleasant. In this process, hides undergo one final chemical treatment for the removal of any residual animal fat or flesh. In the Karachi tanneries, the process is carried out in large revolving drums, while, in Kasur, it is done in open ditches of the type described above in *wagar*.

Respondents in Karachi agreed that the fleshing process is one of the most hazardous ones, while workers in Kasur did not single out this process. It is possible to comment on some possible reasons for this disparity between the two sites. In Kasur, the fleshing process is more or less similar to the *wagar* process, and *wagar* was, in fact, identified as hazardous work. In Karachi, on the other hand, most of the other processes involved relatively less exposure to chemicals and, therefore, fleshing might be seen as conspicuous here. Another possible reason is that the use of mechanical drums in Karachi allows tanners to deploy a particularly powerful cocktail of chemical agents – something that cannot be attempted in Kasur since the work is done manually. While the danger of exposure to chemicals, therefore, is lower in Karachi than in Kasur, the consequences of exposure appear to be more serious.

Workers involved in fleshing in Karachi are responsible for carrying large loads of sodium to the revolving drums, and mixing these with other chemicals using long-handled mixers. At various stages of the revolving cycle the machines are stopped and workers reach into the chemical-filled drums to stir the hides. Fleshing workers also clean the drums, sometimes by actually entering them, after the chemicals have been drained.

Karaah work

Karaah work was identified as one of the most unpleasant processes in the tannery sector. This process involves boiling animal waste products in a mixture of water and potent chemicals in large open pans (*karaah*), in order to recycle the animal waste into material used by the soap and poultry-feed industries. In actual fact, *karaah* work does not constitute part of the tannery sector, but happens to be located in the tannery area in Kasur, due to the ready availability of its raw material.

Karaah work is done in small units that consist literally of a *karaah*. There are between 15 to 20 such units adjacent to the tannery area in Kasur. Owners of two of these units are Muslims from the traditional *qasai*, or butcher caste, while the rest are Christian. An unbearable stench makes it difficult to remain in the area.

Shavering

The process of shavering is carried out after the tanning stages are complete, but it was, nevertheless, singled out by a number of respondents in both Karachi and Kasur as a particularly hazardous job. Machines with sharp blades are used in this process to “shave” the hide in order to obtain consistent thickness. The job is hazardous because workers need to handle material close to sharp mechanical blades, and small judgments of error can lead to serious injury. Many workers have lost fingers and even hands and limbs to the machine. A local physician in the Korangi area reported having treated over 20 such patients in the preceding year alone. Workers can expect little in the form of compensation or even proper medical attention from their employers.

Some workers reported that modern imported shaver machines are safer than local machines as they have some automatic safety checks. But these machines are costly and tannery owners prefer the cheaper local machines. Only a few tanneries in Korangi (and none in Kasur) were reported to have installed imported machines.

Working with dangerous chemicals: further observations

Kasur workers say that, in the past, less hazardous herbal treatments were used but that as this sector expanded, modern methods of treating hides involving excessive use of chemicals were adopted. The construction of the first proper tannery in Kasur in 1964 led the way for other tanners to shift work from homes to factories, with a corresponding switch from traditional techniques to technologies based on the use of more potent chemical agents.

Work that involves exposure to dangerous chemicals requires protective clothing in the form of gloves and boots. But these garments cost around 60 rupees and 150 rupees a pair, respectively, and need to be discarded after one week’s use. Most tanneries do not provide these protective items and workers cannot afford to buy them.

In Kasur, a local resource person who arranged visits to a number of work sites advised our team members to behave inconspicuously, pretending to be on a social call rather than a field visit. He introduced the team members as his personal friends. The team observed the following stages for a clear picture of precautionary measures in tannery work:

Type of work	Safety tools	Use
Waggar	Gloves, boots	Yes
Drum	Gloves, bootses	No
Shaver	Gloves, mask, goggle	No
Spray	Gloves, mask, goggle	No
Toggle	Gloves, mask	No
Khawai	Gloves, mask	No

Although incidents of chemical burns, electric shocks, blade injuries and crushing are common in tannery work, few facilities for emergency care are available at the survey sites. There were reports of a number of industrial accidents in which workers had died for the want of prompt medical attention.

c) Workers and labour arrangements

Labour demand and supply

The overall conditions in the labour market in the tannery sector appear to be those of excess supply of labour. Workers are willing to offer their services for relatively low and stagnant wages and to work for relatively long hours. In general, the wage rates offered in the sector are lower than the wage rates of casual unskilled labourers outside. In Kasur, for example, adult male workers can expect to earn between 80 to 100 rupees per day for a long (10 hours and above) working day. This compares unfavourably with the casual wage-rate of over 100 rupees for an eight-hour working day. In Korangi, too, workers work for around 110 rupees per day, while the casual wage rate is around the 130 rupee mark.

Workers offer several reasons for the low rates of pay in the industry. In general, they feel that macroeconomic conditions and the policies of the military government have led to stagnation in the economy and in the sector. Workers also have specific ideas about why the wage-rate is stagnant in the tannery sector – in other words, the mechanism through which the general conditions in the labour market

affect them. In Kasur, for example, the workers identify the arrival of Afghani workers as a factor that has depressed wage-rates. Although they acknowledge that the Afghani workers have now left the sector, they say that other workers from surrounding rural localities have taken their place. These observations confirm that entry into the sector is relatively open in the medium to long-term.

The fact that workers accept wage-rates lower than the prevailing casual wages, however, indicates friction in the labour market. Workers say that people are eager to work (or to be more precise, continue working) in the sector despite low wages, long hours, and hazardous and unpleasant working conditions because, unlike the casual labour market, they feel somewhat assured of getting work on a regular basis.

This idea of higher rates of employment within the sector – as opposed to trying their luck on the casual labour market – appears to contradict another common complaint of workers that they enjoy no job security. In fact, the two positions are not contradictory. While it is true that workers who remain within the sector enjoy a high probability of avoiding underemployment on average, it is also true that an individual worker is highly vulnerable to being thrown out of the sector. This issue forms, we believe, one of the core features of the labour market in the sector – and possibly other sectors of a similar type – and will be taken up again below.

Another feature of the sector and the labour market is the somewhat seasonal nature of activity. Winters and the period immediately following Eid-ul-Azha are regarded as periods of high activity due to the immediate availability of a larger number of animal hides during these periods. Raw hides must be processed – i.e., tanned – to increase their shelf-life. It is in the nature of the technology, therefore, for the sector to respond to the (exogenously-driven) concentrated availability of raw material by raising its level of activity. It was reported that a number of factories in both Karachi and Kasur operate only during the peak season and remain shut for the rest of the year.

Factory employees and casual contract workers

While practically all of the work of the tanneries is carried out within the factory premises, not all of the workers are actually employees. There are some exceptions to this norm -- in particular, in a few of the larger, more integrated and export-oriented factories in Korangi. For the most part, however, the factories tend to sub-contract large parts of the production process to *thekedars*, or contractors. If we set aside the handful of large, integrated, export-oriented tanneries, however, the tendency towards sub-contracting appears stronger in Korangi than in Kasur. This might appear paradoxical, given that the Korangi factories appear, in general, to be organized along more modern lines than the Kasur tanneries.

The Korangi workers are mostly of the view that the *thekedar* system has recently become more prevalent and has replaced the factory system. Workers and union activists ascribe this shift to attempts by the owners to erode workers' benefits and to break any potential for collective action on the part of the workers. In Kasur, employer-employee relations appear to be very uneven, with workers at a great disadvantage. Even though the Kasur tanneries appear more willing to hire workers directly, most of these workers are, in fact, treated as casual employees with no protection. It is possible, therefore, that the Kasur employers feel little or no threat from their workers and are, therefore, less reliant on the *thekedar's* intermediation.

In both Kasur and Korangi, workers raised concerns about three sets of issues: low and stagnant wages; vulnerability to the threat of firing or job insecurity; industrial hazards and effects on health and safety. On all of these issues the employer-employee relationship in the tannery sector appears to be adversarial – far more so than, say, in the glass bangles sector. The health and safety issue, in particular, appears to be one over which employers are keen to avoid taking responsibility.

The *thekedari* system in Korangi

Salaried employees form a small core of the management, technical, support, and ancillary staff of most tanneries in Korangi. Owners hire managers, technicians and other workers, such as watchmen. Virtually all production workers are hired through *thekedars*. We had the impression that the core factory employees are relatively well-paid and enjoy a range of benefits and rights.

The main *thekedari* system in Korangi is based on a combination of piece-rate and “team work”. The production process is broken down into discrete tasks and the performance of these tasks referenced to the number of hides processed. The entire chain of production, therefore, is sub-contracted out to different *thekedars* on various piece-rates. *Khawai* work – i.e., the manual process of removing excess hair from semi-treated hides – is sub-contracted out at a rate of 30 *paisa* (0.30 rupees) per hide. There were similar reference piece-rates for other jobs.

While the *thekedar* receives his contract from the tannery on a piece-rate basis, his relationship with the workers hired to do the work is organized differently. There are, broadly speaking, two ways in which workers are hired by the *thekedar*. In some cases, the *thekedar* assembles a team of workers who take responsibility for completing the set task. In this case, the amount of the contract – which is worked out with the tannery on a piece-rate basis – is shared equally between the members of the team. There are at least three ways in which the *thekedar* extracts his own margin under this arrangement. First, workers are often poorly informed about the actual piece-rate and, thus, the total value of the contract agreed with the tannery. Second, by convention, the *thekedar* claims entitlement to the equivalent of one worker-share as his remuneration for managing the contract. If he assembles a team of six workers, therefore, the *thekedar* ensures that he receives one-seventh of the value of the contract as his commission. Third, some small *thekedars* themselves take part in the work and, thus, qualify for a worker-share. Workers complain that quite often the *thekedar*'s own labour input is merely symbolic and nominal, in return for which he receives a full share.

An alternative arrangement between *thekedar* and worker is that the worker is hired on a daily wage-rate. In Korangi, the daily wage-rate is reported to be between 110 and 120 rupees. Contractors say that this wage-rate is for a fixed number of hours (eight hours) and that any work done over and beyond is compensated at an hourly rate of around 14 rupees or more. A number of workers, on the other hand, said that they often end up working much longer hours, sometimes as long as 14 hours at the same fixed daily wage-rate.

Labour systems in Kasur

In Kasur, too, some workers are employed directly by tanneries, at monthly salaries in the range of 2500 to 3500 rupees. Other work is sub-contracted to *thekedars* on a piece-rate basis. The arrangement between contractors and workers, however, is somewhat different than in Korangi. There are workers in Kasur who, like some workers in Karachi, are hired by contractors on daily wages. The wages of male workers, here, are around 80 to 100 rupees.

There are other workers, however, whom contractors hire on monthly salaries in the range of 1800 to 2500 rupees per month. The earnings of monthly salary workers, therefore, appear to be somewhat lower than those of their daily-wage counterparts. Salaried workers said that they sometimes work for as long as 14 hours a day – a complaint echoed by daily-wage workers. Contractors, however, are of the view that during slack periods, the working day may be as short as five hours. The salaried workers are paid their fixed monthly salaries regardless of the actual number of hours worked, while the daily-wage workers are paid for only part of the day if working hours fell short. Another advantage that the monthly-salary workers enjoy is a period of three to four days of sick leave if they are injured or fall ill due to work. “Sick

leave,” like other aspects of the arrangement, is not statutory or even clearly contractual, but forms part of normal industry practice.

