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FORCED LABOR, CHILD LABOR AND LAND USE IN PAKISTAN SUGAR INDUSTRY

Prepared for **The Coca Cola Company**

Prepared by **Arche Advisors**
Rachelle Jackson

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Executive Summary

This report provides a review of forced labor, child labor and land use in The Coca-Cola Company's (TCCC) sugarcane supply chain in Pakistan. The study was commissioned by TCCC and conducted by Arche Advisors to further expand TCCC's understanding of labor and human rights conditions in its supply chain. The study also responds to a commitment made by TCCC in November 2013 to support land rights across its operations.

To carry out the study, researchers conducted extensive desk research on the issues, consulted stakeholders from industry, civil society, government and intergovernmental organizations. In addition, the researchers visited 8 mills and 240 farms, where approximately 320 farmers, their family members, and workers were interviewed. The most relevant findings are highlighted below.

Forced Labor

The practice of using wage advances, or *peschai*, has been part of labor relations in the region for over two centuries. In the late 1990s, there was a concerted effort by the national and provincial governments to enact legislation to end bonded labor. These changes have been seen to have had little impact on bonded labor in the agricultural sector. This is primarily due to a lack of actual change by landowners regarding their employment practices and a lack of enforcement requiring them to do so. About 2.1 million people are working as bonded labourers in Pakistan. Bonded labour in agriculture is reportedly most prevalent in Sindh and southern Punjab.

For 75% of the mills in this sample, workers at the farms visited reported being hired by a contractor, or *thakedar*. For the remaining 25% of the sample, workers reported being hired directly by the landowner or the lease-holder, depending on who was cultivating the land. No workers reported paying fees related to recruitment, either to the mill, landowners, or contractors.

Within the farm samples for all mills in the study, some workers reported that they ask the contractor for an advance on their salary to cover expenses and that they receive the balance of their pay after the advance is deducted at the end of the month. These were reported as incidental advances, able to be paid off within the month, while still receiving some additional funds from their salary at the end of the month.

Other workers reported taking personal loans (larger than an advance for daily expenses) from the contractor or from other people and re-paying the loan in installments, scheduled for pay-off by the end of the harvest season.

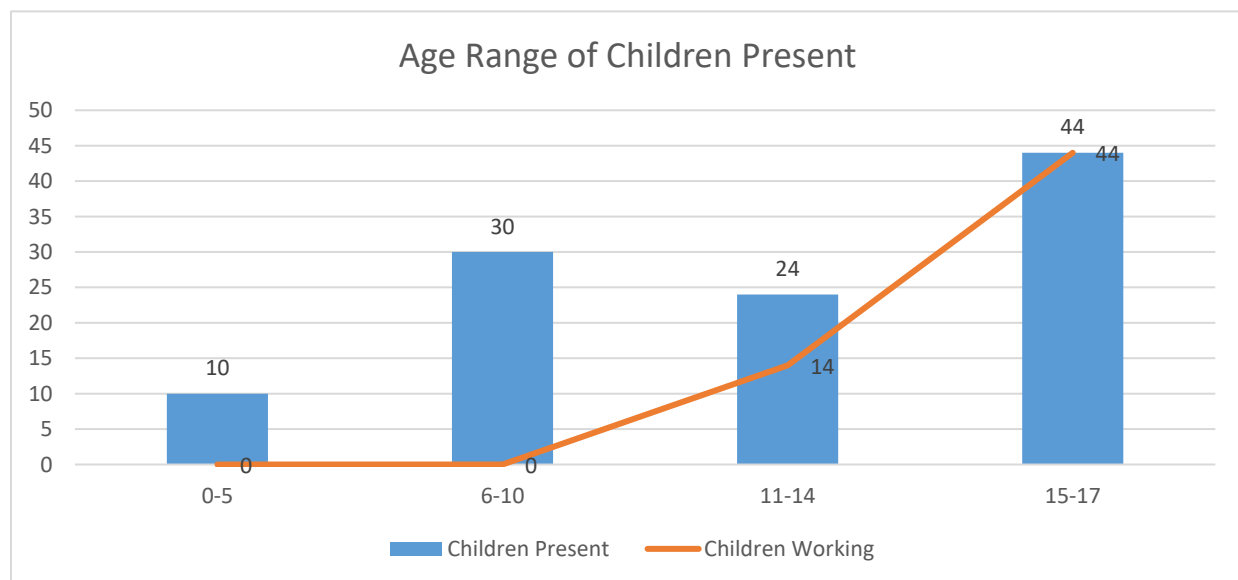
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At the time of the study, seven of eight sugar mills had a policy on forced labor; however, the policies only applied at the mill level. They did not address the farm supply chain nor the issue of wage advances and worker debt. There is an opportunity for mills to review the worker recruitment process and look for areas to influence farmer hiring practices. Some of the initiatives profiled in this report may inform models for microcredit interventions that would alleviate the need for employer loans and reduce the risk of bonded labor.

Child Labor

In the mid-1990s, Pakistan became known on the world stage for child labor in hand-stitched soccer balls, following a global media report on the topic. Ensuing scrutiny focused on the presence of child laborers in other export-oriented industries, such as garments. In reality, the predominance of child labor was focused in the domestic industry, including agriculture and brick making. According to Pakistan's 2010-2011 Labour Force Survey, approximately 5.7 million children - nearly 20% of 10-17 year olds - are working. Of these working children, more than two-thirds are employed in the agricultural sector. Children engaged in agricultural work have been documented harvesting cotton, wheat, and sugarcane. Children are also involved in the worst forms of child labor, such as bonded labor in agriculture and brick kilns.

Number of Children Present on Farms in Punjab and Sindh by Age Range



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Of the 240 farms visited in Pakistan, in both Punjab and Sindh, children aged 17 and under were observed at 77 farms, or 32% of the sample. There were approximately 108 children observed at these 77 farms. At 52 of these farms, or 22% of the total sample, children were observed to be engaged in work, including cutting cane, stripping or cleaning cane, and loading trucks. There were approximately 14 children aged 11-14 and 44 children aged 15-17 involved in work.

Seven of eight mills had written policies on child labor. However, none of the policies were inclusive of farm supply chains and they did not include remediation efforts.

Most of the mills provided access to schools for children of mill workers, which may present an opportunity for mills prepared to reach out in their communities to promote school attendance. In addition, there are a plethora of civil society and government educational initiatives that could be tapped to improve access to and the use of educational opportunities for children.

Land Use

About 40% of Pakistan's total land area is agricultural, 90% of which is located in the Indus River Plain of Punjab and Sindh provinces. Approximately 39% of the labor force works in agriculture (30.2% males and 67.2% females).

Large numbers of landless people persist, even following the decades of legislative land reform efforts that culminated with the Land Reform Act of 1977. Occasional uprisings occur, with landless peasants demanding access to land. According to USAID, landowners who cannot or do not want to cultivate agricultural land routinely lease it out under fixed-term agreements or sharecropper arrangements. Tenant farmers either lease or sharecrop land or work as laborers on and off farms. Squatting and land-grabbing are common in Pakistan.

TCCC has adopted a policy stance on secure land rights and has asked suppliers to do the same. However, at the time of the study, only two of the eight mills were found to have put such a policy in place. These policies were specifically related to the mill operations and not to their farm supply chain. None of the mills reported carrying out a review of farmer land records at the time of entering contractual agreements.

None of the mills reported being aware of any displacement of persons or communities related to establishment of mill lands. There were no reports of plans for future expansion related to mill operations.

Twenty-two total land-owners were interviewed across the 8 mills. All but one reported that the land was family ancestral land, coming to them from their grandfather or

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great-grandfather. Two hundred and forty farmers were interviewed, in addition to the landowners. None of them reported having any plans to expand their land use beyond what they were currently using. Farmers and harvest workers did not report awareness of any land disputes or land expansion efforts in the area.

There were no reports that the land currently owned or rented by mills and their supplier farms was obtained inappropriately, illegally or without the consent of the sellers. However, only two of the eight mills had implemented policies to support secure land rights at the time of the study. These policies were specific to their mill operations and did not extend to the farm supply chain. None of the mills reported carrying out a review of farmer land records.

While there were no reports of illegal land acquisition or encroachment, there is an opportunity for mills to develop formal policies and prepare for further engagement on land issues with farmers in their cane supply chain. It could be beneficial to tie-in mill and community education efforts with current efforts of organizations identified in this report to improve land tenancy and land records management in Punjab and Sindh provinces.

Introduction

The purpose of this study was to provide a country specific, factual review of forced labor, child labor and land use in The Coca-Cola Company's (TCCC) sugarcane supply chain in Pakistan. The study, commissioned by TCCC, is part of the Company's continued effort to expand its understanding of labor and human rights conditions in its supply chain and provides an evidence-based tool for TCCC to mitigate the impact of these issues, where they exist, on workers and communities in its value chain. The analysis of the agricultural value chain complements the Company's already-existing system to address human rights' issues by evaluating mills' adherence to legal requirements and TCCC's Supplier Guiding Principles (SGP).

