



**Women in Informal Employment  
Globalizing and Organizing**

WIEGO Working Paper N° 14

March 2010

# **Informal Economy Budget Analysis in Pakistan and Ravi Town, Lahore**

Khawar Mumtaz and Nadia Saleem



# WIEGO Working Papers\*

The global research-policy-action network Women in Informal Employment: Globalizing and Organizing (WIEGO) Working Papers feature research that makes either an empirical or theoretical contribution to existing knowledge about the informal economy especially the working poor, their living and work environments and/or their organizations. Particular attention is paid to policy-relevant research including research that examines policy paradigms and practice. This series includes statistical profiles of informal employment and critical analysis of data collection and classification methods. Methodological issues and innovations, as well as suggestions for future research, are considered. All WIEGO Working Papers are peer reviewed by the WIEGO Research Team and/or external experts. The WIEGO Publication Series is coordinated by the WIEGO Research Team.

This paper was commissioned by WIEGO under the Inclusive Cities Project. The Research Reference Group for the WIEGO/ Inclusive Cities Informal Economy Budget Analysis was Marty Chen and Francie Lund. The Project was coordinated by Debbie Budlender.

## About the Authors:

Khawar Mumtaz, Nadia Saleem, Sara Shujat and Junaid Qureshi are based at the Shirkat Gah Women's Resource Centre. The Centre, which operates across Pakistan, aims to catalyse women's empowerment for social justice and social justice for women's empowerment.

Publication date: March 2010  
ISBN number: ISBN 978-92-95095-29-8

Published by Women in Informal Employment: Globalizing and Organizing (WIEGO)  
A Charitable Company Limited by Guarantee – Company No. 6273538, Registered  
Charity No. 1143510

### **WIEGO Secretariat**

Harvard Kennedy School,  
79 John F. Kennedy Street  
Cambridge, MA 02138, USA  
[www.wiego.org](http://www.wiego.org)

### **WIEGO Limited**

521 Royal Exchange  
Manchester, M2 7EN,  
United Kingdom

Copyright © WIEGO.

This report can be replicated for educational and organizing purposes as long as the source is acknowledged.

---

\* This paper was first published in the WIEGO Urban Policies Research Report Series. In May 2012 WIEGO launched this Working Paper Series incorporating all the Urban Policies Research Reports.

# Table of Contents

<b>Introduction</b> .....	1
<b>The Country Context</b> .....	2
Labour force in Pakistan .....	2
Labour force participation in Pakistan .....	3
The informal labour force in Pakistan .....	3
– Women in the informal sector .....	4
Poverty in Pakistan .....	5
– Punjab .....	5
The budget-making process .....	7
<b>Field Investigations</b> .....	10
The study area .....	10
– Ravi Town .....	10
– Informal sector workers of Shahdara .....	11
<b>Windows of Opportunity?</b> .....	14
Ministries and departments .....	14
Departmental analysis .....	15
– Ministry of Finance .....	15
– Planning and Development Division .....	15
– Department of Labour and Manpower Division (federal) .....	16
– Ministry of Women Development .....	16
– The Department of Trade and Industry .....	16
The Punjab budget .....	17
The Lahore District budget .....	17
Recent policy developments .....	18
The strategy .....	18
<b>References</b> .....	20

## List of Tables

Table 1. Labour Force in Pakistan .....	2
Table 2. Employed Labour Force in Pakistan .....	2
Table 3. Labour Force Participation Rate in Pakistan .....	3
Table 4. Percentage Distribution of Major Sectors of Employment in Pakistan (2007–08).....	4
Table 5. Percentage Distribution of Employment Status in Informal Sector by Sex & Area .....	4
Table 6. Punjab – Percentage Distribution of Employment Status in Informal Sector (2007–08).....	6
Table 7. Punjab – Percentage Contribution of Informal Sector to Employment by Sex and Status in Employment (2007–08) .....	6
Table 8. Punjab – Percentage Distribution of Employed Engaged in Informal Sector by Area (2007–08)...	7
Table 9. Federal Budget-making Process (example 2008–09).....	8
Table 10. Ministry of Finance .....	15
Table 11. Relevant Items within Annual Development Programme (2008–09) City District Govt. Lahore...	17
Table 12. Taxes Imposed in Ravi Town.....	17

# Introduction

The ILO defines the informal economy as a composite of '[a]ll economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements'. It also defines 'decent work' (i.e. opportunities for employment and income, respect for rights at work, social protection and stronger social dialogue) as a basic right for ensuring social justice. In the seventies when the notion of informal sector first got attention, it was seen as providing an opportunity to work, but it could not generally be described as decent work according to the above ILO definition of 2002. There was also the expectation that the informal sector in developing countries would disappear once these countries achieved sufficient levels of economic growth and modern industrial development.<sup>1</sup> However, the informal sector in developing countries seems not only to be growing but also contributing to economic growth and linked with the formal sector of the economy.

In Pakistan agriculture is not included in the definition of informal sector activities. Excluding agriculture, the bulk of Pakistan's workforce is unorganised, and the labour market is dominated by the informal sector. More people are employed in the informal rather than the formal sector. Thus the informal sector accounts for 73%<sup>2</sup> of employment in jobs outside agriculture in rural and urban areas. The informal sector workers include self-employed workers as well as wage workers doing diversified work from petty traders to small producers and from rickshaw drivers to shoe shiners. Their contribution to GNP, estimated at 36.8%,<sup>3</sup> is quite significant.