Team-based arrangements between contractors and workers conspicuous in Korangi are largely absent from Kasur.

Women workers

Women are engaged in the tannery sector in large numbers in Kasur but not in Korangi. The main process in which women workers are employed in Kasur is that of *khawai*, or of manually removing excess hair from partly-treated hides. This process, as discussed above, is regarded as particularly hazardous, for it exposes the worker to dangerous chemical dust. The women who do this work in Kasur belong to the Baloch community of a nearby settlement called Mochipura. Some informants said that these women belong to the lowly “mochi”, or shoemaker caste. The women work on daily wages for contractors, and receive between 40 and 50 rupees per day for an eight-hour day. Their wages, therefore, are much lower than those of their male counterparts.

In Korangi, the *khawai* work is almost entirely carried out by Pashtun men on a piece-rate basis. It was reported that women workers used to be hired to do *khawai* work and one seasonal factory that continues to employ women from a local Meghwar Hindu community as an exception to the current norm. Our own field observations tended to confirm the view that the tannery sector in Korangi is now an exclusively male domain.

Child workers

Child workers are also conspicuous in Kasur but not Korangi. Children as young as 11 perform a variety of tasks, some of which expose them to harmful chemicals. Their wages are around half those of adult males. One 12 year-old said that he has been working for two years as a trainee, and was taken to the tannery by his older brother who is a worker there. His brother pays him pocket money but gives the major part of his earnings to their mother. The brother also beats the younger boy if he shows any disinclination towards work.

Advance payments or other credit arrangements

The payment of advances, or *peshgi*, is thought to be almost non-existent in the tannery sector in both Kasur and Korangi. In fact, a common complaint of workers against their contractors at both sites is that they hold back wages for work completed in order to have greater control over workers and to be able to ensure that the workers will continue until the contract is delivered.

Cases where contractors or tannery-owners have given advances are regarded as exceptional, and sometimes used to illustrate instances of benevolence on the part of the employer. In Korangi, for example, where a number of tannery-owners subscribe to the *tableeghi-jamaat* (an Islamic missionary organization), workers who also belong are said to receive preferential treatment, such as loans and advances for workers making religious pilgrimages. Workers also noted that advances are given occasionally to a worker who has good social relations with the employer or *thekedar*. Some tannery-owners who have extended loans and advances for medical treatment following an industrial accident are considered to be benevolent.

We also observed some interesting innovations in the informal lending market – e.g., a group-based lending contract. In this case, the tannery-owner makes an advance payment to a worker on the guarantee of a group of six workers. If the borrower leaves work without clearing his debt, the lender-employer

recovers his advance from the remaining six workers. This form of employer-employee credit transaction was reported for some tanneries in Kasur.

There is one sub-sector of the tannery industry in Kasur, or more precisely, an ancillary industry associated with the tanneries, where the *peshgi* system is the norm, and where the possibility of a debt-bondage relationship exists. Workers – who were mostly Christians – in this sector take advances from their employers (*karaah*-owners) on a routine basis. This arrangement is considered by some as necessary to induce workers to do a job that is extremely unpleasant due to the smell, the temperature, and the generally repugnant nature of the material handled. The possibility of debt-bonding in *karaah* work is discussed further below.

Case of **S**: Twenty-six year-old **S** is a Christian who has been doing *karaah* work for the last 12 years. He had taken a loan of ten thousand rupees for the treatment of his newborn daughter. He said that the employer encouraged him to take loans. **S** himself stated that he tried to avoid taking loans because he would find it hard to repay them with his low income. He said that he could leave this job any time but first, he would need to pay off the debt.

The advances made by employers in the tannery sector as well as in ancillary activities are always, nominally, interest-free.

Ethnicity and caste

Ethnicity and caste play an important part in the understanding of labour arrangements in both survey sites. We noted at the outset that tannery work might carry some association with ritual impurity and low status. While the fieldwork did not reveal significant instances of such caste association (e.g., there are no equivalents in our survey sites of the *chamar* caste found in parts of northern India), other aspects of caste and ethnicity are, nevertheless, important in the way that the sector is organized.

We have already noted above that the Khateek Shaikh community forms the original core of the tannery sector in Kasur, and also, to a great extent, in Karachi. When the nature of the sector changed from cottage industry to the factory system, the main source of labour was the “low caste” Christian community of Kasur and its surroundings. Although there was no prior traditional, caste-based hierarchical relationship between the Khateeks and the Christians, the social interaction between the two groups is clearly unequal.

Demographic diversification within the sector has also followed a certain pattern. Most of the new workers are also from “low status” *kammi* castes, while the new owners and contractors are mostly from castes and *biraderis* that enjoy a higher social standing. These observations point to an extra “social” dimension to the economic relationship between worker and employer. The caste hierarchy is likely to be important in the economic relationship in a number of ways. The groups regarded as “low status” have fewer outside options with more restricted access to other markets and public goods, including legal and political institutions. Moreover, the new economic relationship between “higher” and “lower” castes is likely to thrive on and reproduce the cultural patterns of hierarchical caste relations that have existed in the traditional setting of the rural economy.

Although it is generally the case that most owners and *thekedars* are Khateeks (or others, such as the Kasuri Pathans who are even stronger in terms of social hierarchy) and most workers are from traditional low castes, there are important exceptions that tend to prove the rule. For some of the tasks, such as *wagar* and *khawai*, the contractors are also predominantly from the Christian or other “low caste” kinship groups and their social distance from the workers is likely to be narrower. In these jobs, the contractor is more like the team-leader of the type found in the tannery sector in Korangi, and may himself be involved as a worker. There are also still a small number of Khateeks who work as labourers and petty contractors.

In contrast with Kasur, the division of work in Korangi does not appear to follow a traditional hierarchy. Most of the tannery-owners in Korangi, as in Kasur, belong to the Khateek/Shaiikh community. The Khateeks, however, own the small and medium-sized tanneries; the few large factories belong to industrialists of other communities. Among the workers, the conspicuous social divisions are along ethnic, rather than caste, lines. Three main groups of workers are Punjabi, Pashtuns and Sindhis. The former two, who are thought to be present in roughly equal numbers, dominate the sector numerically and account for over 90 per cent of all workers.

Ethnicity rather than caste also defines the division of labour in Korangi. The Punjabi and Sindhi workers are clustered around similar activities, while the Pashtun workers tend to specialize in distinct activities, particularly those thought to be more physically demanding and hazardous. Pashtun workers in Karachi, for example, perform most of the *Khawai* work. Pashtuns are also more conspicuous in “fleshing” and *kachay-ka-kaam* (pre-tanning salt curing).

Workers tend to be attached to contractors from their own ethnic groups and, quite often, the contractors are from the same districts or even villages as their workers. These are general patterns and there tend to be many exceptions. Intra-ethnic variations do exist – there are workers from different parts of Punjab, Sindh and NWFP – but are not conspicuous in the broad perceptions of workers and contractors in the descriptions of the sector. Punjab workers are mostly from the high-density districts of the north-eastern corner, e.g. Sialkot, Narowal, Sheikhpura, etc. Most of the Punjabi workers encountered were from non-agricultural backgrounds, though a number of them claimed to be Rajputs. Many of the Pashtun workers are from Pashtun communities of the Hazara region.

In contrast with Kasur, the social distance between tannery-owners and workers, and contractors and workers appears to be narrower or less relevant in Karachi. There are several factors that might be important in this regard. First, the salience of ethnicity rather than caste works towards ameliorating hierarchy even as it might also work towards heightening the potential for inter-group tension. Second, the owners are relatively aloof from workers and any issue of social hierarchy – say between Punjabi owners of a high caste and Punjabi workers of a lower caste – has less of a chance of being played out.

d) Forms of coercion and bondedness

Debt bondage

Peshgi payments from employers to employees are exceptional, rather than the norm in the tanneries sector in both Kasur and Korangi. Instances where employers have extended loans to their employees are regarded, in fact, as acts of particular kindness, benevolence or favouritism. Debt bondage, as defined as the use of credit to restrict workers’ options, is, therefore, virtually absent from the sector.

There is at least one ancillary process (namely that of *karaah* work) where the possibility of debt bondage does exist. Workers in this extremely unpleasant task are indebted to their employers and obliged to remain in their employment as long as the debt is outstanding. Moreover, the workers mostly belong to the “low status” Christian community of Kasur. The total number of workers in this sub-sector amounts to well under 100. It is possible, however, that *karaah* work is more widespread and there are more workers involved in it.

Karaah workers include skilled workers who have knowledge of the most optimal way of extracting recycled waste, as well as unskilled helpers who work as apprentices. *Karaah* workers are hired on a monthly salary of around 2,500 rupees, a salary comparable with the monthly salaries of other workers in the sector, although their working hours are reportedly limited to eight hours.

Even where bondedness is a possibility, there are some qualifications. First, quite often the *karaah* owners are also Christians and work alongside the workers on the *karaah*. The idea that employers use credit to force workers to do unpleasant work is somewhat weakened by this observation. Second, wages are comparable to the wages of non-indebted workers in the area. It might be said that the equality in wages is offset by the unpleasant nature of the work. The counter view might be that the working hours of the *karaah* workers are shorter precisely because of the unpleasantness of the job.

Employers' hold over workers

Even though there is little evidence of debt bondage in the sector, there are plenty of indications of the extraordinary control that employers exercise over the workforce. This control, which was visible in both Kasur and Korangi, cannot be explained simply with reference to the generally slack labour market, but has to do, also, with the way in which the sector is organized. In both Kasur and Korangi, there is an excess supply of labour to the sector – workers are willing to offer their services in hazardous and unpleasant work for relatively low wages.

If the sector intensively used anonymous and casual unskilled labour, the conditions of excess supply at prevailing wages could be easily put down to overall market conditions. In fact, the sector does not have much use for anonymous and casual unskilled workers. The excess supply of labour persists despite the fact that employers clearly place a premium on workers known to them, who have skill and experience in the sector, and who have demonstrated their ability and willingness to work with hazardous materials and processes. It is a paradox that conditions in the labour market in the sector mimic those of the casual labour market while they ought to show some degree of friction and market power in favour of workers.¹⁰

When we asked questions to workers about bondedness and constraints, they said that they feel bonded due to the way in which the sector is structured. Specifically, the workers say that their options are limited because, while they can leave a job at will, it is much harder to re-enter the workforce. We initially interpreted this observation as a statement about the general conditions of the labour market. Upon further examination and reflection, the story appears more complex. What the workers were trying to tell us was that while it is quite possible for them to walk out of a job, the manner of leaving the job is crucial in determining whether or not a worker can be re-hired within the sector.

Any attempt on the part of a worker or group of workers to realize their potential market power is dealt with in a severe and decisive manner by the factory-owners and contractors alike. Factory-owners operate a policy of “gate bund” or gate closure in cahoots with the contractors against any individual or group of workers who shows any dissent. We were able to document several cases of such tactics being used against workers who dissented with their employers over wage-rates, working conditions, liability for injury, simple differences of opinion, or even the attempt to leave a job before the end of the contract period.