The report is divided into six major sections. The first section presents the methodology employed in the study. The second section describes the sugarcane industry in Pakistan. The next 3 sections each provide a contextual overview in turn of child labor, forced labor and land use in Pakistan, including a brief overview of the legal framework for each of these topic areas and the findings specific to the TCCC supply chain in Pakistan based on the outcomes of the field work. The report concludes with a summary of the main insights identified as a result of the study.

Methodology

The study aimed to examine forced labor, child labor and land use in Pakistan and to provide an overview of the current situation at the country level, as well as to report on any occurrences identified in TCCC's supply chain. The purpose was not to determine the overall prevalence of findings in Pakistan or the sugarcane industry as a whole but to elaborate a micro-level understanding of practices that could inform the macro-level view and larger industry discussions around child labor, forced labor and land use. The methods employed in this study were qualitative. No statistical methods were used. A more detailed description of the methodology is below.

Desk Research

Research was conducted to identify historical child labor, forced labor and land use issues, past efforts to address these, and current conditions that prevail in Pakistan's sugar industry. To this end, researchers reviewed reputable publications to understand the historical context of the target issues, obtain national statistics on their incidence at the country-level, specific to the sugarcane industry where possible, and identify efforts to eliminate these human rights abuses. The legal framework, specific to each issue, was examined as well.

Stakeholder Consultations

Stakeholders were consulted as part of the research process to corroborate desk research findings. Researchers used a semi-structured questionnaire to guide the

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interviews and adjusted according to the stakeholder's area of expertise. Questions asked related to the existence of issues, prevalence, changes observed in the last 10 years, as well as root causes of the problems. Stakeholders consulted included groups or individuals from industry, civil society, and academia.

Onsite Observations

This Pakistan country study was carried out entirely during the 2019-2020 sugar harvest season.

Mill Visits

Mill site visits were conducted to review sugar purchasing practices and forced and child labor monitoring protocols of the mills, as well as potential land use issues. Structured questionnaires were used to guide the visits. Of the 8 mill visits, 7 were in Punjab province and 1 was in Sindh province. These sites were selected due to their regional location, in an effort to visit a sample of regions that was reflective of the overall TCCC sugar supply chain in Pakistan.

Farm Visits

Site visits to farms that supply to the participating sugar mills were conducted. Farm visits took place during the 2019-2020 harvest season. On arrival to the mill site, the farms that were undergoing harvest activity during the course of the field visit were identified and the selection of farm sites was drawn from those that were harvesting.

Sampling of farm sites included small, medium-sized and large farms where hired labor was present. The target number of farms for each mill was 30, in line with the methodology established by The Coca-Cola Company.

Farm visits focused on interviews with approximately 320 farmers, workers and family members of both these groups. The goal was to understand the general labor practices at the farm level through interview and observation. Workers were chosen at random and interviewed privately in the fields and, in limited cases, in their housing. They were assured that the information shared was confidential and would not be shared with mill or farm management nor would it be attributed to them in any way in the final report. During these field visits, meetings with school officials and other local organizations were also conducted to gather further information related to child labor, forced labor, and land use.

Additional Methodology Considerations Around Land Rights

In November 2013, TCCC committed to zero-tolerance for land grabbing across its operations and added land to the scope of a broad assessment effort to make its sugar supply chain transparent from a labor perspective.

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TCCC's land assessment methodology is intended to provide a diagnostic snapshot of a supplier's past sugar supply chain land-related practices (to the extent possible), with the goal of informing and shaping future sugar supplier (mills and cane farms) land use and acquisition practices. Specifically, the land assessments are intended to:

- Flag significant diagnostic findings for use in shaping future supplier land-related conduct.
- Permit TCCC to make suggestions or provide concrete guidance to sugar suppliers about how they can acquire land in a transparent and socially responsible way.
- Identify the types of land-related grievances (if any) that may have arisen in response to past land acquisition practices dating back to 2000, and that may arise during future efforts to obtain land.
- Be used to inform the shape and implementation of future land-related grievance identification and resolution mechanisms that can be put in place when sugar supply chain actors acquire land or otherwise affect land access, use, and tenure security.

Importantly, the land assessments are not intended to identify historic (prior to 2000), problematic methods of obtaining land by suppliers, except to the extent that information about past practices can inform better future practices. It is difficult or impossible, under almost all assessment scenarios, to perform forensic examinations of supplier practices to purchase or otherwise obtain land. Indeed, the literature published by expert land practitioners often comments on the difficulties inherent in any attempt to characterize and parse land claims, adjudicate decisions, and provide for remedies (including in-kind or monetary damages), and/or restitution, whether the displacement/claims are a product of government acquisitions, an unfair land deal, or civil conflict.

The refined land assessment methodology uses a series of questionnaires to permit researchers to obtain land-related information from a number of stakeholder groups, including:

- Mill owners and operators
- Large- and medium-sized cane farm owners and operators
- Smallholder cane farmers
- Representatives from civil society organizations

Note that neighboring communities were not part of this assessment scope.

It is important to stress that TCCC does not directly or indirectly acquire land as it obtains sugar from suppliers. That is, TCCC does not own or lease land for sugarcane

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farming or for sugar mill operations. Further, in no case does TCCC purchase all of the sugar produced by any single sugar supplier.

Limitations of the Study

Farm visits were tied to the harvest schedule and researchers could only visit farms that had planting or harvest activities scheduled at the time of the visit. In addition, mill staff assisted researchers in locating farms. Farmers would have received 1-2 days of notice prior to the field team visit. Nevertheless, there was no evidence of any alterations to field staffing due to the visit. As harvest schedules had to be kept, it is unlikely that work teams could be altered with such short notice.

It is also noteworthy that farm owners were asked to be present for a brief interview. However, where the land was owned by a family, this would not typically include the married couple together, constraining the ability of researchers to explore the gender dimensions of land ownership and women's involvement in decisions regarding the buying and selling of land.

Furthermore, the various activities implemented as part of the methodology provided opportunities to triangulate information and obtain an accurate diagnostic of the target topics. The local level stakeholder engagement process allowed information to be gathered on these issues and on mill operations without interference from mill staff. These interviews and the information collected during mill visits matched onsite observations and farm worker statements, validating the methodology of the study.

Finally, the covid-19 pandemic was spreading in Pakistan as field work concluded. It became challenging to contact macro-level stakeholders for informational interviews. Many institutions no longer answered office phones and emails went unreturned. It is possible that the pandemic caused some organizations to close down, some people to move on from those organizations, or to leave behind office spaces, preventing phone lines from being answered in the usual way. The lower than usual stakeholder response meant less institutional and civil society input was available regarding current trends and challenges in child labor, forced labor and land use in Pakistan. However, the literature review was relied on for this information as much as possible, as cited in the appended bibliography.

Research Team

Arche Advisors is a corporate responsibility services firm that specializes in labor and human rights in global supply chains. Arche's research team for this study was comprised of Pakistan-based field experts with decades of experience in monitoring and supply chain work in Pakistan. The team was selected based on their experience interviewing workers, knowledge of the agricultural sector and local customs and



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practices, as well as fluency in local regional dialects. All researchers participated in a field pilot to introduce the study goals and synchronize the interview techniques before data collection began. An Arche Advisors project director supervised the study and report writing.

Pakistan Sugar Industry

Pakistan is the 5th largest sugarcane producer in the world. Approximately 1.2 million hectares are dedicated to the cultivation of sugarcane, primarily in the high delta, away from flood areas. There are approximately 90 sugar mills in operation in the country.¹

The sugar industry is the country's second largest agriculture-based industry after textiles. The Punjab province accounts for 65% of sugarcane production, Sindh 25%, and Khyber Pakhtunkhwa (KPK) 10%. Farmers in Punjab typically plant sugarcane in the spring and harvest 8-10 months later, starting around November or December. In Sindh, they may plant in autumn and face a growing season of up to 16 months.²

Government Regulation of the Sugar Sector

Provincial governments set purchase prices for sugar following recommendations from the Ministry of National Food Security and Research, and in consultation with local sugar industry and farmer organizations. According to the USDA, mills typically pay this minimum support price but it is possible for the parties to agree to sell for lower than the MSP.

USDA notes that “the steady rise in sugarcane procurement prices has made it difficult for mills to profitably produce sugar. Data analysis shows that procurement prices have increased by 375% during the period from 2005 to 2020 and these prices are maintained by the

Table: Industry Statistics

Key Statistics	
Number of operating mills	90
Number of farmers	
Harvest season	November to April

Table : Procurement Prices of Sugarcane by Province

YEAR	PUNJAB	SINDH
2004-05	40	43
2005-06	45	58
2006-07	60	67
2007-08	60	67
2008-09	80	81
2009-10	100	100
2010-11	125	127
2011-12	150	152
2012-13	170	172
2013-14	170	172
2014-15	180	182
2015-16	180	182
2016-17	180	182
2017-18	180	182
2018-19	180	182
2019-20	190	192

Source: Provincial Agriculture Departments and PSMA

¹ USDA 2020

² USDA 2020

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provinces. The sugar industry is protected by a 40% import tariff designed to boost domestic sugar prices and protect the local industry from imports.

