

Improvement of Labour, Social and Environmental Standards in Pakistan's Textile Industry (TextILES II)

The modernisation of Pakistan's textile and fashion industry in line with the sustainability requirements of the EU Green Deal has been initiated by private and public actors.

The Challenge

Pakistan is one of the fifteen largest textile exporters in the world. The EU is an important export market for Pakistan's textile and fashion industry, with a share of around 35%. The sector accounts for 60% of total exports and 8.5% of gross domestic product. At the same time, the textile and fashion value chain provide jobs for 15 million people. Due to its economic and social significance, the sector receives a significant political attention. The Textiles and Apparel Policy 2020–25 defines the sustainable modernisation as a priority for further export growth. The Labour and Human Resource Department (LHRD) and the Environmental Protection Department (EPD) Punjab are focusing on the textile and fashion industry implementing their strategies. The Punjab Prevention Strategy and the Punjab Green Development Programme align with the objectives of the Agenda 2030.

Despite recent improvements, working conditions in the Pakistani textile and fashion industry remain precarious, marked by a lack of attention to human rights, social and environmental standards. The country is lagging behind in the implementation of labour standards, including freedom of association, collective bargaining, and occupational health and safety, with additional challenges like low wages, discrimination against women, and inadequate protection from sexual harassment and violence in the textile and fashion industry. In the environmental sector, the emission of greenhouse gases, air pollution, and the uncontrolled disposal of hazardous waste pose risks to ecosystems and the population. The consequences are declining international competitiveness, weak growth forecasts, and stagnating employment figures.

Project name	Improvement of Labour, Social and Environmental Standards in Pakistan Textile Industry (TextILES II)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Pakistan
Lead executing agency	Ministry of Commerce, Government of Pakistan
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Our Approach

The project supports the development and implementation of legal and political framework for aligning the textile and fashion industry with the EU's sustainability requirements. It employs public-private dialogue and exchange formats to enhance collaboration among actors in shaping and implementing policies. Likewise, experts' advice state and private actors on how to increase their organisational performance.

State inspection authorities aim to efficiently operationalise specific components of government strategies. Local service companies receive assistance in developing strategies to enhance the positioning of their consultancy services in sustainability management within the market. Additionally, textile and fashion producers are provided with process consultation to establish innovation management systems. The technical skills of public decision-makers, specialists from local service companies, and managers from textile and fashion producers are



Pg. 1, Left: GIZ fosters collaborative dialogue among diverse stakeholders, paving the way for sustainable textile practices in Pakistan.

Right: Various service providers are empowered through technical and organizational consulting to develop and implement new services within the textile and fashion industry.



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Pg. 2, Left: Occupational health and safety initiatives have played a key role in promoting a culture of safety within textile factories

Right: Launch of Punjab Prevention Strategy on Safety, Health and Wellbeing

reinforced. The technical skills of public decision-makers, specialists from local service companies, and specialists and managers from textile and fashion producers are strengthened.

Foster cooperation between public and private actors for a sustainable textile and fashion industry

The project aims to create exchange and dialogue formats to strengthen cooperation between public and private actors, fostering the development of regulatory instruments to modernise the Pakistani textile and fashion industry. The stakeholders receive support to develop implementation plans, to strengthen regulatory frameworks and to **development** concrete policy recommendations that improve gender equality. Complementary competence development aims to empower responsible authorities, encourage investment in a socially, ecologically, and economically sustainable way to modernise the textile and fashion industry. These measures primarily address topics aligned with the EU Green Deal, its associated strategy documents like the Supply Chain Sustainability Act (SCSA), and gender equality issues. Additionally, relevant state actors at federal and provincial levels receive technical advice on implementing policy instruments.

Promotion of local service providers

The project strives to enhance the market competitiveness of local service providers in the textile and fashion industry by promoting sustainable production. The focus here is particularly on strengthening methodological expertise in advising on change management processes. The dialogue for sustainability (DfS) change management method will be utilised to initiate change processes at company level. DfS uses a participatory process to establish cross-hierarchical change management teams. The project also supports local service companies in developing business development and marketing strategies for

their sustainability management consulting services. In addition to the dissemination effects (scaling up), the focus is on the sustainable anchoring of the DfS method in the local business ecosystem.

Empowering textile producers practicing circular economy

An important factor to sustainable production practices is the involvement of the management. Knowledge transfer to textile and fashion producers is key to circular economy solutions. The goal here is to empower management and foster innovation processes of selected textile and fashion producers that ultimately lead to sustainable production, technologies, and product designs. **On** instrument is the method of Design Thinking, a process to develop new ideas, local innovation competitions, and the promotion of applied research. Based on analyses of current production processes of product designs, the identified processes and technologies of product innovations are then checked for their technical and financial feasibility and presented to management. If the management decides to implement a measure, the project supports **with** the operation with specific technical advice. Lastly, the partner companies will be supported to market their sustainable products on the European market, proving that the return of investments made in circular production or products is worthwhile.

Gender and Diversity

The project aims to promote gender equality in the workplace, ensure that women are given higher consideration in training and further education, and reduce the income gap between men and women. The project addresses these issues through constructive dialogue measures and the involvement of all relevant stakeholders

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