There was strong collective action on the part of contractors and factory-owners in both Kasur and Korangi to ensure that a worker who shows dissent to one contractor will not be hired by anyone else in the sector.

¹⁰ This logical conundrum is similar to the one that is supposedly solved by reference to “bonded labour” in other sectors such as brick-making and agriculture. In these sectors too we should expect to see a premium on skill, experience and knowledge, and correspondingly, an elevated market position of the workers. What we actually observe is that workers appear to face conditions akin to excess labour supply and are unable to realize their potential market power.

The case of worker **H** in Korangi was instructive. **H** was hired on a team-basis to work with contractor **F** in factory **B** during the peak season. **H** developed some differences with **F** and wanted to leave the job, and did indeed do so. He then managed to find another job in the sector with contractor **C** in factory **G**. When **F** discovered this he began to put pressure on **C** to fire **H**. **C** refused. On **C**'s refusal, **F** got his factory-owner **B** to get factory-owner **G** to put pressure on **C** to fire **H**. Eventually **H** was fired.

Another insightful case refers to a group of 12 workers in the factory of Majeed in Kasur.

A worker, **Khalid**, was dismissed by **Majeed** on the grounds that he had damaged some material intentionally. The workers intervened on **Khalid**'s behalf and explained to **Majeed** that the damage had been unintentional and that he should show some leniency. **Majeed** got upset at this intervention and fired all 12 workers as well as **Khalid** on the spot. They had worked in this factory for several years prior to this incident. After the dismissal these workers were unable to get work in any factory in the sector. They finally returned, after a three-month period of being without work to plead with **Majeed**. In a sign of utter humility and desperation their family members including their elderly parents had to come and plead with **Majeed** too. **Majeed** then relented and re-hired these workers. The workers now feel that they will have to put up with even harsher behaviour on the part of **Majeed** as they are now demonstratively beholden to him.

The strong collective action on the part of the employers (both contractors and factory owners) and their vigilance against even minor acts of dissent on the part of the worker – for example, leaving work before the end of a stipulated contract period – puts the workers in a perpetual state of job insecurity even while they enjoy a relatively high probability of being employed as long as they remain within the sector. Workers outside the sector are willing to pay the price – e.g., periods of skill acquisition, willingness to work in hazardous conditions -- of entering the sector. A worker who leaves a job under conditions of dissent, however, can expect to be thrown out of the sector altogether. These conditions imply that employers retain a great deal of initiative and market power over workers. Additionally, a disproportionate share of uncertainty and risk in a sector that, in any case, faces seasonal fluctuations has to be borne by the workers.

The conditions described and analyzed here indicate that issues of worker choice, market access, and bargaining power need to be addressed in a more general manner if we are to arrive at a true understanding of bonded labour in Pakistan. These conditions are probably not unique to the tannery sector and are likely to exist in other sectors too. The structure of the labour market warrants greater analysis.

Violence and abuse at the workplace

Although the discussion above points to new ways of understanding worker choice and autonomy, it says little about extreme forms of coercion and abuse associated with bonded labour. This is not to say that personal abuse and coercion do not exist in the tannery sector. The conditions described above apply generically to the nature of the labour market around the tanneries in both Kasur and Korangi. Even within these generic market conditions, the precise nature of employee-employer relations can vary greatly depending on the social context of the economic transaction.

While workers in both Korangi and Kasur face tough market conditions – due to the strong collective action on the part of employers – the conditions of the Kasur workers are worse, and these workers face the types of sanctions that qualify as the abuse of the person. Verbal abuse of workers by employers is not uncommon. We were also able to document several instances of physical violence against workers by employers, for example, the case of a child worker who got regularly thrashed by his *ustaad*, or apprentice-master. In another case, a worker saw that a machine had broken and took the initiative to inform the factory owner. The employer, however, insisted that the worker had damaged the machine

himself. When the worker refused to accept this charge, the employer started abusing and then beating the worker until he gave in. Finally, one worker said that employers often delay paying workers and, if the workers protest against this verbally, they are likely to be abused verbally as well as beaten.

More generally, verbal and physical violence are not regarded as an unusual feature of the employer-employee relationship in Kasur.

Chapter Four: CONSTRUCTION

The construction sector is one of the largest sectors in any economy – creating and reshaping the physical environment is the essential material manifestation of civilization itself. The construction sector, like begging and domestic work and unlike bangle-making and tanneries, is everywhere and takes on many different shapes and forms. Construction accounts for around seven per cent of the total Pakistani workforce, and a similar proportion of the national income.

An understanding of labour arrangements in the construction sector is important, however, not only because of the sheer size and omnipresence of the sector. This sector more than any other is thought to be the recipient of poor, unemployed, and underemployed workers from traditional rural occupations such as agriculture. Casual work in construction is almost universally regarded across Pakistan as the “bottom line” activity for a worker with low endowments of physical and human capital. Construction and related activities dominate the casual labour market. In fact, the term for casual daily-wage work in some parts of rural Pakistan is “*teghari*” – literally, a flat metal pan used by construction workers to mix or carry mud, mortar and cement.

This strong association with casual wage labour makes the construction sector an important source of insight into poor people’s economic opportunities. By the same token, however, we should expect, *a priori*, labour arrangements in this sector to be relatively open, without friction, and free of coercion and bonding. After all, the openness and anonymity of the casual labour market should, at least in principle, be the very antithesis of the type of arrangement that would typify labour bonding. A closer look at construction provides more nuanced insights, however, into the way in which labour arrangements are structured in this apparently open sector.

Complexity is useful in this regard for at least two reasons. First, if the construction sector does, indeed, turn out to be a domain of free labour, conditions in this sector could then be used as reliable guides to equilibrium conditions in the labour market as a whole. Second, there may be facets of the construction sector where labour conditions are not actually as open as they seem on the surface.

The construction sector was selected for the RA because of its association with industrial hazard. Some of the activities in this sector (such as, scaffold-building) are dealt with specifically by international protocols such as the ILO Database on Industrial Hazard. The sector is also known for hard physical labour, often under challenging environmental conditions – say, due to harsh climate and remote locations. Would we find evidence, for example, of the use of coercion and bondedness to extract labour for dangerous activities in harsh environmental conditions?

It is important to note, some of the limitations of the rapid assessment. The construction sector is very large and varied, and involves a wide range of activities. It would be presumptuous to expect that a “rapid assessment” could provide anything approaching a comprehensive or authoritative account of these activities. The RA can provide an overview of important issues; more authoritative judgments are possible only through more in-depth work.

a) Brief summary of fieldwork

Since construction activity takes place everywhere, the choice of research sites was made with respect to three types of population centers: large cities, small cities, and rural areas.

We expected there to be differences in the nature of construction activity and its attendant labour arrangements in these three types of locations. The prior hypothesis was that big cities are places where

the industry is organized along modern and professional lines, and where labour arrangements are the most open and unconstrained. In rural areas, we expected to find technology as well as labour arrangements with a more traditional flavour, with relations between employers and employees less anonymous, more personalized and more prone to coercion and bondedness. Small cities or towns were expected to be located, institutionally, somewhere in between.

Karachi and Lahore, the largest two cities of Pakistan, were the primary urban sites for the fieldwork. Two smaller cities, Sargodha and Shahdadpur in Punjab and Sindh respectively were also chosen. Rural fieldwork was carried out in villages around these two smaller cities.

The fieldwork consisted of 56 distinct interactions across the survey sites, of which there were over 45 individual interviews and several group discussions. The informants included skilled and unskilled workers, main contractors, “petty” contractors, and owners and managers of construction companies. While most of the respondents were males interviewed by male research teams, some women workers – mostly of the “Odh” community – were interviewed by female team members. The main focus of the interactions was on people working in the construction sector – i.e., people whose main economic activity involved construction work of any type. There were also other people, particularly in the rural areas, who provided labour services for construction but who were not identified as “construction workers” as such.

We were generally successful in meeting our “target” respondents, and speaking to them openly in private or public places. The only exceptions were in some of the rural areas, also the only places where workers appear to face coercion and bondedness.

We were also interested in labour arrangements in the construction of roads and infrastructure projects in remote and difficult areas where the conditions of work are particularly harsh and hazardous. It is in such areas of potential labour shortage that non-economic sanctions might be used, alongside or instead of economic incentives, to retain the workforce. Remote areas could not be visited due to time constraints, but an attempt was made to document the conditions in some of these areas through second-hand accounts of individuals who had worked on construction projects there.

b) Classification of construction activities

Although construction encompasses a very wide range of activities, it is possible for the purposes of the RA to organize the discussion with reference to a relatively simple classification.

First, it was useful to differentiate between the construction of buildings and the construction of roads and other infrastructure projects. Although some of the technologies and issues overlap, significant differences were expected between these two sub-sectors.

Second, in the construction of buildings, an important technological division lay between *kuchcha* and *pukka* construction – the former using traditional materials such as mud, thatch and unbaked bricks; the latter using modern, durable materials such as hardened bricks, cement, concrete, and steel. To some extent, the two types of construction correspond to different cost segments of the construction market – *kuchcha* being low-cost and often relying on family, unskilled and non-specialized labour, and *pukka* being higher-cost and involving a greater degree of specialization.

Construction is casually thought of as synonymous with *pukka*. It is probably correct that the vast majority of worker-days expended in construction in Pakistan are, indeed, deployed in *pukka* buildings. The majority of our interactions were, also, with people working in *pukka* construction. The reason for introducing the other two categories – road and infrastructure construction, and *kuchcha* construction -- was to emphasize the possible distinction in labour arrangements in these sub-sectors.

Sections (c) to (e) report the results of the RA fieldwork on *pukka* building, infrastructure, and rural *kuchcha* construction respectively.

c) Pukka construction

Description of sector: contractors' views

We begin our discussion of the *pukka* segment of the construction sector with a detailed citation of interviews with three contractors who became our key informants. One of these contractors is the owner of a sizeable construction company in Lahore that executes government contracts. The second is a “petty” contractor from Karachi who works exclusively in house-building. The third informant is a property developer and house-builder in Sargodha who works mostly in the private sector.

The fieldwork for the RA included interactions with several other contractors, as well as with many workers. These three interviews have been selected for extensive citation because they provide a comprehensive overview. Many of the issues raised find corroboration and elaboration elsewhere.

LARGE-SCALE CONSTRUCTION PROJECTS: A LAHORE-BASED CONTRACTOR'S VIEW

GC owns a formally-registered construction company based in Lahore that specializes in government construction contracts. GC has been in business for over ten years.

Processes

GC: “Eight steps are involved in the construction of a building: civil work; woodwork; electricity work; paint; fabrication; steel work; shuttering; and plumbing. These eight steps are, in turn, further broken down into various discrete processes and jobs. The total number of such discrete tasks involved in the implementation of a construction contract range from 30 upwards.

Contract terms

“The client (government agency) provides a detailed document of the project in which the terms and conditions, time frame, technical specification of the project from an engineering point of view, cost of the project, payment schedule are mentioned, and they are liable to follow the guidelines.

“The contractor is bound to work in accordance with the ToRs and time frame. If there is any delay in the work at any stage, the contractor has to pay a fine – usually around one percent of the value of the contract per week. The technical team from the client’s side monitors the quality of work on a weekly and monthly basis. On site, the site engineer is responsible for quality and the specification.