Industry news reflects turmoil in the sector between mills and growers, including the minimum price of sugar as well as disputes around timeliness of purchases, as growers are paid by weight and the crop decreases in weight the later it is harvested.³

Initiatives to Support Farmers

<p>Caritas Pakistan</p>	<p>Catholic humanitarian development organization running projects to help sugarcane growers, including regarding education, livestock vaccinations, training on fuel-efficient stoves, seed banks, and sessions in organic farming.⁴</p>
<p>Southern Punjab Poverty Alleviation Project, IFAD</p>	<p>From 2010-2022, the UN agency IFAD is implementing a project in Punjab to increase incomes of landless casual labourers, smallholder farmers and woman-headed households. It is expected that about 80,000 poor rural households from four districts will benefit directly from the project.⁵</p>
<p>USAID</p>	<p>USAID has been working with Pakistan to boost agricultural productivity by developing new crop varieties, improving management practices, and increasing farmers' access to improved technologies and irrigation water. In 2019, with USAID support, Pakistan introduced 20 new high-yielding and disease-resistant varieties of wheat and maize. As a result, more than 211,000 individuals have applied improved technologies and farming management practices on nearly 367,000 hectares. In addition, USAID constructed 420 km of irrigation canals, providing access to irrigation water to nearly 8,000 farming households in the newly-merged districts of Khyber Pakhtunkhwa. To further increase farmers' and agribusinesses' incomes, USAID helps agricultural SMEs access financing and add value to agricultural commodities and produce, and links them to more lucrative markets.⁶</p>

³ Neo, 2020

⁴ Hussain, 2018

⁵ IFAD

⁶ USAID Pakistan

General Mill Practices

Supply Chain Characteristics

Eight mills participated in this study. These mills ranged in size, as did the farms in their respective supply chains. Combined, these eight mills reportedly had 17,000 sugar farms in their supply chains, an average of 2,125 per mill. Actual farms per mill varied from 400 up to 4,000.

The average size of the farms in the sample group was 52 ha. The majority of farmers worked with the same mill for 14 years. The average age of a farmer was 42 years. 6% of farmers included in the sample were women.

Certifications

All eight mills had ISO 9001-QMS certifications and 7 had ISO 140001. Half of them had obtained FSSC 22000 and Halal certifications. Three additionally had OHSAS 18001 certification. None of them had Bonsucro, SA8000 or Fairtrade certifications.

Community Support

Four of the mills in the study reported offering support to local schools as part of an effort to support the community. The other mills did not report any specific examples of community support or involvement.

Worker Support

All but one mill reported having union-affiliations. There were no current labor relations issues reported. The seven mills having unions present in the organization reported that they have documented grievance systems in place. These grievance systems are for the mill itself and do not extend to the community for any community complaints. Several mill sites additionally reported the use of suggestion boxes for submitting complaints.

Forced Labor in Pakistan

Legal Framework

Pakistan has ratified both of the fundamental International Labor Organization (ILO) conventions on forced labor.

Constitution of the Islamic Republic of Pakistan, 1973

Article 11 of the Constitution prohibits all forms of forced labor and human trafficking. It also states that slavery is “non-existent and forbidden and no law shall permit or facilitate its introduction into Pakistan in any form.”⁷

The Bonded Labour System (Abolition) Act, 1992

Article 4 of this Act formally abolished the bonded labour system in Pakistan and prohibits the use of advances (*peshgi*) to compel any person to render bonded labor or forced labor. It also established a system of Vigilance Committees at the district level to support the rehabilitation of bonded laborers.

An ILO working paper provided a succinct summary of the bonded labor definition under this Act, as follows: “a bonded laborer is a person who has pledged to work for a creditor, against nominal wages in cash or kind, till the creditor declares that the loan is repaid. During the period of bondage, the laborer does not have the freedom to seek other employment or other means of livelihood or to move from one place to another. In other words, bonded labor is pledged to work for a pittance to redeem debts, which he may not even have himself incurred.”⁸

Khyber Pakhtunkhwa Bonded Labour System (Abolition) Act, 2015

This provincial level act, specific to the province of Khyber Pakhtunkhwa, formerly known as the North-West Frontier Province, repealed the national level Bonded Labor System (Abolition) Act for this particular province, in favor of this new regulation. Similar to the national act from 1992, this act prohibits bonded labor, including slavery and

Table: Forced Labor Standards

Pakistan Forced Labor International Convention Ratifications	
ILO C029, Forced Labor	Yes
ILO C105, Abolition of Forced Labor	Yes

⁷ Government of Pakistan, 1973

⁸ Arif, 2004

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debt bondage, and prohibits the use of advances in pursuance of bonded labor or forced labor.⁹

The Children (Pledging of Labour) Act, 1933

This Act prohibits the pledging of labor of any child. Including any agreement oral or written in which the services of a child are allowed to be used in exchange for payment or any benefit.

Historical Context

The practice of using wage advances, or *peshai*, has been part of labor relations in the region for over two centuries.¹⁰ Historically, there were feudal relationships between the wealthy landowners (*zamindars*) and agriculture workers (*haris* or sharecroppers). Workers would accept the wage advance, and enter into a debt bondage relationship. These were widespread practices, prevalent across vast areas of land holdings.

The concept of the *peshai* allowed low income families accessibility to loans for help with basic subsistence needs, covering unplanned capital expenditures, bridging the income gap while waiting for seasonal agricultural work, or covering the cost of labor migration. It was understood that if the laborer cannot repay the *peshai*, the entire family would be obligated to work toward repayment of the loan. However, it was common place for the terms of the loan and/or the terms of the labor to be manipulated such that repayment became impossible. This could be done by reducing or withholding wages paid, changing the terms of interest or the timeframe for repayment, or increasing the obligations of what is owed, including undercounting any output produced against the debt, all in an effort to prevent the debt from being paid off.¹¹

It is noted that some people working in bonded labor today come from families which have been trapped in bonded labour for several generations. It is has been a historical economic model and part of regular life for those who are bonded for so long, that bonded laborers “tacitly accept it as a way of life.”¹²

⁹ Mahmood, 2015

¹⁰ Fraser 2020

¹¹ Fraser 2020

¹² Fraser 2020

Current Context

According to the Global Slavery Index, about 2.1 million people are working as bonded labourers in Pakistan.¹³ Bonded labour in agriculture is reportedly most prevalent in Sindh and southern Punjab.

In the late 1990s, there was a concerted effort by the state government to enact legislation to end bonded labor. These changes have been seen to have little impact on bonded labor in the agricultural sector, primarily due to a lack of actual change by landowners regarding their employment practices and a lack of enforcement requiring them to do so.¹⁴ Bonded labor reportedly remains present in the agricultural sector, including in sugarcane, cotton and wheat.¹⁵

Employers of bonded laborers may exploit the low educational levels of the workers by not using written contracts and altering debt amounts, thereby preventing bonded laborers from knowing when their debts would be paid.¹⁶

Workers can reportedly change employers if they convince the new employer to buy their debt and transfer it to the new employment relationship. However, this can lead to multiple debt arrangements for a worker. In addition, labor contractors have emerged as a crucial actor in large-scale agricultural enterprises, acting as middlemen to recruit and manage teams of workers.¹⁷ They may also manage the land holdings on behalf of absentee landowners (zamindars.) There are reports that some landowners restricted workers' movements through the use of armed guards.¹⁸

More and more agricultural workers, or *haris*, are also migrants. This increase is due in part to the increase in large-scale commercial agriculture. Absence from their original communities can lead to ostracism upon return. They can also be seen as competitors when arriving into new areas for work. This contributes to the vulnerable status of

¹³ Fraser 2020

¹⁴ Qureshi, A and Khan, A. (eds) 2016. Bonded labour in Pakistan; Oxford University Press. Police in areas where there is bonded labour often are bribed by employers to ignore bonded labour practices.

¹⁵ US State Dept, 2020

¹⁶ US State Dept, 2020

¹⁷ Fraser 2020

¹⁸ US State Dept, 2020

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migrants. Finally, migrants often have multiple debt arrangements including with middlemen and landowners.¹⁹

Women in Bonded Labor

According to Fraser, et al, 2020, women experience bonded labour differently than men:

Under a patriarchal system, women are not only exploited by employers, but also husbands who demand both productive and reproductive labour from them. In brick kilns and agriculture where families are employed as a single unit, money earned by a woman would be paid directly to their husband or father. In working environments where physical and sexual abuse from employers is a common occurrence, women face additional risks of sexual abuse. In domestic work/servitude, this situation is common. Here it is particularly difficult for women to protect themselves as the situation occurs in private homes. The need to retain some employment forces women to endure these exploitative conditions. Speaking out against gender-specific vulnerabilities and abuses may cause repercussions such as being blamed for what they experience or bringing shame to the family. Women will not receive any maternity concessions and will be expected to work through their pregnancy. Once a child is born, women will be expected to return to work immediately. Any time lost will be added to the *peshgi* or other members of the family will be expected to cover the absence of the mother by working longer hours.²⁰

Safety of Working Conditions

According to the US State Department, health and safety standards were poor across the country in a range of sectors. This increases the vulnerability of bonded laborers. Without adequate healthcare available, workers who have work-related illnesses or injuries must increase their *peshgi* to pay for medical assistance, leading to a spiraling level of debt.²¹