It has been pointed out time and again that the data available on the informal sector do not depict the true picture, particularly of the actual number of women engaged in and contributing to the informal economy. Recent Government documents such as the Medium Term Development Framework, Poverty Reduction Strategy Papers (2001, 2003), the National Plan of Action (1998) for women's development and the National Policy for Women's Development and Empowerment (2000) have recognised the existence of women in the informal sector, but have failed to respond to the dilemmas of the workers in it or its shortcomings, and nor have they promoted or instituted measures to have the sector's contribution documented in a disaggregated manner (by sex, nature of work, incomes, areas, etc.).

To explore ways of addressing the issues of women in the informal sector, this paper looks at government budget-making and allocations that are relevant to select informal sector activities in order to find out how local, provincial and national budgets directly or indirectly support or hinder these sub-sectors, and especially women working in them. Furthermore, the study aims to identify advocacy opportunities and propose possible strategies to influence budget allocations at the three levels of budget-making. The informal sector workers selected for the study are those engaged in homework, street vending and waste picking in Shahdara neighbourhood in Ravi Town in Punjab province's capital, Lahore.

The study is organised in three parts. Section one provides the context, with an overview of labour force participation in Pakistan, of poverty as the driver of informal labour and budget-making processes at federal, provincial and local levels. Section two describes the study area, and presents the findings from the field. Section three tries to identify the opportunities for advocacy on budgetary allocations.

---

<sup>1</sup> Martha Alter Chen (2005) 'Rethinking the Informal Economy :Linkages with the Formal Economy and the Formal Regulatory Environment' Research Paper No. 2005/10 WIDER

<sup>2</sup> Labour Force Survey (2007–08)

<sup>3</sup> Iffat Idris (2008) 'Legal Empowerment in Pakistan' United Nations Development Programme, Pakistan

# The Country Context

## Labour force in Pakistan

Pakistan is the 6th most populous economy of the world with a total population of approximately 162.4 million, of which 78.11 million (48%) are female.<sup>4</sup> The majority of the population, (approximately 65 percent) lives in rural areas. Women make up 48 percent of the population living in urban areas, and 49 percent in rural areas. In 2007–08, out of the total population 51.8 million constituted the recorded labour force which is primarily male (almost 79%). Compared with 2001–02, the male share of the labour force in 2007–08 showed a decline of six percentage points with an equivalent increase in the female share (Table 1). While this may be a reflection of change in societal and household-level view of women's formal employment it can also be interpreted as the compulsion to earn in the face of widespread poverty.

**Table 1. Labour Force in Pakistan**

Years	Total labour force (Millions)	Male labour force (Millions)	Female labour force (Millions)	Male share of the labour force (%)	Female share of the labour force (%)
2001–02	42.4	35.6	6.8	84.0	16.0
2005–06	50.33	39.92	10.41	79.3	20.7
2007–08	51.78	40.82	10.96	78.8	21.2

Source: Various Economic Surveys

In terms of employment, according to the Labour Force Survey (LFS) 2007–8, total employed labour force in Pakistan was 49.09 million (95% of total labour force) out of which 10.03 million (19.4%) were females (Table 2). The gap between male and female employment in Pakistan has been substantial historically and continues to be so. Between 2001–02 and 2007–08, the male share of the employed labour force decreased by about six percentage points and resulted in a corresponding increase in the share of the female share of the employed labour force.

**Table 2. Employed Labour Force in Pakistan**

Years	Total employed labour force	Male employed labour force	Female employed labour force	Employed labour force as % of total labour force	Male employed LF share (%)	Female Employed LF share (%)
2001–02	38.88	33.19	5.69	91.7	85.4	14.6
2005–06	47.65	38.11	9.54	94.7	80.0	20.0
2007–08	49.09	39.06	10.03	94.8	79.6	20.4

Sources: Various Economic Surveys

Agriculture is the main source of employment in Pakistan absorbing about 45 percent of the employed labour force, with industry accounting for about 20 percent (2007–08) and the services sector another 35 percent. From the perspective of women in the informal sector, evidence from various studies indicates that activities are either linked to the manufacturing sector (through out-putting or contract system)

<sup>4</sup> Economic Survey 2008–09

or as unpaid family workers in family-owned informal/unregistered enterprises (trinkets, embroidery, prayer beads, etc.) or in services (domestic help, tailors, etc.). Educational levels especially of the female population are important determinants of the nature of employment and opportunities available to them. In recent years, the total literacy rate for the population aged 15 years and above has increased only slightly, improving from 52 percent in 2003–04 to 55 percent (72.3% urban; 47.5% rural) in 2007–08 with female literacy at 43 percent in 2007–08 (64.5% urban; 32.5% rural).

## Labour force participation in Pakistan

The crude participation rate<sup>5</sup> of 32.2 percent of the most recent LFS 2007–08 suggests very marginal improvement for both males and females as compared to LFS 2001–02 (29.6%). Interestingly, the participation rate increased significantly for rural areas from 29.9 percent to 33.8 percent and for women from 9.9 percent to 14.0 percent. Overall, according to the Labour Force Survey, the decline was registered for urban women from 7.3 percent in year 2001–02 to 6.2 percent in year 2007–08, an indication perhaps of higher participation of women in the non-farm sector in rural areas and their being pushed into the informal sector in urban areas.