Sub-contracting arrangements

“After signing the contract, the construction agency sub-lets the work to the sub-contractors. The sub-contractors hire skilled and unskilled labour. The site engineer monitors the construction work. At the time of contracting, 10% of the amount of contract is taken as security from the sub-contractors to ensure the continuity in the work schedule. The sub-contractors get payments from the main contractor, but they hold back 45% of the wages to keep labour bound at work. Sometimes, the sub-contractors flee from the site, leaving the work unfinished, and without making full payments to labour. In this situation, labour has to bear the loss of wages. The main contractor does not take the responsibility.

“There are no formal rules and regulations governing the relationship between the sub-contractor and the worker. But the labourers have to follow the regulations set by the main contractors. At any stage, if they are not able to follow them or if they refuse to do so, they are fired without prior notice. Sometimes, they

are not paid their due wages. There is a condition in the agreement between the contractor and the sub-contractor, that in case any worker misbehaves with the staff of the main contractor, the sub-contractor is obliged to fire that worker on the spot.

“The worker is assigned a work target that has to be achieved within a set time limit. In case the task is completed before time, the full wages have to be paid. Some workers are also hired on daily wages. In brickwork, for example, a skilled labourer (mason) is paid an average of Rs.150/day, but for tiling and marble fixing, the wages are Rs. 300/day. The unskilled labour is paid Rs. 80/day. In some cases where there is time pressure and normal hours cannot be kept, workers might be paid by piece rate.

Industrial hazard

“In case of injury to the labourer, the sub-contractor manages his hospitalization, but the cost is deducted from the wages of the worker.

Sub-contractors’ leverage over workers

“An element of discrimination has also been observed. The sub-contractor assigns easy tasks to a worker who belongs to his own area or community, and more difficult tasks to workers who may not be close to him, or whom he wants to get rid of for some reason. If a worker refuses or shows reluctance, he can be turned out of the site and his payments frozen.

“It is a common complaint that sub-contractors run off without clearing workers’ wages. This is easier where a sub-contractor hires workers from other cities where there is a lot of unemployment. Not only do the workers come for less money, but it is also easier for unscrupulous sub-contractors to cheat these workers.

Women workers in construction

“The women of the Odh community are involved in construction work. The Odh are regarded as nomadic people, though many have now settled down. The Odhs are known for construction work and they work in family groups on work sites. The men work as masons and women as their helpers – i.e., carrying bricks. The Odhs mostly work on lump sum contracts.

“It is generally observed that women work more efficiently than men. A woman carries 18 bricks at a time, twice as many as men carry. Their task is to ensure that the mason’s work is always lined up. If a mason normally does 100 square feet of brick-work in a day, his output can be increased to 180 square feet due to the efficiency of the women helpers. Girls as young as eight to 10 years old are involved in this work.”

HOUSE-BUILDING: A KARACHI-BASED “PETTY” CONTRACTOR’S VIEW

KP is in his 50s and has worked as a mason and then as a “petty” contractor for many years.

Casual labourers and the job of the contractor

KP: “There are two types of workers in this sector. The ones you see waiting around at *adda* are not really properly skilled. Contractors usually avoid taking on these workers even though they are willing to work for lower rates. You can’t be sure of their skill and experience, and they also have a reputation for stealing from the work-site. A good contractor has his own pool of skilled workers on whom he can call. An expert contractor can get the best out of a worker by properly planning the work for the day ahead -- *kaam ki chaal*.“

Workers, processes, and social grouping

KP associates the different types of work involved in constructing a house with various ethnic or kinship communities. He himself belongs to a Marwari community settled in Karachi since the late 19th century.

“Pathan workers are the best for hard labour,” he says. “They work for low wages and are able to carry out hard tasks such as digging foundations even in rocky areas, and excavating for basements, etc. This is unskilled but tough work. Wages are usually 180 to 200 rupees per day. Nowadays a lot of people from south Punjab (Riasatis) have come and started taking on these unskilled jobs.

“Load-carrying is mostly done by Afghanis – not local Pathans. They mostly come from Sohrab Goth. They work in teams and would take a lump sum contract for moving, say a load of sand or cement from the lorry to where it is required. This is also very tough work and other people wouldn’t do it. These days, you might want the material moved manually up seven or eight storeys.

“The Marwaris are very good with all masonry and associated work. In fact, they have been involved in the building trade for generations and are expert in many of the skilled internal and external jobs such as laying foundations, masonry work, plastering, fixing tiles and plumbing. There are different rates of pay for workers with different skill levels. Usually, a *mistri* (expert) will work with a number of helpers. The masons get around 250-300 rupees a day, a plumber can get as much as 350. The highest paid worker is a mason who is good at fixing tiles. This is because clients are fussy about the look of the finished work, and also because the material is expensive and a good mason will minimize waste.

“The work of setting up scaffolding (*pranch* work) is considered to be dangerous because of the height. This is done mostly by Hazara Punjabis. They also work in teams, and take on a lump sum sub-contract for setting up the scaffolding. Often, they own the gear themselves and rent it out. Even those main contractors who own their own gear get Hazara workers to actually fix the scaffolding.

“The *bharai* work – literally, pouring mixed concrete for roof-making – is done mostly by Rangars. They work in teams, and often their women work with them. Rangars are also known as Odh. In the old days, this job was done manually by chains of labourers passing up *teghari* full of mortar by hand. Nowadays, the work is done by mechanical concrete mixers and pumps. There is still a lot of physical work involved. The Rangars now own these machines and take on lump sum contracts.

“Punjabis are known for carpentry, and Mianray Kachhi – originally a fishing community – are thought to be good painters.

Hazardous work

“All the jobs that require workers to be up on heights – on scaffoldings – are dangerous. This includes all of the work on exterior walls of tall buildings. Protective measures are taken on building sites, e.g., those working on the scaffolding are required to tie safety ropes. But accidents can and do happen.

Payment arrangements

“The main contractor is responsible for the job as a whole. He gets paid in installments by the owner and then has to pay other sub-contractors (petty contractors) or workers if he hires them himself.

“Contractors do not make advance payments to workers or to sub-contractors because it is difficult to ensure repayment. Also, if payments were made in advance, there would be no guarantee that a worker or sub-contractor will turn up and finish the job in time.”

HOUSE-BUILDING: A SARGODHA-BASED MAIN CONTRACTOR’S VIEW

ES is a Sargodha-based contractor who builds private homes. He works through sub-contractors; he has a *munshi* (manager) as a salaried employee who takes care various aspects of the business. ES and his *munshi* spend much of their time supervising the various processes.

Labour arrangements of contractors

“I work with a set group of sub-contractors whom I know well and, therefore, can depend upon,” says ES. “The sub-contractors hire workers mostly on a daily-wage basis. The workers are normally paid at the end of every week. Friday is the weekly holiday. A day’s rest is considered necessary to maintain workers’ efficiency.

“Contractors avoid recruiting older people and children. Sometimes an old man might be hired simply as a way of helping him out. He would be assigned some easy work. The daily wages for unskilled labourers are 90 rupees, and they are not served any kind of meals. Some contractors pay workers a little less but provide a meal in the belief that this would improve efficiency, but actually, it does not make any difference.

“If a worker is hired directly by an owner (of a house), he gets higher wages but then the work is also temporary. Some contractors pay less than the market rate – i.e., as low as 80 to 85 rupees per day – in the knowledge that there is excess supply of labour. We don’t do this.

“We maintain a register where the daily attendance is recorded. We also issue the workers with an attendance card for their own record. This removes any ambiguity. But the general practice of other contractors is quite different. They are called petty contractors. They keep the attendance record of the labourers to themselves and this often causes disagreements over the time-period worked.

Seasonality

“During the harvest season, most of the labour force goes harvesting. They involve their families in harvesting. Within a period of 15-20 days, they are able to collect wheat sufficient to cover the whole year. It creates a shortage of labour at construction work. The daily wage-rate goes up during this time, and sometimes, contractors pay workers an advance to ensure the supply of labour.

Workers from rural areas

“Most of the labour comes from rural areas from within the radius of 15 to 20 kms. They use bicycles for their transportation. Very rarely do workers come from within the city. Mostly, young people are engaged in this work. Their monthly income is Rs. 2800 to Rs. 3000, if they are regular workers. A shift in the lifestyle of labour has been observed. Now they have *pukka* houses and other facilities like TV, etc. They are now well aware of the current technology.

Workers from particular groups: Christians

“The Christian community is also involved in construction work. There is no problem for them to find work even though they are non-Muslims. But people are reluctant to involve them in the construction of Mosques. Christians dominate the wood-polishing work – they account for some 90 per cent of the workers in this process.

Workers from particular groups: the Odh

“The Odh community or *biraderi* has a strong association with the construction industry in this area. They are also known as “Rangar”. Traditionally, they were mobile (nomadic) and set up temporary settlements wherever there was work. The men and women work together, and the women are more hard-working than the men. If a man carries nine bricks from one place to another, the women carry 18-20 at a time. Mostly, young girls are involved in this work, and this diverts the attention of other male workers on the site who want to be close to them and strike up a conversation. Naturally, this affects their efficiency, and this is not feasible for the contractor. Under these circumstances, the contractors avoid hiring females. It has also been observed that the involvement of women in this work has declined with the passage of time.

Finding workers

“Some workers come to the building site themselves to ask about the availability of work. Others are workers who are known to contractors and sub-contractors, and they remain in touch with each other about any new project. If a contractor is straight in his dealings with the worker, and in particular, if he pays the worker on time, the worker will keep coming back to the same contractor.

Workers at the adda

“In the cities, you observe workers standing around at different locations waiting to be hired. They come from villages and wait there to be hired by someone for day work. Most of them have to go back without finding any work. These are not professionals, and contractors generally avoid hiring workers from the *adda*. These workers might get a few days work here or there, and on higher wages, but they are not regular workers and might have to go for many days without work.

Role of “petty” contractors

“The sub-contractors are commonly known as “petty” contractors. These are usually people who have come up from being workers themselves. They deal directly with the labourers. One of the main issues of contention between a worker and a petty contractor is delay in the payment of wages. Petty contractors have to wait to receive payments from the owner or the main contractor before he pays the workers. But they tend to hold on to workers’ pay even after they have received payments themselves. They do this in order to maintain some control over the workers. There are also cases where the petty contractor refuses to pay the worker on some pretext or another, and there is a dispute.

Advance, or peshgi

“It is very rare that a labourer is paid an advance. Employers might give advances to skilled workers in case of a death or a marriage in the worker’s family. But they avoid paying large amounts as advance. In general, employers find that paying advances is disadvantageous. A worker who takes a loan might move to another site, and then it becomes difficult for the lender to recover the loan.

Hazardous work

“The most hazardous work is that of grinding stone and marble chips in the preparation of floors. The dust is very fine and very hard and causes lung damage. A worker who does this job regularly for six months without a break will be sure to lose his health. He may not be able to work again for the rest of his life. It is common practice for workers involved in this work to take long and regular breaks between jobs.”

The three contractors provide a useful overview of the sector, its various activities, and the labour arrangements in these activities. They confirm the assumption that the sector is organized around a series of contractors and sub-contractors, and that there is little in the way of secure long-term employment. This is partly in the nature of the industry – the work-site is, by its very nature, a temporary abode. Also, the nature of every project is likely to be different. Although the contractors confirmed the flexible and project-based nature of the sector, they also indicated the presence of some durability in labour relations. Contractors and sub-contractors prefer to work with a stable pool of workers and tend to avoid the “casual” workers available at places such as the *adda*. Moreover, there is group-based clustering of workers around ethnicity, caste and kinship groupings.