¹⁹ Fraser 2020

²⁰ Fraser 2020

²¹ Fraser 2020

Initiatives to Combat Forced Labor

<p>Pakistan Workers' Federation and the Bonded Labour Liberation Front</p>	<p>Pakistan Workers' Federation (PWF) intensified its organizing efforts, focusing on workers in the informal economy, including domestic workers, home-based workers, and workers in brick kilns, fisheries, agriculture, and bakeries, and other sectors.</p>
<p>Micro-credit schemes</p>	<p>Microcredit schemes can ensure that vulnerable families are able to avoid falling victim to debt bondage. A government-funded project in Punjab province is providing brick kiln workers with zero interest micro-loans for use in income generating projects and other purposes.</p>
<p>National Rural Support Programme</p>	<p>The National Rural Support Programme (NRSP) has worked as an implementing partner to the ILO. NRSP is Pakistan's largest development NGO and holds the country's largest microfinance portfolio. NRSP developed a safety net programme providing access to microcredit, savings and an innovative land lease initiative. Through this scheme, over 400 families received land with titles. The project also built community schools, which improved literacy and education of children. The NRSP offered loans to freed <i>haris</i> of amounts varying from \$20 to \$90, with a service charge of 20 % on declining balances. The project achieved a repayment rate of 91%. Most loans were for livestock and small enterprises, and most women borrowed more than once.</p>
<p>Micro-insurance schemes</p>	<p>Microinsurance was introduced to households in camps where freed <i>haris</i> were resettled. The policy covered hospitalization expenses of up to Pakistani Rs.25,000; and compensation for accidental death or permanent disability arising from accidental bodily injury worth up to Rs.50,000 (\$1,250). Adamjee Insurance, the largest insurance company in Pakistan, partnered with NRSP and the Aga Khan Rural Support Programme AKRSP – large NGOs with extensive rural outreach and good relationships with rural households. They conducted research on health, medical needs and existing health infrastructure, and devised insurance products that were low cost, met local needs and were administered by trusted NGO contacts. This helped the company reach remote and poverty stricken desert areas of Pakistan.</p>

Programme for the Prevention and Elimination of Bonded Labour in South Asia" (PEBLISA) , implemented 2006-2008

Micro-leasing program: When bonded labourers are released, their most critical needs are housing and homestead land. The landlease was to facilitate house construction. 403 plots were leased by freed bonded labor families.

Integrated approach: research studies and workshops sensitized government officers about the conditions of bonded labour. The Legal Aid Service project was approved and houses were constructed by the Bonded Labour Fund Directors. Two units for legal aid services were set up at the province level. The National Coalition against Bonded Labour was formed. A major development was the activation of the National Committee (NC) for the supervision of the activities undertaken under the National Policy and Plan of Action. The NC has provided a useful platform for constructive dialogue between provincial governments and the representatives of the Brick Kiln Owners' Association. At the community level, 12 community primary schools were opened and teacher absenteeism was reduced due to effective monitoring. The programme reduced the vulnerability of beneficiaries to diseases and expenses on medicines. Health camps were conducted, benefiting 23,610 patients. Confidence levels of beneficiaries increased and they themselves expressed that they felt empowered. By February 2006, 73 per cent of them possessed national Identity Cards as compared to only 12 per cent before the project. Fifty three per cent of them registered as voters and many voted in the local body elections in 2005.²²

Forced Labor Findings

The information in this section is based on field interviews with sugar mill managers, farmers, and workers.

²² Premchander, 2014

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Mill Policies on Forced Labor

Of the eight mills surveyed, seven had established policies on forced labor, including issues related to voluntary overtime and no restriction of movement. One mill did not have any formal policies in place. None of the mills applied this policy to the farm suppliers. There were also no formal policies in place for remediation of forced labor, should it be discovered. The mills reported having identified no incidents of forced labor at any time.

Worker recruitment

For 75% of the mills in this sample, workers at the farms visited reported being hired by a contractor, or *thakedar*. For the remaining 25% of the sample, workers reported being hired directly by the landowner or the lease-holder, depending on who was cultivating the land. In all cases, hiring includes a verbal agreement, with no written agreement or labor contracts in place. In cases where a large family group was hired to work, one person from the group would be nominated to negotiate on behalf of all family members, without an individual oral agreement for each person in the group.

The majority of farm workers were from local villages close to the farms, but there were some workers from outside areas, including different provinces. Local workers tended to have other jobs in addition to harvest, including caring for their own animals at home. After the harvest is completed, workers will work on other crops, including corn, mustard, wheat, canola and other seasonal vegetables. Non-local workers stay through the harvest and then may return home.

No workers reported paying fees related to recruitment, either to the mill, landowners, or contractors.

Wages and Advances

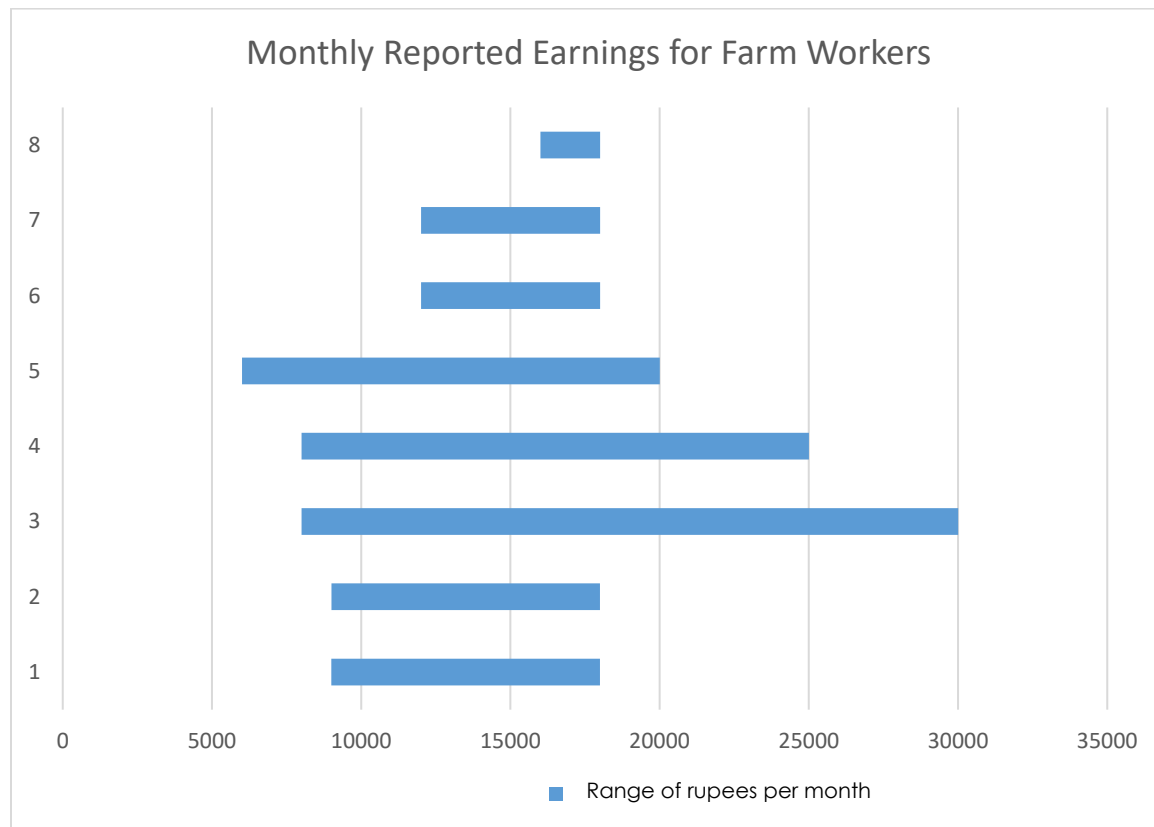
Minimum wages are set by industry. The general industry minimum wage in Pakistan at the time of the study was 17,500 Pakistani Rupees per month. However, there is no mandated minimum wage for the agricultural sector.

Work and compensation arrangements are verbal agreements between the contractor and the workers. Farm workers reported being paid in cash on a piece rate basis, from 6,000 to 30,000 Pakistani Rupees per month. Some didn't know how much they were paid, including some of the young workers aged 15-17. Most young workers are paid as part of a family group, with payment going to the head of the household.