**Table 3. Labour Force Participation Rate in Pakistan**

	2000–01			2005–06			2007–08		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Pakistan	29.6	48	9.9	31.8	49.1	13.5	32.2	49.3	14.0
Rural	29.9	47.6	11.1	32.9	48.3	16.7	33.8	49.1	17.9
Urban	29.1	48.9	7.3	29.7	50.8	7.1	28.9	49.9	6.2

Source: Various economic surveys

## The informal labour force in Pakistan

The operational definition of the informal sector adopted in the Labour Force Survey of Pakistan for collecting data is based on two criteria:

- the enterprise has to belong to the household sector; in other words, only private unincorporated enterprises are included in the informal sector,
- Its size has to be below a certain threshold, established in terms of number of persons engaged.

All household enterprises engaged in agricultural activities are excluded from the definition. Paid domestic employees and family members producing goods for own final uses are included. Further, informal activities carried out as secondary jobs are not included in the aggregate as questions in the Labour Force Survey on the informal sector refer only to the main activity of the persons employed.

The informal sector in Pakistan, like its population, is more or less evenly distributed across rural and urban areas (Table 4). Almost 91 percent of the documented informal sector workers are male. Women seem to be non-existent in the informal economy according to official figures.

<sup>5</sup> Labour force participation rate is defined as crude activity rate which is computed as currently active population expressed as a percentage of the total population in Pakistan. (Official definition of Federal Bureau of Statistics)

According to LFS 2007–08, 55.3 percent (27.2 million) of the total employed labour force was engaged in the non-agriculture sector and the informal sector, which falls within it, accounted for 40.3 percent (19.8 million) of all employment. Thus, the employment contribution of the informal sector in the non-agriculture sector was approximately 73 percent in 2007–08 (72 percent in 2005–06). However women’s share of the informal non-agricultural employment was a miniscule 3.7 percent of all employment (though still more than double that of women in formal employment in the same sector – Table 4).

**Table 4. Percentage Distribution of Major Sectors of Employment in Pakistan (2007–08)**

Pakistan	Total Employment	Male	Female
Agriculture	44.7	29.3	15.3
Non-Agriculture:	55.3	50.2	5.1
– Formal	15.0	13.6	1.4
– Informal	40.3	36.6	3.7

Source: Labour Force Survey 2007–08  
Figures in table are percentages

Similarly, one sees that men in the informal sector form 91 percent of the total employed in it whereas women barely form one-tenth of the sector. The LFS 2007–08 (Table 5) reveals that there are no women recorded as employers, and women unpaid family workers account for only 1.9% of all informal sector workers, women self-employed for only 2.5 percent, and women employees for only 4.8 percent.

**Table 5. Percentage Distribution of Employment Status in Informal Sector by Sex & Area**

Pakistan	Rural % share	Male % share	Female % share	Urban % share	Male % share	Female % share
Total informal employment	51.1	45.7	5.4	48.9	45.1	3.8
Employer	0.5	0.5	–	1.5	1.5	0.0
Self-employed	21.3	19.8	1.5	20.3	19.4	0.9
Unpaid Family worker	5.5	4.3	1.1	6.5	5.7	0.8
Employee	23.9	21.1	2.8	20.6	18.5	2.1

Source: Labour Force Survey 2007–08

### Women in the informal sector

One of the major issues regarding the informal sector is the invisibility of women workers in the national statistics and in policy discourse. This is due to definitional problems and socio-cultural constraints as well as gender biases and flaws in sample sizes and data collection methods. As a result activity patterns of women workers remain ignored, not because they are not working but as many independent studies have highlighted, because their work does not get counted or recognised.<sup>6</sup> In almost every site of the Pakistan Participatory Poverty Assessment (PPA) of 2003<sup>7</sup> for instance, women were found to be engaged in productive work (sewing shoes, footballs, peeling nuts, etc). A number of reasons may be offered for

<sup>6</sup> See for some of the studies, Luta Bertulfo, Fatima Ihsan, and Luceta Lazo, *Home-based Workers Scoping Exercise*, a report for CIDA. July 2009. (unpublished)

<sup>7</sup> *Pakistan Participatory Poverty Assessment, National and Punjab, Sindh, NWFP, Baluchistan, AJK, FANA Reports*. Government of Pakistan, Planning Commission, Islamabad. 2003

the invisibility, including the fact that women don't seem to own businesses in the informal economy; that women are less likely to be reported as self-employed and much more likely than men to be reported to be unpaid family workers.