***Pukka* construction work in a small town: workers’ views**

A group discussion was conducted with a number of construction workers in the town of Shahdadpur in Sindh. The workers are Hindu of the Meghwar caste who live in one neighbourhood. They work as masons and helpers in *pukka* construction.

GROUP DISCUSSION WITH MEGHWAR (HINDU) MASONS AND HELPERS IN SHAHDADPUR

House- construction work in this area varies with the earnings cycle in the agricultural economy. There is more activity after the harvest when everyone has more money, and also in those years when the harvest is particularly good. The other side of the market – i.e., construction of government buildings – has been sluggish in the recent years.

Small-scale and less specialization

In Shahdadpur, if a person wants to construct his own house or building, he simply calls an expert mason (*mistri*) who then does the rest. It is the *mistri* who plans the work and gets workers together. A good mason can look after all aspects of construction work except plumbing and electrical work. So, for small projects you don't really need a contractor.

Life is hard, in any case, for small contractors. No matter how small a contract, even if the contractor is simply acting as a *jamadar*, he still needs to have some capital of his own to pay advances to workers and *mistris*. This end of the market, therefore, can be easily handled by a good *mistri* working with his own team.

But a *mistri* or worker, or a person with low income or social status, cannot think about taking on government construction contracts on his own. Even to get a contract you need to have good relations with government officers as well as capital to pay advances and bribes. Workers try to avoid working for government contractors because there are many interruptions in the work and there is uncertainty about payment. Most government work depends on the clearance of the bill by the relevant department and a contractor will never pay up if he has not received payments from the department.

Discrimination on the basis of social grouping

Muslim contractors treat Hindu workers badly, even though the Hindu workers are well known for honest and high-quality work.

Hazards

There are many hazardous aspects of building construction work. A worker can only work with a high level of energy for 15 years at the most, and after that he is likely to become weak and unhealthy. The work can cause allergies, respiratory infection and eye injuries. In masonry work, a worker needs to hold a load and remain standing for hours on end. This can cause back injuries.

Overall market conditions

These days there is not much work in the sector, and therefore not much value for skilled workers. Even skilled workers are now ready to do *teghari* work. There has been no change in wages for the last five years -- the contractors are using the high level of unemployment to keep wages low.

There is an interesting contrast between Shahdadpur and the other survey locations in the nature of specialization in the sector. An experienced mason might be able to handle most of the technical aspects of a house-building project. Shahdadpur also provides a snapshot into the genesis of specialization in the sector elsewhere: from skilled masons and their helpers (all from the same social group), to contractors who oversee varied tasks done by different experts as well as unskilled workers.

Casual labour

The *adda* is the epitome of a free and open labour market, and the antithesis of bonded labour. Workers gather there with their tools and can be contracted by anonymous employers. The *adda* is also the most conspicuous face of construction labour in cities. Our contractor informants were of the view, however,

that the core professional workforce in their sector comes not through anonymous transactions but through specific personal or group-based connections – such as existing petty contractors and sub-contractors. Community and caste-based reputations also appear to matter a great deal. It is useful, therefore, to present a selection of observations from *addas* in some of our field sites.

ADDA WORKERS IN GULISTAN-E-JOHAR, KARACHI

A number of workers were found sitting in a row on a footpath in Gulistan-e-Johar, a relatively new locality of Karachi. The workers have their own tools. They usually wait till 10.30 a.m. for a work opportunity. Over 50 workers can be found gathered here on any day. They include workers who are willing to work as unskilled labourers, as well as those who claim to be skilled masons, carpenters, painters and plumbers. All the workers are migrants from outside Karachi – from Punjab and the NWFP. Pashtuns are in a clear majority. Some individual profiles are presented here.

M is from a village near Peshawar. He came to Karachi about 30 years ago and started working in the construction sector about five years later. M claims to be a skilled mason and says that he can earn 250 to 300 rupees per day. He prefers not to sit at the *adda* but says that these days there is a lot of competition for work and he has no choice. He says that being a good mason himself he has also worked as a petty contractor in the past. It is possible to hire an ordinary unskilled worker for 120 to 150 rupees per day, and a helper for 150 to 170 rupees a day.

S from district Vehari in Punjab, has been working as a labourer for the last ten years. He migrated from his village to Karachi about 20 years ago with his father. He comes to the *adda* early in the morning and gets in touch with the *mistris* whom he knows. He depends up on *mistris* for work – he is likely to be hired only as a helper to *mistri*, and so he needs to be in touch with *mistris*. S mostly works with Z, *mistri* of Vehari, who is of the same kinship group (*biraderi*). Z has several people from their village working with him whenever he has a job. These days Z is out of work, so S has no choice but to wait at the *adda*.

Fifty-year-old **N** from Bahawalnagar has been working in the construction sector since he came to Karachi about 30 years ago. For the last 10 years he has been working as a petty contractor and as *mistri*. A main contractor would engage him as petty contractor, and his responsibilities will be to arrange labour. The contractor will pay him an advance for labourers' daily expenses. If the weekly labour charges are estimated to be 5000, he will pay 3000 in advance. A contractor may give a loan to a worker who is known to him. In this field, there is a lot of fraud, as contractors who come from outside go away without paying the wages of the workers.

The *adda* workers interviewed in Gulistan-e-Johar confirmed the view of contractors that anonymous transactions are neither the norm nor the contracts of choice in the sector. Workers expect to be employed as part of a team and, therefore, teaming up is seen as important. Being at the *adda* is a fall-back option for workers who normally maintain more durable transactions with *mistris* and petty contractors.

ADDA WORKERS IN GOL CHOWK, SARGODHA

Gol Chowk is one of the major points where workers gather every day to wait for potential employers. An informal group discussion was conducted with the workers gathered there. The total number of workers present was around 15, of whom six were active participants.

The wages for an unskilled labour are in the range of Rs. 100-120 per day, and for masons (skilled labour), they range from 150 to 200 rupees. Most workers at the *adda* have not found work since Eid three weeks ago. The workers come from surrounding villages and wait at the *adda* for a few hours. If they are not able to find work they return to their villages. The cost of commuting and of buying food here comes to around 30 rupees a day.

There is no work to be found in the villages. Most of the workers are from poor, non-landowning families – usually from service or *kammi* castes. In the village, they would have to work for landlords for as little as 200 rupees per month and fodder for their cattle. On average, they could find only 10-15 days work during a month, and their earnings during a month were Rs. 1000 for unskilled and Rs. 2000 for skilled labour. Construction pay is still better than in the village.

Regular work is only available with a contractor, but contractors are not reliable in terms of rates and payments. Contractors pay only Rs. 80-90 per day. The payments are made weekly or fortnightly. Sometimes, the contractors run off and, the workers lose their wages. They are helpless and can do nothing. If they contact the police, the police taunt and even insult them. If they contact contractors on site for work, they offer them very low wages and engage them at work for more than the fixed hours.

The Gol Chowk *adda* workers of Sargodha confirmed many of the views of contractors and other workers in the sector. They confirmed, for example, that the wage-rates at the *adda* are higher than those paid by contractors, but that the work is less frequent. The issue of petty contractors running off without paying workers was also raised. Interestingly, and in contrast with Karachi, the Sargodha workers link their conditions to the village economy, the alternative being much lower paid work for landlords in their villages. Also, in contrast with Karachi, the workers at the Sargodha *adda* do not appear to think of the *adda* as a fall-back option. They see it as a positive opportunity in comparison with service to landlords. The Sargodha workers also seem to consider the relatively high probability of unemployment at the *adda* as preferable to the high probability of default by contractors. The fact that many of the workers are from historically oppressed social groups may make them vulnerable to default by known contractors, leading to a preference for non-durable, but less risky, contracts with strangers.

ADDA WORKERS IN ICHHRA, LAHORE

I is a 50-year-old labourer and earns 110 rupees per day. He lives with his sister in a rented house. He gets his wages daily and gets his work from *adda*. He prefers this to working with contractors because he has had a bad experience with a contractor. He says that contractors do not pay the full amount and settle the account after every two weeks.

N is 68 years-old and from the Christian community. He has come from district Sheikhpura for *mazdoori*. He says that the rate for digging a ditch one-foot wide, one-foot deep and one-hundred feet long is one hundred rupees, one rupee per square foot. He has had no work for the last eight days. He says that he gets his food from a *langar* at the shrine whenever he does not have work. He does not like to work with contractors because they are strict and do not allow workers a break during working hours.

The 24 year-old Y is from a village in Khanewal. He was in school until the ninth grade and now works as an *adda mazdoor*. He does not like to work with contractors and prefers to negotiate with owners directly. He said that if a worker is just half an hour late after his lunch break, some contractors only give him half a day's wages (50-60 rupees) and can also dismiss the worker. He said that some contractors beat workers or withhold wages to keep workers under their control. Sometimes contractors receive money from owners but do not immediately pay workers, which causes hardship. Work is more tedious with a contractor than working independently with an owner. Contractors appoint one *mazdoor* with two masons when they actually need one *mazdoor* with one mason. He said that if a worker wants to quit work, he asks the contractor to settle the account. In such cases, the contractor does not pay the full amount due. He lives in fear that he will lose a few days' wages. He says that he left his previous job as a bus helper because he does not consider it a respectable job. He works for 15-20 days and then visits his home and comes back after spending a few days with his family. He feels that labourers are not important and are not protected in our society and if an accident happens during work, then nobody takes care of them. He said that an *adda mazdoor* is very insecure economically because of uncertainty and scarcity of work. *Adda mazdoors* have to deposit 300-400 rupees or their national ID cards to owners as a guarantee. He says that this is a lot of money for a labourer.

H, 25, moved from Kasur to Lahore four years ago to work as a labourer. His daily wage is 100 to 120 rupees. He says that he never took any advance from his contractor, but knows other labourers who get advances from their contractor. Often contractors withhold a few days' wages from labourers to make sure they stay with them. He looks for work from the *adda*. If he fails to get work there, he goes to the fruit and vegetable wholesale market and works as a loader.

The stories of *adda* workers in Lahore echo those of their counterparts in Sargodha. *Adda* workers have to weigh up the risk of being unemployed against the risk of non-payment by a contractor. The Lahore workers also appear to be those on the fringes of the sector. Some of them readily resort to other "bottom-line" activities such as market labour or accepting charity.

The general picture of the labour market that emerges from these observations is the following: true to its image, the construction sector does appear to provide opportunities for truly casual and free labour, albeit with high probabilities of unemployment. The segment of the labour market that is truly "casual", however, is a residual one, which is marginal to the core labour arrangements around contractors and sub-contractors. The *adda* labour market is anonymous and appears to afford entry and exit at low cost. It is appropriate, therefore, to use this segment of the construction labour market as a ready reference point for casual wage labour.

The relatively easy entry into the sector was illustrated by individual stories of a number of workers in Lahore.

K, 40, is from a *kumhar* family of Kasur. He used to work in carpet-weaving in his hometown, and then moved to Lahore and started doing construction work. He is in *bharai* work (pouring mixed material on to make roofs). K is part of a team that owns its own concrete mixing machine.