Some workers stated that they get paid weekly, some after 15 days and some get paid on a monthly basis. At the farms for two mills, some workers reported that they are paid after the truck has been weighed and unloaded, which may be daily pay. The

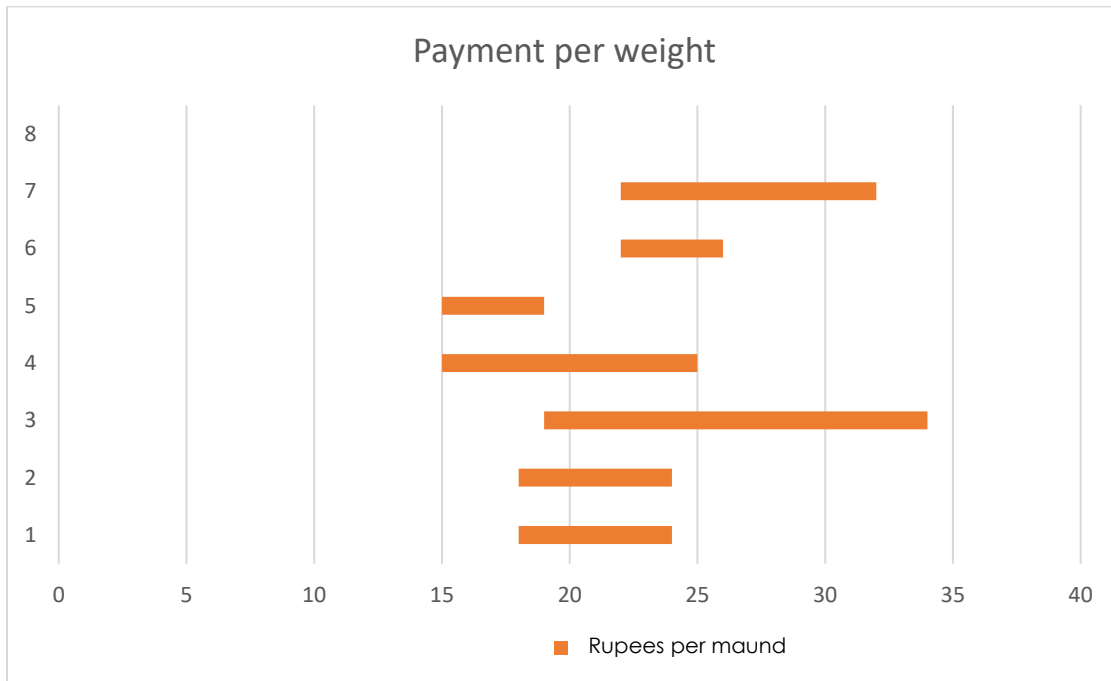
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expected labor includes harvest as well as loading sugarcane in trolleys or truck. These are weighed at the mill and a slip with weight and amount is issued, which is the basis for the final compensation workers will receive per load. The division of the payment for a total truck load amongst workers or groups of workers is carried out by head of each work site, who also is responsible for assigning work responsibilities.



The high variation in reported earnings may be due to the practices of different individual farms, the number of days per week a worker works, whether they are being paid as part of a family group or as an individual, and whether they have taken an advance against their pay. Some workers also included in their reported earnings additional wages earned from selling milk or other activities, though every effort was made to correct that and focus only on sugarcane harvest income.

The chart below displays the reported payment per weight of cane harvested, showing a variation in pay across farms.



* A maund is a traditional unit of mass, equal to approximately 82 lbs (37 kg).

Loans and Advances

Within the farm samples for all mills in the study, some workers reported that they ask the contractor for an advance on their salary to cover expenses and that they receive the balance of their pay after the advance is deducted at the end of the month. These were reported as incidental advances, able to be paid off within the month, while still receiving some additional funds from their salary at the end of the month.



Workers loading a truck with sugarcane

Other workers reported taking personal loans (larger than an advance for daily expenses) from the contractor or from other people and re-paying the loan in installments, scheduled for pay-off by the end of the harvest season.

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The largest loan reported was for 250,000 Rupees, as the worker bought some sheep. At the time of the interviews, he had paid back 100,000 Rupees. Another worker's loan was 150,000 Rupees for home repairs. He had paid back 70,000 Rupees. Such loans were typically smaller than these and planned for pay-off by end of the harvest season. All such loan arrangements are reportedly verbal agreements, similar to the other compensation and work arrangements.

Workers on a farm in the Sindh province stated that their contractor takes a commission from them of 1-3 Rupees.

Work Hours

Workers reported working from approximately 7:00AM to 5:00PM for 6 days per week during the harvest season, usually with Fridays off as a rest day, though some did report occasional work on Fridays. They work for 4-5 months through the harvest season. There were no reports of mandatory overtime or coercion related to work hours or work practices.

Health and Safety

Farm workers reported that they are not issued any protective equipment. If they choose to use anything such as gloves or boots, they purchase it themselves. However, very few were observed with such equipment. All farm workers reported that they are free to take breaks as needed for such things as drinking water or using the restroom. They should bring their own water to the fields, as none is provided. The majority of workers reported bringing their own water but still feeling thirsty during the work day. Normally they will take a mid-day rest and the entire work team will have their meal at the farm. Often tea is made by one worker to share with all. There are no restrooms in the areas of the farm fields and no first aid kits are provided.

Living Conditions

While the majority of workers are local and return home daily after work, three mills had a farms in the sample that reported providing accommodation for workers not from the area. These accommodations were not able to be visited during the field work, but workers reported that they are houses with rooms that accommodate multiple workers, ranging from 3-4 per room up to 6-7 per room, depending on the size. In one case, workers reported renting a room themselves. Workers described the housing as typical and had no complaints regarding the conditions.

Child Labor in Pakistan

Legal Framework

Pakistan has ratified core International Labor Conventions on child labor. Pakistan has both federal and provincial laws governing the employment of children, with some of the key laws summarized here. The federal minimum age for hazardous labor doesn't comply with international standards as it sets the age at 15 rather than 18.²³

Constitution of the Islamic Republic of Pakistan, 1973

Article 11 of the Constitution guarantees that “no child below the age of fourteen years shall be engaged in any factory or mine or any other hazardous employment.” The 18th Constitutional Amendment of 2010 requires the state to provide free and compulsory education to all children of the age of five to sixteen years.²⁴

Employment of Children Act, 1991

This federal act defines a child as not yet having completed their 14th year. Children are prohibited from working in jobs related to railways, ports and selling of firecrackers, as well as working in manufacturing shops for a range of listed products and processes, such as carpet weaving, cloth printing, mica-cutting, and construction. However, these prohibitions do not apply where the manager of the establishment or farm is the family of the child, or the work is done in relation to a recognized school.

The act sets restrictions on work hours for children, prohibiting night work and overtime, requiring a rest of one hour after 3 hours of work and one rest day per week.

Punjab Restriction of Employment of Children Act, 2016

This provincial act defines child as someone not yet 15 years old. Employers are prohibited from employing children in farms, factories and other establishments. Adolescents, aged 15-17, are prohibited from engaging in hazardous work – a provision not found at the federal level. The act contains similar provisions on restricted work

Table 3. Child Labor Standards

Pakistan Child Labor Laws and International Labor Convention Ratifications	
ILO C138, Minimum Age	Yes
ILO C182, Worst Forms of Child Labor	Yes
Minimum age for employment	14
Minimum age for hazardous employment	15
Minimum age for agricultural work	No

²³ US Dept of State, 2018

²⁴ Iffikhar, 2016

hours. The restrictions for adolescents are exempted if they are working for their parents or through a government approved education or training institution. The schedule of prohibited hazardous work for adolescents includes work in transport, railways, ports, mines, using power driven cutting machinery including agricultural machines, mixing and manufacture of pesticides, etc.

Sindh Prohibition of Employment of Children Act, 2017

This act aligns the definition of child with that of the federal act such that a child is someone not having completed their 14th year. Adolescent is defined as 15-17 years. Employers are prohibited from employing children, including in any agricultural, industrial, or commercial establishment. Similar to the other acts, it places restrictions on adolescents' work hours, prohibits overtime, and requires one rest day per week. These restrictions do not apply if the employer is the parent of the adolescent or the work is through an approved school, but this exemption is only specified for adolescents and not children. The scheduled of prohibited hazardous work does apply to all adolescents and includes work in transport, mines, with fireworks, lifting heavy weight, using power driven cutting machinery including agricultural machines, mixing and manufacture of pesticides, etc.

Historical Context

In the mid-1990s, Pakistan became known on the world stage for child labor in hand-stitched soccer balls, following a global media report on the topic. Ensuing scrutiny focused on the presence of child laborers in other export-oriented industries, such as garments. In reality, the predominance of child labor was focused in the domestic industry, including agriculture and brick making. In 1996, Pakistan carried out a National Child Labor Survey, identifying 8.3% of children between the ages of 5 and 14 - 3.3 million children, as economically active, though this study excluded informal labor often performed by children, such as domestic labor.²⁵ The survey identified 46% of working children were engaged in weekly work hours exceeding the 35-hour limit for their age group. 72% were found to be active in agriculture.²⁶