The Medium Term Development Framework 2005–10, the principal document that guides economic planning and sets priorities, recognises the under-enumeration of women's contribution to the GDP and the lack of accurate sex-disaggregated data. However, it does not provide much guidance on what has to be done to rectify the situation. Most of the information about the sector and especially women's involvement comes from studies that have highlighted characteristics of the sector i.e. long hours of work, lack of continuity, absence of contracts, and its often hazardous nature.<sup>8</sup> Asad and Sohail (2001) in their paper on women workers in Karachi<sup>9</sup> compare the characteristics of women working in the informal and formal sectors. They found that informal sector women had more children, and among them home-workers had larger number than those engaged in small scale industry. Home-workers made up the higher proportion of the sector (37 percent, whereas women in small and large scale industry were 32 percent and 31 percent respectively). Their income was found to be lower; they worked longer hours (8–12 hours/day) and needed to work because of poverty. The choice of work depended on factors such as opportunity, age and the marital status of women and their relative skills. Other studies also disclose similar characteristics.<sup>10</sup>

A consequence of the exclusion of women in the informal sector from data collection is their not being prioritised in national, provincial or district policies or budgets.

## Poverty in Pakistan

Given the correlation of poverty and informal employment it is important to give an overview of the state of poverty in the country, even though poverty estimates are the subject of considerable controversy. Poverty in Pakistan is associated with large family size and concentrated in rural areas where 80 percent of the poor of the country live.<sup>11</sup> Official figures on the basis of a head count suggest that poverty increased in Pakistan up until 1993–94, fell by 13 percent in 1996–97 and increased again in 1998–99. By 2001–02 it was estimated that 34.5 percent of the population was living below the poverty line. Subsequent figures showing decline in the numbers living below the poverty line to 23.9 percent (2004–05) and to further 22.3 percent in 2006–07 have been strongly contested on the basis of skewed sampling. Notwithstanding the debate on head count and poverty line, there is enough evidence (as noted above) to show that informal sector employment is the principle mitigating strategy of the poor. Moreover, Pakistan's security situation combined with inflation, high oil prices, energy crisis and the closure of industries has contributed further to exacerbate the condition of the poor in the country.

Despite the absence of data for gender related poverty in Pakistan, studies have shown that indeed, poverty has a female face.<sup>12</sup>

### Punjab

This is the largest province in terms of population and second largest in area and accounts for more than half (55.6 percent) of Pakistan's population. It has a dominant position in terms of resources and political influence. Lahore, the capital is the country's second largest city.

<sup>8</sup> These were documented and highlighted for the first time as far back as 1981 by Farida Shaheed and Khawar Mumtaz in their study, *Invisible Workers*. Women's Division. Islamabad. 1981

<sup>9</sup> Asad Sayeed, and Sohail Javed (2001). Working Paper No.3 on Household Characteristics, Poverty and Indebtedness among Women Workers in Urban Pakistan. Pakistan Institute of Labour Education and Research (PILER), Karachi.

<sup>10</sup> Farida Shaheed and Khawar Mumtaz, *Invisible Workers*: GOP. 1981; Shahanz Kazi and Zeba Sathar; Akmal Hussain *et al*, *UNHDR Pakistan*. 2003

<sup>11</sup> Federal Bureau of Statistics, *PSLM FY 2005/06, Government of Pakistan*

<sup>12</sup> *Pakistan Participatory Poverty Assessment National Report*. GOP. 2003

The labour force participation rate has declined in Punjab from 34.7 percent in 2006–07 to 33.8 percent in 2007–8. The agriculture sector employed 43.4 percent of the labour force whereas approximately 13 percent of employment was in the non-agricultural formal sector and 43.4 percent in the non-agricultural informal sector. In 2007–08, out of Punjab’s total labour force of 42.07 million, about a quarter (24.4 percent) were female, and informal sector females accounted for only 5.4 percent of all employed (2.27 million) (Table 6).

**Table 6. Punjab – Percentage Distribution of Employment Status in Informal Sector (2007– 08)**

<b>Punjab</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Agriculture	43.4	26.5	16.9
Non-Agriculture:	56.6	49.7	6.9
–Formal	13.1	11.6	1.5
–Informal	43.4	38.0	5.4

In a similar manner despite the fact that 63.6 percent of the total informal employment of Pakistan is found in Punjab there were no women in the category of employers in the LFS data (the percentage of men too is abysmal at less than one percent), women unpaid family workers were 1.7 percent of all informal sector workers and women self-employed were only 2 percent. Women formed a bare 8 percent of the total (Table 7).

**Table 7. Punjab – Percentage Contribution of Informal Sector to Employment by Sex and Status in Employment (2007–08)**

<b>Punjab</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>
Total informal employment	63.6	55.7	7.9
Employer	0.8	0.8	0.0
Self-employed	26.4	24.4	2.1
Unpaid family worker	7.2	5.6	1.7
Employee	29.1	25.0	4.1

The rural-urban distribution of informal employment shows that in Punjab most of it is in rural areas (55 percent) with rural women’s share forming about 5 percent of it. In urban areas female informal employment in urban areas accounts for only 3 percent of all informal employment.

Despite being the most affluent province of Pakistan Punjab has major income disparities with poverty on the increase in both urban and rural areas.<sup>13</sup> Urban poverty is at 26 percent (higher than the national average of 22 percent) and rural poverty at 36 percent. Poverty is said to be more income- than food-related and has tended to be concentrated in the slums and *kachi abadis*<sup>14</sup> of urban areas.

<sup>13</sup> According to the Pakistan PRSP, the overall poverty incidence in Punjab has been higher than that of Pakistan as well as Sindh and Balochistan.