S is a 70 year-old Christian man who works as a casual labourer for a daily wage of 100 rupees. Before this, he used to work on a brick kilns. One of the main reasons for leaving kiln work was that workers have to stay put at the kiln for a whole year. Sometimes, Salamat works with a contractor and sometimes with masons. Contractors settle their accounts after two weeks but give daily pocket money that is later deducted from their wages.

The 24 –year-old **SM** is from one of the villages of the border area of Kasur and has been living and working in Lahore as a construction worker for 13 years. His mother is a domestic worker. He has worked in foundation digging for four to five years, as a trolley worker for three years and as a labourer with a mason for three years. He started working as a mason three years ago. He works with a contractor for daily wages, but only gets paid after every two weeks. His contractor gives him daily pocket money that is deducted from his payment. He is happy with his own contractor who pays his wages on time, but he agreed that there was some risk in working for contractors in general. When asked about contractors withholding some amount, he said that this works both ways. Some contractors withhold money from labourers to keep them with them and sometimes a few workers prefer the contractors to withhold their money as a way of saving because, otherwise, they are afraid that they will spend all the money that they have earned.

d) Roads and infrastructure

The construction of roads and infrastructure such as irrigation works is the other major segment of the construction industry. We expected to find different technologies, of course, but similar labour arrangements to those found in *pukka* construction. A number of interactions were carried out with people involved in road construction including workers, technicians and contractors. While we expected to find the familiar pattern of contracting, sub-contracting, piece-rates and daily wages, it was also anticipated that difficult work in harsh and remote environments might involve elements of coercion and bondedness. Although fieldwork could not be carried out in these areas, we were able to interview a number of

individuals with recent first-hand experience of conditions of work in remote parts of Balochistan. This section begins with a brief description of the road- construction sector using interviews conducted in rural Sindh, and then presents an account of the organization of this work in remote parts of Balochistan.

ROAD BUILDING, SHAHDADPUR

CONTRACTOR

S, is a 36 year-old graduate with 18 years of experience in various construction activities including building construction, road construction, and irrigation works. He works for a road construction company established in 1980. The company is formally organized with a permanent office and field staff including six *munshis* (managers).

“The contractor handovers/sublets parts of a project to petty contractors, who are sometimes called *jamadars*. There are 20 such petty contractors, foremen or *jamadars* with whom we work on a regular basis.

“There are three basic processes in road construction: earth or stone work, “crush” or *bajri* work, and bitumen work.

“The main contractor pays the petty contractor 12,000 rupees per furlong and than it is responsibility of that *thekedar* to hire labour and finish work within the appropriate time schedule. Some petty contractors sublet again by giving this work on *theka* to a team of workers – like loading material by the truckload, spraying work, *bajri* work etc. This work is given out on a piece-rate too.”

PETTY CONTRACTOR

K is a petty contractor. He has been working with the same company for the last 10 years. He has recently started a job. There are 20 labourers working under him on this job, including eight women. The work is to build a length of link road – around 6.5 km -- for a village. There are different rates of pay for different types of work. For one furlong of a new road the cost is 12,000 rupees. For resurfacing an existing road, it is 7000 to 8000 rupees per furlong.

JAMADAR

R has been working in road construction for the last 15 years. He works for 30 rupees per day for *teghari* work. He has been a *jamadar* now for the last six years. The job of a *jamadar* is to bring the workers and ensure a supply of labour. The workers are paid an advance of around 14,000 to 15,000 rupees and then clear their wages on the weekend. The *jamadar* has to pay workers each Thursday and labour does not care whether or not the *jamadar* has been paid by the main contractor.

WORKER

SB and his family have been working for the same road-construction contractor for the last 15 years. Their home is in Shahdadpur but they live temporarily by the worksite in makeshift housing. They go back to their home once a fortnight, and are paid their wages weekly. Some people work on daily wages while others take on piece-rate work. Contractors often prefer this because then the work gets done quicker. Entire families get involved. SB's *jamadar* is a family member and also lives and works at the same worksite. If the work stops for some reason, say because there is a delay in the supply of the raw material, S gets an advance from the *jamadar* to buy groceries. Workers do take loans from contractors and then are bound to work for them until the loan gets paid off. If a worker takes a loan and then move to a different contractor, it is the job of the *jamadar* to get him back or to get the loan repaid by the new contractor.

ROAD CONSTRUCTION IN REMOTE BALOCHISTAN

This case study is based on several key informant interviews. The interviews were conducted in Karachi. Respondents included one machine operator and several workers and petty contractors, all of whom had had recent experience of work in remote parts of Balochistan.

Road construction can be divided into large-scale projects such as highways that are done by big companies and smaller projects for local roads undertaken by smaller contractors. Most of Balochistan is quite rocky, so the stone for the underlay is excavated from hills close to the project area. There are important differences between large-scale projects and smaller local ones. The larger projects are highly mechanized. Companies take heavy gear to the worksite and use machines for excavating and crushing the stone. They usually have their own regular employees. Smaller projects, however, are more labour-intensive, and it is in these projects that labour arrangements can be coercive.

The contract for a small project in Balochistan usually gets awarded to a local chief, or *sardar*, who may also be the head of the local government. Only these *sardar* can handle the project. If the project is given to anyone else, the *sardar* will not allow the work to be undertaken and will use force against the contractor. Once the local *sardar* gets the project, it is common for him to hand over the entire project – after taking his own cut – to a professional contractor. The contractor then has to organize everything: workers, machines, material etc.

The contractor must find various types of workers: those to excavate and crush the stone for use as the underlay as well as the more technical workers and equipment.

The quarrying and crushing work is physically demanding. Teams of workers get paid on a piece-rate basis – say 90 rupees per trolley-load. A team of 10 workers can produce 10 trolley loads in a day depending on the conditions. There are a number of communities such as the Chandios of Sakrand (Sindh), the Birohis of Larkana (Sindh) as well as other Birohis from Sindh and Balochistan who are known for stone-work. Most of them work in all-male teams, though a group known as the Birohi Jats are also known to work in entire family groups - i.e., including women.

The stone workers are usually organized by a *jamadar* from their own group. They take an advance payment – amounting to around a third of their total expected earnings from the contract – at the outset. At the worksite, the contractor organizes simple accommodation such as tents. It has been reported that in some cases workers are held captive until the work is done. There are reports of workers being shackled and locked up at night, and being held under armed guard.

Contractors in Balochistan are notorious for not making full payments after the work is finished. This is one reason, perhaps, for the workers demanding a large advance before they accept the contract. Once the workers are at the worksite, however, the contractor is fearful that the workers might run away without completing the contract.

Informants report that workers are released and sent to their homes once the project is completed. The chances, however, of recovering any outstanding payment from the contractor are low. It also appears that workers are willing to take up work again in these areas even after they have been released because the rates of pay are thought to be good, and because work is assured for several months at a stretch.

The two cases presented above from road construction are probably not typical even of the conditions within that segment, as they relate to the construction of small local roads. However, these cases are highly instructive. The accounts of both the Bheel workers of Shahdadpur, and stone-workers of remote Balochistan provide some grounds for concern as far as the issue of bonded labour is concerned. The Bheels are, in any case, thought to be vulnerable to debt bondage in other sectors such as agriculture.

It is also interesting to note that our two cases present different forms of possible bondedness and coercion. The Bheel construction workers, if bonded, are in contractual conditions that are similar to those

faced by Bheel bonded *haris*. They are obliged to remain with the same employer for long periods of time. The stone-workers, however, present an entirely different picture. While their conditions might appear more severe, these workers appear to be constrained only for the duration of the contract.

e) Kachcha construction and other rural issues

It would be easy to ignore the range of activities within the construction sector that are carried out in rural areas. Some of these activities, such as the building or repair of mud walls, might not readily conform to our prior ideas about the nature of the sector. But it is important to recognize that they are part and parcel of the construction sector. We might expect to find here the more traditional practices, including those of customary unpaid labour (*begar*) and other issues of social hierarchy. We present studies on two rural areas – one in Sargodha in Punjab, and the other in Shahdadpur in Sindh.

VILLAGE C, SHAHDADPUR

J is 45 and his family consists of his two wives, three daughters and two sons. Jsays that he is an Odh, who are Rajputs. He says that he is not Muslim but “Qalandri”. He and his family work together to make mud houses.

He says: “There are two major types of mud construction: *mahali* and *shahali*. In *mahali* construction, the thickness of the wall is kept even. In *shahali*, the foundations are a foot and a half wider than at the top of the wall. There are different rates of pay for each type of work. At the moment, I have a *theka* on which the entire family is working. We have two donkeys for hauling mud. We are building two small mud huts for 2200 and 2500 rupees respectively. This time it is a lump sum contract, but sometimes we work on a square-foot basis.”

S has been working in the construction sector for 16 years. He claims to be an expert in foundation, *Osari*, and *Wang* work. He has worked at various places, including Karachi as labourer.

“In urban areas the main material is bricks and concrete, while in rural areas it is mostly *gobari* (cow-dung) plaster and mud. There are few *pukka* work contracts in the rural, and these are usually government construction works such as schools. I have recently had a bad experience with a contractor who ran off without clearing 2,000 rupees that were owed to me for 10 days’ work.

“I have often done *begar*. I did some *begar* just a few days ago with four other labourers on the house of the *raees* of my own community. The *raees* owns 150 acres, and it is due to respect and reverence that we do not charge money for his work. He is also our elder and relative. We get tea and food when we go for *begar*. There is no such system in urban areas. In rural areas this system exists because of social proximity. Also in rural areas there is the *wangar* system.”

VILLAGE A, SARGODHA

Village A is located at a distance of around 20 km from Sargodha. It is dominated by a family of Jat landlords who own over 500 acres of land. Most of the other residents are people belonging to various service or *kammi* castes, and the largest among these is the Muslim Shaikh or Musalis. The Musalis are also the most dependent on the leading landlord family of Zafar Jat.

B is a 35 year-old Musali man. He is married and has seven children. B works for Z. He does different jobs including farm work, and gets paid in kind. His duties include construction work. The normal wage-rate for a labourer is 80 to 90 rupees. If B works for Z he might get paid 100 rupees, but he cannot ask for wages. His work is not accounted for in the same way. On average, he earns around 1500 to 2000 rupees a month. He feels bound to work for Z and has to go if Z calls him. There is another family who are relatives of Z. Bashir used to work for them, and got thrashed. They use violence against both men and women. B lives in a small mud hut.

F, a 29 year-old man, belongs to an important land-owning family of the village. The main landlord – Z – is his uncle. F has seven regular employees: one *munshi*- (accountant) whose salary is Rs. 1000/month with one bag of wheat per month; one manager whose salary is Rs. 800/month with one bag of wheat/month; one worker (servant), caretaker for horses whose salary is Rs. 600/month with fodder for cattle; two workers –caretakers for buffaloes at Rs. 600/month with fodder for cattle (each); two workers for land farming whose salary is Rs. 600/month with fodder for cattle (each); one driver for tractor whose salary is Rs. 1000/month with one bag of wheat per month & two canals of lands for fodder for cattle. The female workers who are engaged in household work, are paid Rs. 200/month with other provisions like food, clothes & 50 kilograms of wheat per month.