²⁵ National Rural Support Programme, 2010

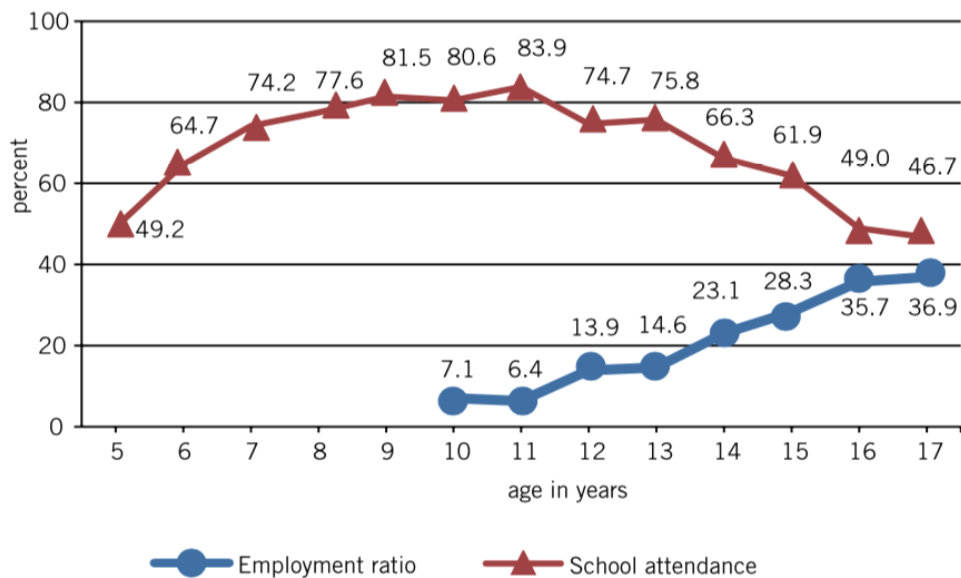
²⁶ Kang, 2012

Current Context

According to Pakistan's 2010-2011 Labour Force Survey, approximately 5.7 million children - nearly 20% of 10-17 year olds - are working.²⁷ That breaks down to 13% of children aged 10-14 years and 33.3% of children aged 15-17 years. Of these working children, more than two-thirds are employed in the agricultural sector.²⁸

Nearly 70% of children aged 10 - 17 years are in school. According to the ILO, the school attendance rate for 10-14 year old children in Pakistan is 76%, dropping to 53.2% for 15-17 year olds.²⁹

Figure 21: Child activity status, by age



Source: UCW calculations based on Pakistan, Labour Force Survey (LFS), 2010-2011

Children engaged in agricultural work have been documented harvesting cotton, wheat, and sugarcane. Children are also involved in the worst forms of child labor, such as bonded labor in agriculture and brick kilns.³⁰ According to Labor Force Survey data,

²⁷ The 2017-2018 Labour Force Survey did not have segregated data for the under 18 age group; therefore, the older survey was sourced for this information.

²⁸ Khan and Lyon, 2015

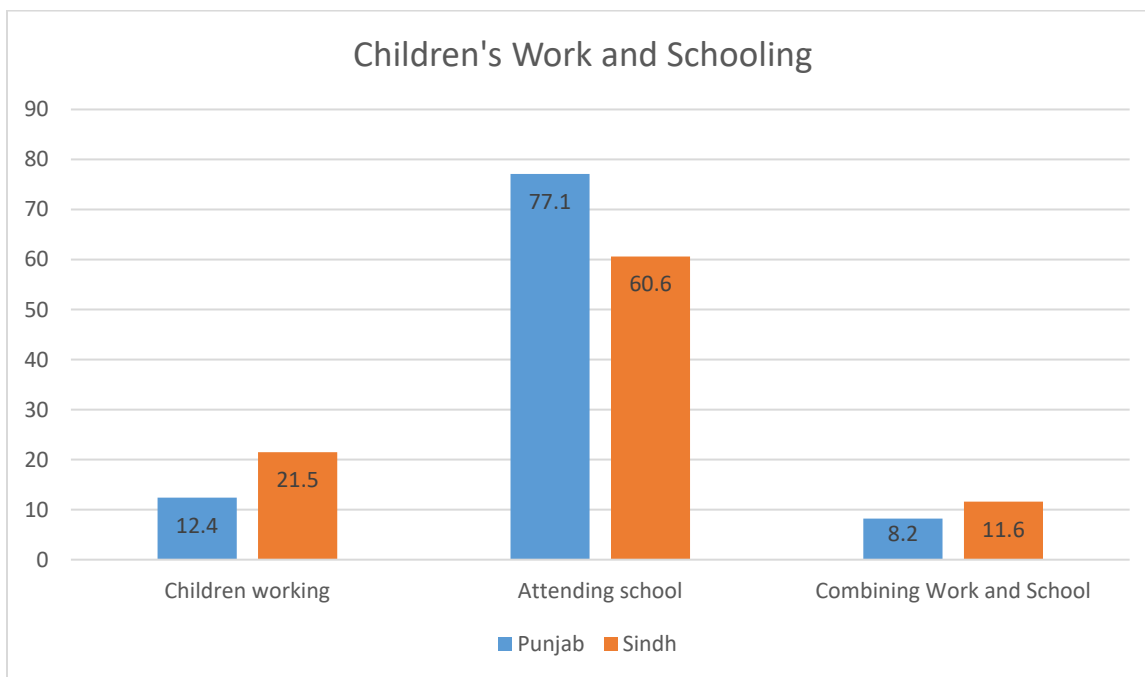
²⁹ Khan and Lyon, 2015

³⁰ US DOL, 2018

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65% of the occupational accidents and injuries to children aged 10-14 years occurred in agricultural work.³¹

The Punjab and Sindh provinces are hot beds of child labor, accounting for 84% of total child labor in Pakistan.³² According to UNESCO data sourced by the US Department of Labor, over 20% of children ages 5-14 years are working in the Sindh Province compared with 12.4% in Punjab. A higher percent of children in Punjab attend school and more children in Sindh combine schooling and work activities.



Barriers to attending school include “high rates of teacher absenteeism, inadequate facilities, lack of transportation, and corporal punishment, which may deter children from attending school.” In addition, armed groups continue to threaten and attack students, teachers, and schools.³³

³¹ Iffikhar, 2016

³² Iffikhar, 2016

³³ US DOL, 2018

Initiatives to Combat Child Labor

<p>Elimination of Child and Bonded Labour</p>	<p>Punjab government funded effort to eliminate the worst forms of child labour and bonded labour particularly at brick kilns, along with the rehabilitation of freed labourers. The project aims at rehabilitation of 375,000 children through non-formal basic education and skill development; economic empowerment of 100,000 child labour families; amendment in labour laws dealing with eradication of child labour and improvement in legislation; capacity building of the inspection staff of Provincial Labour Departments; issuance of social security cards to 150,000 families of brick kiln workers; establishment of model workplace; to eradicate child labour.³⁴</p>
<p>Combating Worst Forms of Child Labour , Punjab</p>	<p>A Government of Punjab project being run in 4 districts of Punjab (Chakwal, Jehlum, Jhang, and Layyah). The focus of the scheme is to eradicate worst forms of child labour as defined under ILO Convention 182.³⁵</p>
<p>Combating Worst Forms of Child Labour , Balochistan</p>	<p>The Balochistan project has two components: Rapid Assessment Survey in eight targeted districts of Balochistan (Quetta, Loralai, Qilla Saifullah, Turbat, Gawadar, Sibi, Lasbela & Panjgoor) through implementing agencies and execution of intervention in any one of the districts based the findings of rapid assessment survey.³⁶</p>
<p>Pakistan Bait-ul-Mal (PBM) Child Support Program</p>	<p>PBM supports poor families for sending their children between the ages of 5 to 16 years to school, providing these families with the incentive to send their children to school instead of work. A cash subsidy of Rs. 300 is provided to a family with a single child going to school. The amount is raised to Rs. 600 for two or more children. Nearly 85,000 children have benefited from this program. Under its National Centers for Rehabilitation of Child Labour (NCRCL), PBM removes children between the age of 5-14 years from hazardous labour and enroll them in centers where they are provided free education, clothing, footwear and stipend as well as subsistence allowance to their parents. There are 158 educational centers in the</p>

³⁴ Iffikhar, 2016

³⁵ Ibid.

³⁶ Ibid.

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	country and nearly 20,000 children are receiving primary education through these centers.
ILO-Funded Projects	ILO projects in Pakistan aimed to eliminate child labor, including the \$216,000 project Sustaining GSP Plus Status by Strengthened National Capacities to Improve International Labor Standards (ILS) Compliance and Reporting (2015–2018), and the \$465,000 project Elimination of Child Labor and Promotion of Decent Work in the Stora Enso Value Chain in Pakistan (2015–2018). ³⁷