<sup>14</sup> Social Policy and Development Centre (SPDC) estimates based on Population and Housing Census (1998) and on SPDC Research Report No. 10 (1996): ‘Social Development Ranking of Districts of Pakistan’.

**Table 8. Punjab – Percentage Distribution of Employed Engaged in Informal Sector by Area (2007–08)**

<b>Punjab</b>	<b>Rural</b>	<b>Male</b>	<b>Female</b>	<b>Urban</b>	<b>Male</b>	<b>Female</b>
Total informal employment	34.8	29.9	4.9	28.8	25.8	3.0
Employer	0.3	0.3		0.5	0.5	0.0
Self-employed	14.3	13.0	1.3	12.2	11.4	0.8
Unpaid Family worker	3.6	2.6	1.0	3.7	3.0	0.7
Employee	16.7	14.1	2.6	12.4	10.9	1.6

## The budget-making process

It is the executive who controls the budget in Pakistan and not the parliament, and budgeting normally is incremental in nature. At the federal (central) level the Finance, Economic Affairs and Revenue Divisions of the Ministry of Finance are involved in the budget-making as well as the Planning and Development Division (including the Planning Commission) of the Ministry of Planning and Development.

The internal government budgeting process is set off by the ‘budget call letter’. Finance Division at the Federal level and the finance department at the provincial level, set out policy priorities for the ministries and departments in the ‘call letter’. All government agencies have to respond to the Budget Call Letters issued by the Finance Division to forward Revised Estimates for the outgoing year and Budget estimates for next year respectively, for tax receipts, foreign assistance and Public Sector Development Programme.

Revenue and expenditure estimates by the Ministry of Finance and preparation of the Annual Development Programme in respect of the development budget run as simultaneous processes. The development budget estimates are submitted to the Planning Commission for review (or planning departments/planning boards in provinces) whereas the recurrent estimates are studied in the Finance Division for final review. Budget-making, as mentioned above, on incremental basis is the followed practice. The process of budget information starts as early as October (See Table 9 for the various stages of budget-making and departments involved in it).

**Table 9. Federal Budget-making Process (example 2008–09)**

<b>Circular issued</b>	<b>10 October, 2007</b>
Current Budget 2007–08 guidelines for Financial Advisors/DFAs	15 November, 2007
Submissions of proposals for current budget 2008–09 by Divisions to FA Organisation	15 December, 2007
General Recommendations of FAs for current and development expenditure	16 January, 2008
Mid-year review and next year's estimated (Finance and Planning Divisions)	21 January, 2008
Last date for submission of current expenditure estimates to Budget Wing of Finance Division	1 March, 2008
Finalisation of development budget/PSDP in the Priorities Committee	2–12 April, 2008
Fair copies of development budget countersigned by technical/programming sections of Planning and Development divisions to Budget wing	26 April, 2008
Annual Plan Coordination Committee (APCC) meeting	1 May, 2008 (tentative)
National Economic Council (NEC) meeting	21 May, 2008 (tentative)
Completion of all budget documents, schedules and summaries for the Cabinet	31 May, 2008 (tentative)
Presentation of Budget to the Cabinet	7 June, 2008 (tentative)

Budget is the annual financial statement outlining the expected revenues and expenditures of the government for the coming year. It also reports on the actual expenditures and revenue during the year just ended. The financial year in Pakistan starts on July 1 and ends on June 30. The Federal Government places before the National Assembly a statement of the estimated receipts and expenditure of the Federal Government every year. The document, Annual Budget Statement, shows separately (a) the sums required to meet expenditure described by the Constitution as expenditure *charged* upon the Federal Consolidated Fund; and (b) the sums required to meet other expenditure *proposed* to be made from the Federal Consolidated Fund. Expenditure *charged* upon the Federal Consolidated Fund may be discussed in, but cannot be submitted to the vote of the National Assembly. These expenditures include debt servicing. Other expenditure is submitted to the National Assembly in the form of demands for grants and the Assembly has power to assent to, or to refuse to assent to, any demand.

The Finance Ministry of the Federal Government is responsible for the annual budget which is placed before the National Assembly. Most of the annual budget is allocated for current expenditure which includes spending on defence expenditure, interest payments, and general administration, etc (in 2007–08 current expenditure amounted to 85.8 percent of the total budget). The annual Public Sector Development Plan (PSDP) which receives the balance of the budget includes expenditure on infrastructure development, social development and production sectors, is open to cut motions by members of the National Assembly and possible change in allocations. Under infrastructure development are included the ministries of water and power, railways, communications, and special programmes. Social sector development includes finance, education, health, social welfare, environment, youth affairs, housing and works, law justice and human rights. The production sector includes food, agriculture, livestock division, industries (plus labour) and textile.

The *provincial share* is determined by the Federal Government through the National Finance Commission. In 2008–09 provinces received Rs.213,896 million for development projects from the federal government (i.e. 8.4 percent of the total national budget). For infrastructure development government allocated Rs141,689.8 million (i.e. 59.5 percent of the total development budget) and allocated 11.45 of the total federal budget for social development.