The other workers are not regular paid workers, but provide their services under some set conditions. They are known as *kammi kameens* (Ks) in the village. The main Ks are *lohaar* (ironsmith), *nai* (barber), *turkhaan* (carpenter), *kumhaar* (pot maker). The job description of each is clear, and they perform their duties accordingly. In return, they are paid in terms of cash and kind. For construction work, skilled masons are brought from outside and are paid daily wages of around 200/day. Unskilled labour is drawn from local people who are not paid anything for this extra labour work.

I is 45 years-old. He started his work as labourer at the age of nine. He is basically a *tarkhan* (carpenter), one of the *kammi* group, and traditionally, he works for the landlords under a system known as *seyp*. The landlord provides him with 160 kg of wheat and, in return, he is responsible for making all kinds of agriculture-related wooden tools for the whole year. I used to be a skilled mason but had to stop because he became allergic to cement. He does construction work as and when required by Z, but never asks for wages. Z provides him with fodder for his cattle. I have a couple of milk animals and he sells the milk to make ends meet. When asked why he doesn't ask Z for wages, he said: "If I ask for my wages, then we cannot turn to Z Sahib for our future needs. Even though I have stopped working as a mason I have to go if Z Sahib calls for a job."

In both villages we find evidence of different forms of traditional and customary labour arrangements. These arrangements encompass a wide range of activities including construction. We expected to see free construction labour being demanded by the more powerful groups within the village from the weaker sections. In the Sindh villages we had expected to see tenants, or *haris*, being called upon to provide unpaid or partly paid construction by landlords. In Punjab it was expected that the *kammis* were likely to be used in this way. It was, indeed, the case that construction activities accounted for one of the main form of *begar* in both places.

It is useful to make a note of some nuances. There is a sense in these villages that *begar* is not entirely forced or unpaid labour. There is a custom of providing meals in some places, for example. Also, workers have a clear sense that these are obligations implied in transactions, such as the availability of cheap fodder, or rent-free accommodation. In Sindh *begar* is often used in conjunction with *wangar*, or reciprocal labour. Very often, landlords who have reciprocal labour obligations towards each other (*wangar*) get their tenants to provide *begar* in order to fulfill these obligations. It was also found, however, that *begar* in construction work is expected and provided by heads of villages – *wadera* – but not necessarily any other landlord. The *begar*, therefore, is not necessarily an adjunct to the landlord-tenant relationship, but rather, to the leader-follower relationship.

f) The Odh community

No discussion of construction workers in Pakistan can be complete without reference to the Odh community. The Odh are known for their involvement in construction work, and in particular for the participation of women.

We came across the Odh community at all of the survey sites of the RA. It was not clear, however, whether and to what extent the different people identified as Odh form part of one cohesive group. In

Karachi, for example, the Rangar who were thought to be from Punjab were also known as Odh. They were found to be doing *bharai* work in *pukka* construction, and are reputed to be the only major group of women workers in the sector. In Sargodha and Lahore, also, Odhs and Rangars turned out to be the same group, and here also, the jobs were similar to the ones that they had traditionally carried out in Karachi.

The Odhs of Sargodha and Lahore trace their origins to regions in the parts of historical Punjab now in India. They are all Muslims and are also seen by local Punjabis as constituting a distinct group with their own dialect. In Shahdadpur, the Odh who were also involved in the “traditional” work of mud construction, trace their origins to the Thar desert. They are clear that they do not belong to the Muslim faith, even though many of them have Muslim-sounding names and are followers of *Sufi* saints revered by Muslims of the area.

One of the common claims on the part of the Odhs that we encountered at all of the survey sites was that they were of Rajput ancestry and had lost their original “high” rank due to some historical mishap. The Odhs are also known to be part of the traditionally nomadic population with its roots in the desert areas of Sindh, southern Punjab, and Rajasthan.

How the group came to be associated with construction work is not clear. It is clear, however, that the Odhs regard themselves and are, in turn, regarded by other local people, as the original mud-builders. In our survey site in rural Sindh, they continue to enjoy this reputation. In other places where mud construction has given way to *pukka* construction, the Odhs are involved in the nearest equivalent to mud work – i.e., mixing concrete and in some cases masonry.

In all of the survey sites, the Odhs appear to be on the margins of settled communities. They are among the poorest sections of the population. In Sargodha, nevertheless, they have the reputation of being poor but proud. Odh women workers in Sargodha confidently assert that if any male worker tries to sexually harass them, or even tease or flirt with them, they would round upon him and beat him up. By contrast, the Odhs of Shahdadpur appear to be socially weak and express that they are completely dependent upon the goodwill of their Muslim clients for payment.

g) Concluding remarks

It is difficult to sum up a sector as large, varied and complex as the construction sector. The approach adopted in the RA was designed to provide us with a flavour of the types of labour arrangements that exist in the sector. This chapter has been organized largely around an *a priori* classification of the sector, and the use of a range of case studies to throw light on labour arrangements. Each of the preceding sections already includes extensive commentary on the nature of coercion and bondedness. Yet, it is useful, perhaps at the risk of repetition, to end with a few observations.

The sector is generally a domain of casual and unrestricted labour contracts. There are few examples of debt bondage or other coercive labour arrangements. The relatively open nature of the labour market is partly due to the very nature of the worksite and its relationship with the employer.

At the same time, however, the image that the sector is dominated by anonymous labour contracts is not entirely warranted. The “totally open” segment of the labour market is an important entry point for potential workers, but it represents nevertheless, a marginal or residual part of the workforce. The labour system, in the main, is managed by contractors and sub-contractors who maintain more durable relations with pools of workers, and social groupings such as ethnicity, caste and kinship are important in the working of the labour market.

Workers are generally beholden to contractors and sub-contractors, and labour supply is assured through holding back workers' pay in arrears. Alongside the holding of pay, however, it is common for employers to advance small amounts of money to the workers to cover daily expenses. The fear of default is very common among workers, and there are many cases of sub-contractors absconding without clearing the dues of their workers. The contractual environment, therefore, is insecure, and workers appear to shoulder a disproportionate share of this insecurity. Workers are poor and insecure, but they are not generally "bonded" for any length of time.

There are some important exceptions to the general picture of a relatively open labour market. In rural areas, for example, some traditional forms of unpaid labour extraction are much in evidence. These are not specific to the construction sector, but form part of the wider relations of dependence and power between unequal social groups. There are cases of debt bondage among groups such as *Bheels* in Sindh who are thought to be vulnerable to coercive labour arrangements. *Musalis* and other *kammi* castes of Punjab are also vulnerable to coercive relations including the use of violence.

There are some examples in the road construction segment of the sector, however, of bonded labour arrangements. In remote parts of Balochistan, for example, workers have to endure extreme forms of bondedness, albeit for defined and limited periods of time. This is the closest that we came to finding a link between harsh and hazardous work conditions and coercive labour arrangements. In fact, the remote Balochistan case might also be interpreted as a corollary of the wider problem of insecure contract enforcement.

This is not to say that industrial hazard is unimportant. The sector is riddled with industrial hazards of different types and workers are unprotected from these hazards. But industrial hazard and unpleasantness are not – barring the possible exception of remote Balochistan – associated with labour bonding. It might be argued, in fact, that the excessively "casual" nature of the labour market in the construction sector allows the almost complete dereliction of responsibility for health and safety on the part of the employers.

Chapter Five: CONCLUSION

The preceding chapters provided a comprehensive sector-wise account of the findings of the rapid assessment. It is useful to bring together some key findings from across the sectors in order to gain some comparative insights. This chapter provides a brief cross-sectoral discussion of two recurrent themes of the study: first, the *peshgi* system and second, caste and social networks. The chapter ends with a section that attempts to summarize the implications of our findings for future research and policy.

The *peshgi* system

The received view on bonded labour is that it is a system based on the interlocking of labour and credit arrangements. In addition to the transaction in the labour market, a worker also transacts with the employer on the credit market, repaying the debt by working for the creditor. The employer-creditor enjoys monopolistic power vis-à-vis the worker-borrower, and is able to impose exploitative terms and conditions in both transactions. The worker is considered a bonded labourer if the terms faced on either or both markets are extraordinarily exploitative, and allow no exit from either or both sets of contracts.

This abstract model of bonded labour finds an apparently straightforward empirical counterpart in the *peshgi* system that prevails in many informally organized sectors in Pakistan (and south Asia in general). In the *peshgi*, or advance payment, system, a worker-borrower contracts a cash or kind advance – in the case of agricultural tenants the advance is in the form of a production credit – from the employer-creditor. The worker-borrower then works on a piece-rate or wage-rate basis, and a part (in some cases all) of

earnings goes to repay the advance. The worker-borrower cannot change employers or locations as long as the loan remains unpaid unless the new employer takes over the loan, thereby becoming the creditor. The role of the *peshgi* system is thought to be crucial in the understanding of bonded labour in Pakistan.

The sectors covered in our rapid assessment yield fresh insights into the workings of the *peshgi* system and its possible relationship with bonded labour and other coercive labour arrangements. The *peshgi* system was found to exist in some form in all of the sectors covered in this report. The incidence and importance of the system varies greatly from one sector to another. It is most prevalent in glass bangle-making where a large proportion of the workforce was found to have taken loans from employers. In tanneries, the *peshgi* system was found to exist in an idiosyncratic manner. In the construction sector, in some types of activities – such as work on infrastructure projects, particularly in remote areas – the *peshgi* system is the norm, whereas in other activities, its appearance is confined to individual cases.

The correlation between *peshgi* and labour-bonding and coercion is relatively weak in the sectors examined. The glass bangles sector, where a large proportion of workers take advances from their employers, is associated with low wages and poor working conditions. But there is little evidence of bonded labour and coercion in the relations between worker-borrowers and creditor-employers. One sub-sector in construction – namely, infrastructure projects in remote areas -- showed close links between *peshgi* and bonded labour, but for specific periods of time rather than for indefinite periods.

Other forms of labour bonding and coercion are not clearly associated with the *peshgi* system. Tannery workers in Kasur, for example, undertake hazardous work for low pay, under the threat of verbal and at times physical abuse. However, their dependence on their employers is not based on a credit relationship but on strong collective action on the part of employers, which makes it costly for workers to show any form of dissent. In construction work, traditional relationships of bondedness, coercion, and unpaid labour exist in the rural areas. Many of these relationships are also not based on credit transactions.

It is possible to sum up this discussion of the *peshgi* system with three observations:

First, the precise economic role of *peshgi* in an inter-locking labour-credit contract is not straightforward. The classic account of labour bonding under inter-locking labour and credit transactions is neither an exclusive nor a sufficient model for understanding the diverse forms of coercive labour arrangements in Pakistan. In some cases, it is not even clear whether the employer or the employee is the real creditor in economic terms. There are many contracts, for example, where a worker is remunerated towards the end of the contract period. Even if she now takes an advance from her employer, in strictly economic terms she might still be a net creditor.

Second, dispensing with the idea of inter-locking labour and credit contracts, it is possible to hypothesize that *peshgi* provides a lever or a legitimizing mechanism for employers to exert control over workers. This interpretation of *peshgi* also requires qualification. Workers who are socially much weaker than their employers – either because they belong to social groups (or caste-based communities) at the lower end of the social hierarchy (such as the Musalis in Punjab, or the Odhs in Sindh) or because the employers enjoy a local monopoly of socio-political power (such as the *sardar*-contractors of Balochistan) – are vulnerable to coercion and abuse under the *peshgi* system. But these workers are vulnerable to abuse even in those situations where the *peshgi* system is not prevalent. Other workers, who enjoy greater social parity with their employers (such as the glass bangle workers), are less vulnerable to abuse even when they take *peshgi*.