³⁷ USDOL, 2018

Child Labor Findings

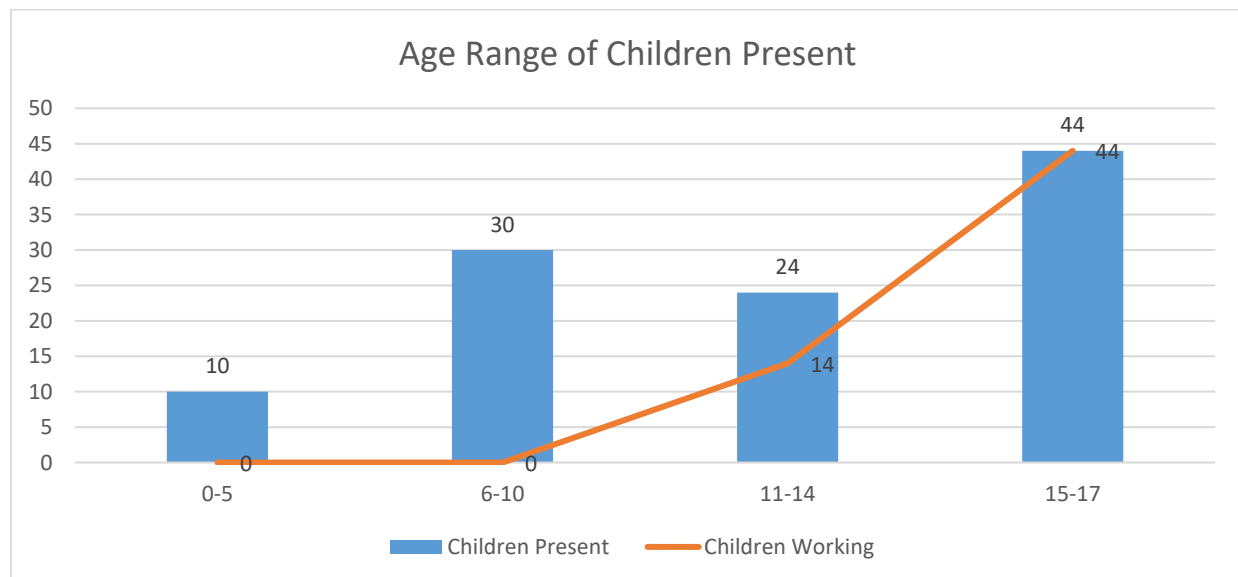
Mills Policies on Child Labor

Of the eight mills surveyed, seven had documented written policies on the employment of minors and prohibition of child labor. These primarily consisted of policies only to allow the hiring of workers of the legal working age or above, as well as a requirement to validate worker ages with official documentation. One mill did not have any formal policies in place. None of the mills applied any child labor policy to the farm suppliers. There were also no formal policies in place for remediation of child labor, should it be discovered. Most of the mills provided schools for children of mill workers, described in further detail below.

Field Observations

Of the 240 farms visited in Pakistan, in both Punjab and Sindh, children were observed at 77 farms, or 32% of the sample. There were approximately 108 children observed at these 77 farms. At 52 of these farms, or 22% of the total sample, children were observed to be engaged in work, including cutting cane, stripping or cleaning cane, and loading trucks. There were approximately 14 children aged 11-14 and 44 children aged 15-17 involved in work.

Number of Children Present on Farms in Punjab and Sindh by Age Range



At the remaining 25 sites where children were observed, they were seen to be present but not working. This group of children ranged in age from infants up to age 14. At one farm, a mother had made a swing to hold her baby while she was working.



Homemade baby swing for infant on sugar farm

Children under the age of 10 years reportedly came to accompany their mother and father since no one else was at home, or they came independently from the nearby village to collect some sugarcane scrap to eat as a treat.

Access to Education

During visits to mills and sugar farms, the field team visited schools both within the communities and on the sugar mill land. For the visits conducted during the latter portion of the study, schools had been closed due to Covid-19. However, prior to these closures, six schools in Punjab province were visited and one school in Sindh.

School directors in Punjab provided information on attendance rates. One school director stated that the local village had a 35-40% literacy rate and most families were not educating their children: roughly 50% of boys were in school and 30% of girls. He stated that the village elders did not have a historical focus on education. Reportedly 50% of the children came from poor families and poverty provides a barrier to school enrollment. In government schools, there was a reported 20 rupee monthly fee to



School funded by sugar mill

attend school. Some families may not send their children to school because they prefer them to train as a technical workers, to learn in motorcycle shops, in hotels, and to earn money in general.

One high school director stated that during agricultural harvest seasons, there is an impact in attendance in secondary schools but not in primary schools. There can be as much as a 20% drop in attendance during harvest, when parents may take their children to help with the harvest or leave them at home to care for the cattle and other things while parents are working. Teachers reportedly meet with parents and try to motivate them to

maintain attendance during harvest.

A girls primary school was visited in one Punjab village. It had 71 enrolled students, but the daily attendance is around 50%. According to the school director, this was because most villagers did not consider female education to be important and many families kept their daughters at home to help with household work.

Of the eight mills in the study, six had schools located in the mill premises. These were primarily for the children of mill workers. However, if there were available seat, children from the surrounding area could also enroll. There were no specific provisions made for children of farm workers.

One school reported that there is no fee to attend the school and books and uniforms are provided at a subsidized rate.

One was a school for hearing impaired children, established with the help of the sugar mill. The school has 134 students enrolled and they recruit from several nearby villages with encouraging results. This school is available free of cost, including books and other learning aids.

Land Use in Pakistan

Formal land administration processes that were introduced in the British colonial period underlie today's legal framework for land ownership and land use in Pakistan.³⁸ Land reform efforts began in earnest in the 1950s and continue through today. However, land ownership in Pakistan remains broadly inequitable, with 50 percent of rural households reported to be landless or near-landless.³⁹

Legal Framework

Pakistan's civil law framework emerged from the British colonial legislation of India and over the years has evolved to reflect Islamic jurisprudence.⁴¹ At the time of independence, a landlord-tenant system was dominant in Sindh province, while an owner-operator system existed across Punjab.⁴²

According to USAID, today "more than two dozen laws govern a variety of land matters at the national and provincial levels. There are numerous laws that regulate ownership, transfer, acquisition and tenancy. Land laws in rural and urban areas are often different."⁴³ Key land laws are highlighted in the table on this page.

The Constitution of the Islamic Republic of Pakistan

Property rights are protected under the Constitution of Pakistan, 1973, which provides every citizen with the right to acquire, hold and dispose of property in any part of Pakistan.⁴⁴

Table: Key Land Laws

Examples of Pakistan Land Laws ⁴⁰
The Transfer of Property Act, 1882
The Punjab Tenancy Act, 1887
The Government Tenants Act, 1893
The Land Acquisition Act, 1894;
The Registration Act, 1908
The Colonization of Government Lands Act, 1912
The Sindh Tenancy Act, 1950
The Khyber Pakhtunkhwa Tenancy Act, 1950
The Provincial Land Revenue Acts of 1967
The Baluchistan Tenancy Ordinance, 1978
The Land Record Manual
The Land Administration Manual
The Settlement Manual

³⁸ UN Habitat, 2012

³⁹ USAID, 2018

⁴⁰ UN Habitat, 2012

⁴¹ USAID, 2018

⁴² Fraser, 2020

⁴³ USAID, 2018

⁴⁴ Government of Pakistan, 1973

In 2010, the 18th amendment to the Constitution was passed with the aim of decentralizing federal controls to the provincial level, including in the areas of agriculture and rural development. Individual provinces are working at different rates to adapt federal regulations to meet their needs and development goals.⁴⁵

The 1973 Land Reforms Punjab Amendment Act

As part of the major land reform efforts in the 1970s, this law limited ownership to 100 acres of irrigated land or 200 acres of non-irrigated land. Any land in excess of this amount was surrendered to the government and the government should pay compensation for it. This excess land should be granted to landless tenants or used for public purposes.

The Punjab Land Records Authority Act 2017 (Act VI of 2017)

This law provides for a provincial land records authority, aiming to reform and modernize the system of land records and contribute to enhanced tenure security.

Historical Context

In the 1200s AD, Sultan Ala-uddin Khiliji introduced a system of land administration in the region. In the 1600s AD, the administration of Mughal Emperor Akbar improved on this with the establishment of a land revenue and administration system that became the basic foundation for today's systems in Pakistan, Bangladesh and India.⁴⁶

Under the British colonial administration, these systems became more formalized, with specific rights and responsibilities for owners outlined in legislation, including the relationship between land owners and tenants.⁴⁷

A feudal landowner-tenant system prevailed into the 1950s, when land reform efforts began to take hold. Originally, the aim was to improve the position of tenant farmers and reduce or eliminate landlessness via land redistribution efforts. Three main phases of legislative efforts were pursued under three different governments in 1959, 1972 and 1977.

While legislation was passed to this end, there continue to be challenges with the sharecropping system in Pakistan today. Large land owners have reclaimed the lands

⁴⁵ USAID, 2018

⁴⁶ UN-Habitat, 2012

⁴⁷ UN-Habitat, 2012

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from tenant farmers and are focusing on their own cultivation.⁴⁸ Currently, half of rural households are landless or near-landless.⁴⁹

According to USAID, “The Land Reform Act of 1977—Pakistan’s third and most recent structural effort at addressing inequality of land access and land tenure since Independence—failed to meet its objectives. The legislation attempted to plug gaps in prior legislation and implement tenancy, land ceiling and land distribution reforms. Almost all of the minimal progress made occurred under the initial 1959 reforms. Pakistan’s uneven land distribution remains unaddressed.”

Current Context

Pakistan has a total land area of 770,875 square kilometers, excluding the contested region of Jammu and Kashmir. About 40% of Pakistan’s total land area is agricultural, 90% of which is located in the Indus River Plain of Punjab and Sindh provinces. Pakistan’s total GDP in 2016 was an estimated \$284 billion, comprised of 21% agriculture, 20% industry, and 59% services.⁵⁰

Approximately 39% of the labor force works in agriculture (30.2% males and 67.2% females). Pakistan is amongst the world’s top ten producers of wheat, cotton, sugarcane, mango, and dates, and is ranked 10th in rice production.⁵¹

There are three primary land categories in Pakistan: state-owned land, privately-owned land, or village common land. Farmland is usually in the category of privately-owned land. Private landowners have the right to sell their land with some limitations, including possible restrictions on sale to persons who are residents of another area. Under Islamic inheritance laws, private land may go to heirs with pre-determined shares.⁵² This has led to landholdings becoming smaller and smaller.⁵³

In 2010, 67% of privately-owned farms were smallholders with less than five acres of land. The average size of farm holdings in the country was 6.4 acres. The average size of

⁴⁸ Arif, 2004

⁴⁹ USAID, 2018

⁵⁰ USAID, 2018

⁵¹ FAO, 2020

⁵² UN-Habitat 2012

⁵³ USAID, 2018

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larger land holdings was 435 acres.⁵⁴ Therefore, while there are a large number of smallholders, the majority of land is concentrated into larger farms held by a few.