In recent years the budget focus has been on employment creation through public works programmes and government has adopted a labour intensive strategy that targets agriculture, livestock, industry including small and medium enterprises, telecommunications and information technology, services, housing and construction and natural resources.<sup>15</sup> Government has included training, education and improved social safety nets for both employment expansion and activation.<sup>16</sup>

In provinces funds are further distributed to the districts under the Provincial Finance Commission (PFC) Award and 90% of the district's finances (over 90%) come from the PFC.<sup>17</sup> In addition, there are allocations for projects funded by foreign bilateral/multilateral agencies (e.g. education/health sector reforms, Gender Reform Action Programme, etc.), as well as Federal development and non-development grants. A proportion of the grant is distributed equally between Punjab's 289 union councils (UCs) and the rest on the basis of local needs that are supposed to be determined by the UC and included in the District Annual Development Plan (ADP) for local implementation. District Governments generate a very small amount of revenue locally.

At the *District Government level*, Executive Development Officer (EDO) of Finance & Planning (F&P) Department coordinates the preparation of the development as well as the current budgets; he/she also issues the 'budget call letter' to sectoral administrative heads (EDOs) setting guidelines for the planning and budgeting process and giving instructions. Since 2006–07, Punjab required that all departments gender disaggregate their expenditure at the provincial and district level. The development budget is the amount left after budgeting for the recurring costs and liabilities. The Town Officer Planning is responsible for the Town Municipal Administration (TMA) development budget and at the UC level it is the *nazim's*<sup>18</sup> responsibility. Under the Local Government Ordinance (LGO) 2001 at least 25 percent of the development budget is to be expended through Citizen Community Boards. In every local area (defined as Union, *Tehsil/Taluqa*, Town, District and City District) a group of non-elected citizens may, for mobilising the community for development and improvement in service delivery, set up a Citizen Community Board. The Citizen Community Boards contribute in project design, implementation, management and monitoring at grass root level with a view to improve services. Community Boards are registered with the Community Development Group of Office of the respective district.

Estimated costs of projects forwarded by the UC *nazim* to the District *nazim* are made by relevant departments and their PC-1 (Planning Commission Document 1) are prepared for scrutiny by the District Development Committee<sup>19</sup> (DDC) and subsequent acceptance as an approved scheme. Once approved the District Council incorporates the scheme/project in the District annual budget. The formal go-ahead for administrative action is given by the DDC. The possibility of presenting a supplementary budget to the District Council is also present within the system.

However, it needs to be kept in mind that the preparation of the development budget is not without challenges at this level (as also perhaps at all levels). According to a recent examination of budget-making in Faisalabad City District Government found problems ranging from political motivation in picking projects that disregard UC/district priorities, absence of consultation with councillors before deciding upon schemes, inability to make timely proposals to the tendency to squeeze budget-making into two months before approval in June despite the fact that the budget call letters go out in October of the previous year.<sup>20</sup>

---

<sup>15</sup> The hallmarks of year 2008–09 were intensified war on terrorism, decline in exports earning, negative growth in large scale manufacturing sector (-5.73 percent), slowdown in foreign direct investment (FDI) in telecom sector and financial sector (estimated growth 4.2 percent which is half of the 8.2 percent last year), increased commodity prices, and Pakistan has to avail International Monetary Fund (IMF) standby arrangement for maintaining the fiscal discipline.

<sup>16</sup> Economic Survey 2008–09, Labour Force Survey (2007–08)

<sup>17</sup> City District Government Faisalabad. *Strategic Operational Plan* (2004–05)

<sup>18</sup> The chair of each tier of local government is called *nazim* and the vice-chair is called the *naib nazim*. Further explanations of the local government system are given in the next section.

<sup>19</sup> Chaired by the DCO with EDO/DDO of select departments

<sup>20</sup> Khawar Mumtaz, *How does the system work; the case of City District Government Faisalabad*. Paper for Shirkat Gah's Women's Empowerment in Muslim Contexts project. 2008. Unpublished.

## Field Investigations

Administratively, since the passage of LGO 2001<sup>21</sup> every province is divided into districts that are at the apex of a three-tiered local government system with tehsils forming the middle and union councils the lowest tier of governance and administration. Each UC consists of villages that vary in size but cover a population of approximately 5,000. Large metropolitan areas are designated as city districts where the administrative areas are divided into towns and each town further includes a number of union councils. Punjab has 35 districts and Lahore is a city district with 9 towns and a population of over 12 million of which about 28 percent is peri-urban.<sup>22</sup> With 74 percent literacy rate (compared to 59 percent for Punjab) Lahore is one of the more literate areas of Pakistan with 105 percent gross primary attendance rate.

The head of the district government is the *zila nazim* who presides over the elected district assembly (*zila council*) as well as is the executive head of the district administration. The *zila council* has three fundamental functions:

- legislative (levying local taxes, raising or lowering existing taxes; and making by-laws, rules and procedures applicable to local governments),
- monitoring the district administration, and
- approving district budgets and development plans.

Each tier of the local government has 33 percent seats reserved for women and dedicated peasant and labour seats. Union Council members are directly elected and their *nazims* and *naib nazims* (vice-chairs) become members of the *zila* and *tehsil* councils respectively. Budget-making is done at the district level with the district assembly approving it.

