5 Pakistan: Challenges for Women’s Labor Force Participation
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5.1 Introduction

Pakistan’s textile and garment industries are important sources of both foreign exchange earnings and employment. Textiles and garments constitute roughly 60 per cent of Pakistan’s total exports, and the proportion of garments, in particular, has been growing in export earnings. Because the garment industry is more labor intensive than the textile industry, it plays a more important role in employment creation. Because of its importance, Pakistan was greatly concerned with the end of the quota phase-out in January 2005. Specifically, Pakistan was alarmed by the potential for Chinese garment exports to dominate the international market.

As expected, China has indeed increased its garment exports since the quota phase-out. Garment exports from Vietnam, India, and Bangladesh have also expanded rapidly, following China. Pakistan’s garment exports, especially woven wear exports, have shown consistent growth; however, its knitwear exports have grown at a sluggish pace in the post-Multifibre Arrangement (MFA) period, especially up to the year 2009. An estimated 90 per cent of Pakistan’s knitwear factories have been closed since 2005. One distinct feature of Pakistan’s garment industry, in contrast with its international competitors, is that the majority of sewing operators are males hired at piece rates. Interestingly, the author’s interviews reveal that a common feature of surviving knitwear factories is that they hire – and intend to hire – more salaried female sewing operators. It seems that the shift from male to female sewing operators is closely related to factory survival in a period of intensified international competition. One of the two objectives of this study is to explore the reason behind this relationship.
Another objective of this study is to explore the household-specific factors that compel Pakistani women to work outside their homes. In Pakistan, there is a low overall level of female labor force participation. To hire female workers, business managers/owners must provide special services such as transportation. Labor-supply-side factors also prevent women from working outside their homes. In fact, household factors seem stronger because even factories with sufficient management skills to hire female workers encounter difficulty in increasing the proportion of female workers. To meet this objective, this study includes a household survey conducted in Faisalabad, Pakistan’s premier textile-producing city, from May to July 2012.

The rest of the chapter is structured as follows. Section 5.2 overviews the trade performance of Pakistan’s garment sector and its change after the quota phase-out. Section 5.3 describes the characteristics of Pakistan’s garment industry. Section 5.4 presents the author’s interviews with the owners/managers of garment manufacturers-exporters, which reveal the gradual shift that has occurred in Pakistan’s garment industry in the post-MFA period and the difficulties involved in making such a change. Section 5.5 analyzes the household-specific factors restricting Pakistan’s female labor participation on the basis of the household survey. In addition, this section reveals female sewing operators’ substantial financial contribution to their households. Section 5.6 concludes the study.

5.2 Overview of Pakistan’s garment sector trade performance and its change in the post-MFA period

Figure 5.1 depicts the size of Pakistan’s garment exports in terms of worldwide exports as well as its South Asian and South East Asian competitors in 2011. The figures are taken from the import data of US, EU, Canada, and Japan.1 Figures 5.2-1 and 5.2-2 compare the year-to-year growth of Pakistan’s garment exports and those of its major competitors to these four countries since 2004. As expected, Chinese garment exports of both knitwear and woven wear drastically increased in 2005. Among South Asian countries, India and Bangladesh garment exports have expanded rapidly since 2005 despite the fact that both countries were concerned about Chinese dominance over the garment export market following the quota phase-out. In fact, Bangladesh’s growth is outstanding. In contrast, Pakistan’s garment exports, especially those of knitwear,2 experienced the most sluggish growth among the major competitors in the period between 2005 and 2009. According to the