Large numbers of landless people persist, even following the decades of legislative land reform efforts that culminated with the Land Reform Act of 1977. Occasional uprisings occur, with landless peasants demanding access to land.⁵⁵

According to USAID, landowners who cannot or do not want to cultivate agricultural land routinely lease it out under fixed- term agreements or sharecropper arrangements. Tenant farmers either lease or sharecrop land or work as laborers on and off farms.⁵⁶

Tenant Farmers	Sharecroppers
<p>Occupancy tenants have statutory rights to occupy land; simple tenants occupy land on the basis of a contract with a landlord. Tenants on smallholdings often have seasonal or annual contracts that are routinely renewed for several years.</p> <p>“The social hierarchy and consequential power relationships between landed families and tenure-insecure tenants however, creates dependency and keeps tenants in subordinate social and political positions. Tenancy reforms have been ineffective in increasing security and tenants have little legal recourse in the event of eviction.” (USAID, 2018)</p>	<p>Sharecropping arrangements, or <i>battai</i>, are common on parcels of agricultural land less than 30 hectares. Roughly 71% of Pakistan's tenant- operated land was sharecropped in 2010, and 84% of sharecropper households are vulnerable to living in poverty. Sharecropping arrangements are often intergenerational, as over time landlords form close bonds with tenants and their families. Sharecropping arrangements usually provide the landowner with half the production from the land. Middlemen may broker these agreements. Most agreements are unwritten. (USAID, 2018)</p>

⁵⁴ USAID, 2018

⁵⁵ USAID, 2018

⁵⁶ USAID, 2018

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Leases may be written or oral, but the majority are oral agreements, as noted in the comparative table above. The lack of written documentation regarding agreements can create challenges for farmers, especially those with low literacy levels.⁵⁷ Challenges could include landowners making unexpected changes to terms, farmers lacking access to services or inputs, etc.

Squatting and land-grabbing are common in Pakistan. This is further complicated by the presence of individuals and groups known in Pakistan as the *Land Mafia*, who “illegally take possession of land or claim ownership of land and dispossess true owners through legal or extra-legal means.” The Illegal Dispossession Act of 2005 was passed in an effort to address this problem.⁵⁸

Initiatives to Promote Land Rights

<p>Strategy to Mainstream the Principles and Practices of Responsible Governance of Tenure in Legislation, Administration and Policies of the Land Sector in Sindh Province, Pakistan</p>	<p>Part of FAO’s project ‘Improved LAND Tenancy in Sindh’, funded by the European Union, this four year project launched in 2019. It aims to improve land tenure governance in the province, while promoting the adoption of climate-resilient agriculture techniques. Across Sindh, customary sharecropping arrangements on farms of various sizes have been challenged by weak governance of land tenure. There are difficulties in updating agreements that reflect changed climatic conditions and advanced agriculture production systems. The provincial strategy will provide recommendations to the government on land tenure governance, helping to reduce poverty and ensure food security in Sindh.⁵⁹</p>
<p>Improved Land Tenancy in Sindh Province (ILTS)</p>	<p>Food and Agriculture Organization of the United Nations (FAO) with the financial assistance of the European Union (EU) will work to improve land tenancy for the landless farmers or haris under the project ‘Improved Land Tenancy in Sindh Province (ILTS)’. Haris or landless farmers in Sindh usually have access to land as tenants through verbal agreements between them and the landlords. These farmers often end-up as vulnerable “bonded” workers. Starting in 2018, this project will run for four years. 4,800 informal tenancy</p>

⁵⁷ Jamali, 2018

⁵⁸ USAID, 2018

⁵⁹ FAO, 2019

	<p>agreements between haris and landlords and 504 Farmer Field Schools and Women Open Schools will be conducted to contribute to improving livelihoods and reducing poverty along with ensuring better use of natural resources in the targeted areas.⁶⁰</p>
<p>Land Records Management Information System</p>	<p>With support from the World Bank, the government of Punjab has digitized the province's rural land records in an effort to improve service delivery and make the records less dispersed. The Land Records Management Information System (LRMIS) has been rolled out in all 36 districts of Punjab through 143 Arazi Record Centers (ARCs). The biggest achievement is that the project reduces the time required to complete transactions from two months to just 45 minutes. The centers have also helped lower costs, increase transparency, and improve governance. It has replaced the inefficient, corruption-prone Patwar culture in the province with a transparent, quick and digitized revenue records system aimed at helping legitimate owners, the majority of whom are small holders. The computerized land records system is also expected to reduce instances of land dispute litigation clogging the courts of law.⁶¹</p>

Pakistan Land Use Findings

Mill Policies on Land Use

TCCC has adopted a policy stance on secure land rights and has asked suppliers to do the same. However, at the time of the study, only two of the eight mills were found to have put such a policy in place. These policies were specifically related to the mill operations and not to their farm supply chain. None of the mills reported carrying out a review of farmer land records at the time of entering contractual agreements.

Fifty percent of the mills reported being aware of land conflicts in the region, but they did not have any land use policies in place for themselves or their farm suppliers. None of the mills reported being aware of any displacement of persons or communities

⁶⁰ FAO, 2018

⁶¹ World Bank, 2017

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related to establishment of mill lands. There were no reports of plans for future expansion related to mill operations.

Farmer Land Use

Landowners were frequently not present on the land at the time of the field visits. Therefore, efforts were made to locate and interview a sample of landowners within each group of sample farms. Twenty-two total land-owners were interviewed across the 8 mills. All but one reported that the land was family ancestral land, coming to them from their grandfather or great-grandfather. One reported having purchased the land approximately fifty years ago. None of the landowners reported plans to expand their landholdings.

Two hundred and forty farmers were interviewed, in addition to the landowners. None of them reported having any plans to expand their land use beyond what they were currently using. Farmers and harvest workers did not report awareness of any land disputes or land expansion efforts in the area.

Land Disputes

Half of the mills reported being generally aware of land disputes in the area; however, they were not aware of any specific land ownership disputes related to sugar mills or sugar farm land.

There were no reports that the land currently owned or rented by mills and their supplier farms was obtained inappropriately, illegally or without the consent of the sellers.

Conclusion

The context in which sugar production in Pakistan occurs presents a broad range of challenges, including both historical and present day around bonded labor practices, child labor and land use.

Forced Labor

While Pakistan has made strides in enacting legislation to end bonded labor, the practice, especially in the agricultural sector, remains widespread.

While none of the workers interviewed in this study directly reported a situation of bonded labor, some did report taking advances and personal loans, ranging from incidental to larger amounts. Should they be unable to complete the work of a harvest season for any reason, those with larger loan amounts face the risk of becoming lodged in a debt cycle.

At the time of the study, seven of eight sugar mills had a policy on forced labor; however, the policies only applied at the mill level. They did not address the farm supply chain nor the issue of wage advances and worker debt. There is an opportunity for mills to review the worker recruitment process and look for areas to influence farmer hiring practices. Some of the initiatives profiled in this report may inform models for microcredit interventions that would alleviate the need for employer loans and reduce the risk of bonded labor.

Child Labor

While legislation over the last few decades has focused on reducing child labor and eliminating the worst forms of child labor, in practice it remains a challenge across Pakistan. In particular, child labor remains predominant in agriculture in Punjab and Sindh provinces.

Seven of eight mills had written policies on child labor. However, none of the policies were inclusive of farm supply chains and they did not include remediation efforts.

Most of the mills provided access to schools for children of mill workers, which may present an opportunity for mills prepared to reach out in their communities to promote school attendance. In addition, there are a plethora of civil society and government educational initiatives that could be tapped to improve access to and the use of educational opportunities for children.

Land Use

While land reform efforts have been underway for decades, these efforts have yet to correct the largely inequitable land ownership situation in Pakistan. Half of rural households are landless or near-landless. There is a predominance of sharecropping and tenant farmer arrangements in the agricultural sector, which are often oral agreements that can bring uncertainty and the risk of exploitation.

While land security remains a challenge today, the specific farm sites surveyed in this study did not raise flags regarding current or recent historical land grabbing. TCCC has asked suppliers to adopt a policy to support secure land rights; however, only two of the eight mills had done so at the time of the study. These policies were specific to their mill operations and did not extend to the farm supply chain. None of the mills reported carrying out a review of farmer land records.

While there were no reports of illegal land acquisition or encroachment, there is an opportunity for mills to develop formal policies and prepare for further engagement on land issues with farmers in their cane supply chain. It could be beneficial to tie-in mill and community education efforts with current efforts of organizations identified in this report to improve land tenancy and land records management in Punjab and Sindh provinces.

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