## The study area

Of the nine towns of Lahore, Ravi Town was selected for the informal sector study. Within it, the Union Council of Shahdara was the field study area. Shahdara is a large and busy UC on the periphery of Lahore district located on the right bank of the river Ravi and very close to the city dump. The selection was determined by the fact that the town is the only one where all three informal sector groups were found thus making it more comparable with the studies in other countries that are a part of the WIEGO project. The fact that one of the authors had participated in a recent study of the waste pickers of Shahdara was an additional incentive to choose the area.<sup>23</sup>

### Ravi Town

According to the MICs (Multiple Indicator Cluster Survey) (2007–08) that captures district level data<sup>24</sup>, the population of Ravi Town is a mix of rural migrants and local inhabitants. The mean income per month of the residents is Rs.1771 with 20 percent of the people having incomes of less than Rs.750 (about \$9) per month. A marginal number of households (2.8 percent) receive remittances from abroad and less than one percent from other parts of the country. There is high unemployment (64 percent) but interestingly 74 percent of the population own houses with almost 95 percent valued at more than Rs.100,000 (approximately \$1200). This is probably due to the fact that the Town has undergone relatively recent urbanisation where former rural residents have retained their homes. About 5 percent of the inhabitants still own agricultural land and 3.7 percent possess livestock.

---

<sup>21</sup> The Local Government law of 2000 is currently under review with all provinces wanting its provisions reversed. However, administrative units will continue in all probability, though budget-making may revert to the bureaucracy.

<sup>22</sup> The city has two military cantonments that are governed separately.

<sup>23</sup> Khalid Butt, Waste pickers study. GC University 2008

<sup>24</sup> Bureau of Statistics, *Multiple Indicator Cluster Survey, Punjab 2007–08*. Planning and Development Department, Government of the Punjab. Lahore.

### Informal sector workers of Shahdara

To investigate groups of women and men working as waste pickers, home-workers and street vendors Shirkat Gah used two strategies: One was of consultation with those actively engaged in working with informal sector workers in Lahore and specifically in Shahdara and Ravi Town e.g. the Women Workers Helpline run by the Labour Party; Working Women's Organisation; Home Net, a network of organisations working with home-based workers across the country; Pakistan Institute of Labour Education and Research (PILER) etc., and officials from the Solid Waste Department, Labour Department and Planning and Development Department. The second was of conducting a limited survey of, and focus group discussions with, the three sets of informal sector workers. The earlier study of waste pickers in Ravi Town provided valuable information on that group. Shirkat Gah also carried out a desk review of studies of women informal sector workers as well as government documents to understand the budget-making process at different administrative levels.

In the survey 61 structured interviews were administered of which 22 were with vendors that included 7 females, 24 were with waste pickers of which 7 were females and 15 with home-workers who were all women. Interviews with the 29 women revealed that a large number of women of the area were involved in informal sector activities, a point corroborated by Women Worker's Helpline that has organised home-workers here for collective bargaining on rates with contractors.

**Waste pickers:** Waste picking was found to be an income generating activity undertaken by families of Afghans who displaced due to the prolonged Afghan war, migrated to Pakistan and camped close to Lahore's major land fill site/dumping ground, Mehmood Booti in Ravi Town. The entire family including women and children were found to be involved in collecting waste, though in overall terms fewer women are engaged in the activity. Living under stricter seclusion norms, the women are not easily accessible to outsiders and men in the family do not want to admit that women collect waste even though they can be seen doing so.

The waste pickers collect and sort solid non-organic waste from streets, markets and neighbourhood dumps. Usually they rummage for recyclable items like paper, glass, bottles and broken mirrors, steel scrap, hospital waste and plastic bags. Plastic and steel goods/scrap are the most prized items. In the evening the male head of the family sorts and sells the collected waste to local dealers of second hand and used goods (*Kabbariaya*).<sup>25</sup> The latter is the intermediary whose business it is to sell the material to related industries for recycling or other usage.

Collection involves carrying heavy loads ranging from 12 kg to 50 kg. Over one-third of the waste pickers met reported carrying load of up to 100 kg. The work can also be hazardous as in the case of hospital waste. Lahore's various public and private hospitals are inadequately equipped with incinerators or waste disposal facilities and as a result the waste is dumped outdoors and collected by waste pickers. It is potentially injurious to the health of the pickers as well as the end users of the recycled products. The waste pickers are also exposed to dog and snake bites.

The pickers from Shahdara reported having to pay for collecting waste from the weekly *bazaars* (flea markets) set up under a government scheme to provide cheaper goods to residents by providing free space to sellers. The *bazaars* are organised by voluntary Market Committees nominated by the *nazim*. However common practice seems to be of organisers charging unofficial commission from vendors and also from waste collectors. According to officials of the Solid Waste Department collecting waste from the roadside or city dumps is not permissible but since the city government has inadequate waste collection and disposal capacity, 30 percent of the waste generated by the city is collected by the pickers. Hence no action is taken against them. The reported family earnings were in the range of Rs.6,000–8,000 per month. Women's work was subsumed as family income.