Third, in virtually all sectors, both workers and employers face uncertainty and insecurity in the enforcement of contracts. Workers in the “freest” segment of the labour market – say, daily wage-rate construction labourers – fear that their employers (in the shape of contractors) might renege on payment

for services rendered. Many of the employers, on the other hand, fear a high probability of worker default, and cite this as a reason for not advancing loans to workers.

These observations give rise to an alternative, potentially powerful, interpretation of the *peshgi* system – that it represents one way in which workers can secure advance payment for their services, which they fear might go unremunerated if their accounts were settled only at the end of the contract period. In conditions where the general contractual environment is insecure, workers who are socially weak compared to their employers are likely to be fearful of employer default. Workers who enjoy similar levels of social power to their employers are likely to be more confident of recovering their arrears.

The *peshgi* system, according to this view, is not a credit arrangement designed to ensure labour supply. Rather, it is an assurance device that allows workers to enter a contract in an otherwise insecure contractual environment. Those workers who are vulnerable to employer default are the socially weak, and therefore also vulnerable to other forms of coercion and abuse. The key to ending bonded labour – according to this interpretation – lies not in improving poor people’s access to credit, but in improving the overall contractual environment and reducing social hierarchy.

Social hierarchy and social networks

The issue of social hierarchy – either in the generalized sense of “high” and “low” castes, or in the localized context of the political monopoly of an individual employer – is important in all instances of coercive and abusive labour arrangements. The social hierarchy in terms of caste/kinship community is important in the rural areas in both Punjab and Sindh in the extraction of unpaid labour, physical and verbal abuse, vulnerability to sexual exploitation, and the danger of bondedness. An inter-sectoral perspective allows some insights into the significance of caste and social grouping in this regard.

Caste or social grouping, and networks are important features of the labour market in all sectors, regardless of the existence of hierarchy or abuse. In the construction sector in Karachi and Lahore, for example, where labour arrangements are all straightforward economic contracts, the communal identity of an individual worker is still important in how a prospective employer perceives his value. There is a perception in the sector that a caste/community based division of labour prevails. In other sectors such as tanneries – where workers are dependent on contractors – there is also a clear sense that teams of workers are built around ethnic, caste or kinship affiliation. In other words, the labour markets (as well as other markets) are, in general, segmented along communal identities, quite often with family-based networking acting as the cementing bond. For example, the glass bangles industry in Hyderabad is organized around the Ferozabad Siddiquis and the Khateek Shaikhs dominate the tannery sector in Kasur.

Caste and kinship-based social networks, therefore, were found to be crucial in the operation of labour arrangements in general. The manner in which these group identities operate in various sectors and for various people, however, differs. In some sectors and in some labour arrangements, there is no strong social hierarchy in the relations between employers and employees. Caste or kinship-based social networks either appear to be one more form of organization without any added significance in the employer-employee relationship, or these networks generate some level of solidarity between employers and employees.

Instances where the social distance between employers and employees is wide, however, are those where the danger of coercion and abuse is the highest. There are a number of groups -- such as the Musalis and Masihis and other *kammi* castes of Punjab, or Bheels, Odhs, and Bagris of Sindh, or the “nomadic” Riasatis (from south Punjab) in Karachi – at the margins of economy, society and polity. These groups are vulnerable to abuse across sectors, across contractual arrangements, and even across locations. In some cases, a group that is “socially weak” in one location appears to be relatively “strong” in another – for

example, the Odh/Rangar of Punjab appear stronger than their Odh counterparts in Sindh. A clearer understanding of the systematic nature of coercion and abuse, therefore, requires a great deal of attention to social as well as economic relations.

A final observation is due on the issue of social networks. In-built cultural mechanisms may exist whereby individuals belonging to a particular social group remain associated with a particular type of economic activity. Social perceptions – even if not based upon empirical evidence – can lead to the reproduction of social hierarchy. If employers generally perceive people from a particular group to be suited for certain types of jobs, individuals from that group will be largely excluded from other jobs. The social perception might also become a self-fulfilling prophecy if the group in question acquires and maintains special knowledge and ability with respect to that particular job. Individual members of the group may themselves believe their economic options to be limited to the jobs assigned them in social perceptions.¹¹ This form of adherence by a social group to an economic activity might well be regarded as a form of bondedness, characterized by a psychological dependence, particularly if the job in question is a low-paid, hazardous and unpleasant one. Examples of this dynamic abound in the sectors examined, suggesting that interventions in sectors characterized by traditional caste involvement would have to address these cultural and social issues.

Implications for future research and policy

We have discussed the implications for future research and policy with respect to individual sectors covered by this report. We end by reiterating some of those points as well as making some new ones that are based on a cross-sectoral overview.

Sector-wise picture

The rapid assessment shows that some extreme forms of bonded labour and other coercive and abusive labour arrangements exist in some of the sectors but not others. On the positive side, such arrangements are almost entirely absent from glass bangle-making and tanneries. These sectors nonetheless provide useful insights into problems of a slightly different nature. For example, the glass bangles sector alerts us to the possibility that caste-based cottage industries may allow some level of employer-employee solidarity, while at the same time limiting the outside options of individuals.

The tanneries sector shows how the prevalence of casual labour under sub-contracting can lead to both insecurity and dependence. Other similar sectors e.g. textiles, garment manufacturing and small-scale engineering, may display similar labour arrangements, and new forms of worker vulnerability and dependence.

Some extreme forms of bonded labour and coercive and abusive labour arrangements were found in construction (and in domestic work and begging). All three of these sectors are also large enough to warrant further attention on the part of policy makers and researchers. In construction, for example, the work and living conditions on infrastructure projects, particularly in remote areas, requires further attention. In both construction and domestic work, traditional rural hierarchies also demand further investigation. The number of workers who are vulnerable to coercion and abuse within this traditional hierarchical context may be quite large.

¹¹ We are grateful to Dr Aliya Khan for suggesting this problem of “internalisation of roles” at the presentation of an earlier version of this report.

Cross-sectoral issues

There are some general and cross-sectoral conclusions that might also be drawn.

First, both policy and future research needs to pay greater attention to the issue of social networks and social hierarchy. Bonded labour – if defined to include the most extreme forms of coercion and abuse -- is not only related to particular sectors, technologies or contractual arrangements. It is also closely related to social relations and social hierarchy. Some groups are systematically vulnerable and it would be a mistake to continue ignoring this finding in future research or policy. By way of a preliminary example, a social survey that is able to count the number of Musalis, Masihs and other socially marginalized groups might provide a fairly accurate indication of the population that is vulnerable to bonded, coercive and abusive labour relations.

Second, it is important to pay greater attention to the precise structure and functioning of labour markets in general, before formulating research or policy on bonded labour in particular. Bonded labour and coercive and abusive labour arrangements exist within the context of the general structure of labour markets. Closer attention to labour markets can also alert future research and policy making to emerging issues such as new forms of worker dependence under tightly-run contractor systems within certain sectors.

Third, there are sufficient grounds now at least to challenge the dominant economic view of bonded labour as the outcome of interlocking factor markets. This view is largely responsible for the wide popularity of micro-finance and other credit market interventions as ways of dealing with bonded labour. If, as we have suggested here, the *peshgi* system has something to do with the insecure contractual environment faced by socially weak workers, other types of policy interventions – such as those that address social hierarchies or the rule of law -- might also be relevant. This issue warrants further conceptual and empirical research.

Finally, we see an inter-linkage between the sectors covered in the different rapid assessment reports. The sectors are predominantly those that attract the poorest and most socially vulnerable workers in Pakistan - mining, agriculture (as sharecroppers), carpet-weaving, brick-kilns and the three sectors covered in this report. Our rapid assessment suggests that socially distinct groups, such as Musalis and other low-caste groups, are born with a cultural and economic set of pressures to enter these areas of work. But beyond this and possibly equally significantly, they move laterally between these sectors. For example, workers in agriculture or brick-kilns migrate to the cities, where domestic service presents a somewhat better option. Others, less lucky, turned to begging, with men doing casual labour. Workers may move between these sectors seasonally or whenever better options present themselves, such as women doing piece-rate work instead of begging. The next issue to explore is under what circumstances they can cease to move laterally between these low status sectors and move to higher-status and more secure work environments.

It appears that research and policy measures are, thus far, inadequate to address the complexity of labour arrangements and lack of opportunities in these sectors. Policy-makers run the risk of focusing too much on legislative measures and higher-profile sectors without looking at the wider social or ethnographic portrait of Pakistan's labour force. Voiceless workers, children, lost women migrants in the cities, and countless others are difficult to track through programmes and even research, yet their numbers are swelling as the pressures of poverty increase in this country. Future research and policy/programmes must start to demonstrate a flexible and nuanced understanding of the labour conditions in Pakistan, for which intensive field study and experimental programme interventions can provide valuable opportunities to explore the possibilities for change.

Annex 1 – LITERATURE REVIEW

This literature review is an attempt to review secondary data on bonded labour in construction, the glass bangle industry, and tanneries. While the geographical focus is Pakistan, a few relevant other publications were also reviewed. The coverage of this review includes academic and research publications, reports produced by NGOs and the print media. By and large, there is a lack of serious and academic work in the above mentioned sectors with reference to labour arrangements.

1 Glass bangles

Debt-bondage or forced labour in this sector has not been reported in any study. However, like many other sectors, *peshgi* (advance payment) is practiced. Incidence of child labour and women working from homes has been reported. Most of the studies have focused on issues like health and low wages. The payment is made on a per-piece rate.

Channa, S. (2003). Bonded Bangles. The Review, Dawn 9 January 2003. Karachi.

Save the Children Alliance (forthcoming). Involvement of Children in Glass Bangle Industry of Hyderabad. Karachi, SCF-Alliance.

2 Tanneries

Most of the literature has focused on the environmental aspect of tanneries in two major locations (Korangi in Karachi, and Kasur). Debt-bondage or forced labour in this sector has not been reported in any study. Incidence of child labour has been reported in Kasur. Most of the studies have focused on issues like occupational hazards, health, and education. The workers are usually employed through a “contractor”, and are paid on a daily basis.

HRCP (1995). Child Labour in Pakistan -- Sialkot and Kasur. Lahore, Human Rights Commission of Pakistan (HRCP).

Khan, S and F. U. Khan (1998). Change Within: The Tannery Children of Kasur. Lahore, Sudhaar.

3 Construction

While debt-bondage in this sector has not been reported in any research study, it has been suggested that forced labour is often demanded from tenants in the rural areas. However, the Bonded Labor Liberation Front has claimed that around 1% of the estimated bonded child labour (which has been put at 7.75 million) are involved in construction (quoted in Kemal, 1994). It is interesting to note that there are instances where construction workers are “attached” to a contractor and work for him as and when he offers work to them. The wage rates are on a daily basis, though studies show that payments are sometimes made on a weekly or fortnightly basis. Incidence of child labour and women (mostly from *Ode qaum*) has been reported.

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