**Home-workers** in Shahdara were found to be mostly women, which is not surprising as according to the draft National Policy for Home-based Workers (2008) 65 percent of all women workers in Pakistan

---

<sup>25</sup> *Kabbariaya* is the term used locally for junk man.

are home-based as opposed to 4% men working at home.<sup>26</sup> The home-workers of Shahdara have low educational levels (below grade 5) and work largely on a piece rate basis receiving low wages and irregular incomes. The nature, type and volume of their work and consequently remuneration varied being dependent on the contractor/intermediary who brings the work. The women were found engaged in 9 activities (sewing, embroidery, carpet weaving, making costume jewellery, printing suits, washing syrup bottles, preparing henna cones, cooking, and assembling energy savers). Those sewing clothes charged Rs.100–150 per suit and could sew 2–3 ladies suits daily and had the potential of earning up to Rs.7,000 per month. A woman sewing *shalwars* (trousers) for a garment factory received Rs.5 per *shalwar* and could sew up to 50 *shalwars* in a day but the factory did not provide that much work to her. Given the irregularity of the work, while incomes could reach Rs.7,000–8,000 per month e.g. embroidery during *eid* (the annual religious festival) they did not regularly manage to do so. The task of washing syrup bottles with caustic soda entailed health hazard. The activity fetches women Rs.0.50 per bottle and hundreds have to be washed for a decent return. The artificial jewellery makers were the most satisfied with their work as that brought relatively regular income of Rs.100–200 per day. Needless to say women's working hours were found to be long if they wanted reasonable income. Given the sluggish economy both availability of work and opportunity to earn have been affected.

Most (80 percent) of the home based workers are married and feel compelled to work due to meagre family income. The unmarried, though fewer among the sample, worked 12 to 16 hours daily with no concept of a holiday in their lives, or recreation. Most home-workers complained about poor working conditions and verbal and physical abuse by the contractor (and also by men within the family). Other non-work related complaints were about electricity load shedding, poor health facilities and badly behaved husbands. Demands for better jobs and skill training centres were common.

**Street vendors:** The other category of work in which women's presence seems to have increased in Lahore is that of street vendors. Scattered women vendors can be seen in most of Lahore's up-market shopping areas selling light-weight items (pins, clips, socks, etc.) and a variety of baubles. In Shahdara, male street vendors are in evidence in the streets, in market places, bus station, and recreational places. They are seen selling their goods on foot, hand-driven/animal carts, and bicycles. However women vendors in Shahdara were found only in the weekly *bazaars* (the Tuesday, Friday and Sunday *bazaars*). As mentioned earlier, these bazaars are government-initiated facilities for the provision of commodities at a cheap rate to residents and give the opportunity to sellers to bring their goods directly and by-pass the middleman. Usually held in an open space, they are managed by a market committee of locals nominated by the district nazim. While no official charges are supposed to be levied on vendors it is apparently a common practice for market committee members to demand payment under the table. The committee monitors the quality of goods and their prices.

Women vendors made up about a quarter of the vendors in the Tuesday market. They were selling farm products, vegetables like garlic, lemon and ginger, fruits and pickles of cheap quality and rates. They were illiterate and belonged to families where men too were vegetable/fruit vendors in the same bazaars — probably a strategy to capture more buyers by having more than one outlet. The women reported sales between Rs.1,500 and Rs.6,000 per month and see themselves as part of the family enterprise. These vendors may have to pay Rs.100 per day for a stall to the Market committee or a monthly payment of Rs.1,000. Even after payment there is no guarantee of space as officials are known arbitrarily to throw anyone out and confiscate their goods. Childcare was an issue that the women reported in this sector.

**Commonalities:** The three groups shared some common features. One was poverty. About two-thirds had a monthly income of Rs.6,000 per month (the annual per capita income in 2008–09 is \$1046).<sup>27</sup> Their family sizes were large – half of them had 5–7 members, a quarter 8–10 members, and some had more than 11 members in the family. With few family members working in each family the result

<sup>26</sup> 2009 Home Net foundation (2009) Draft Policy for home based workers in Pakistan.

<sup>27</sup> *Economic Survey of Pakistan 2008–09*. GOP.

is a high dependency ratio. A little more than one-tenth of the families had more than two earners. The study found that incomes generally are so low that family size has impact on their capacity to save and the few who could save did so through the committee system.<sup>28</sup> Like most of the poor in the country the families of those surveyed were indebted with loans ranging from Rs.5,000–20,000. Borrowing was done from diverse sources: relatives, employers, micro credit from sources like non-government organisation Kashf and the official Khushali Bank and at times from the contractors/intermediaries who brought work for home-based workers. Loans were largely taken for household expenditures, marriages of daughters, medical treatment and children's needs.

Apart from the waste pickers, two-third of those surveyed lived in houses owned by the family (none of the women owned property). Ownership, even of two-room dwellings, provides security. The rest living in rented premises paid between Rs.2,000 and Rs.4,000 per month. The majority of the informal workers were illiterate and the rest had received formal education up to primary or below primary level. For most of the women the work they were doing now was their first income-generating activity whether as an unpaid family worker or as an individual earner. Some however had been engaged in this activity for over 5 years. Another common aspect of the three groups is that their incomes are not necessarily controlled by them. In the case of waste pickers, women do not know about the returns from their pickings.

**To sum up:** The investigation shows that Shahdara represents a microcosm of the state of the informal workers in the country especially those operating from their homes. They are pushed into work due to poverty, get paid meagre amounts, are isolated, work long hours, have little or no education, and are both married and unmarried. Not much work has been done on women vendors and waste pickers. The study of the latter groups shows that women engaged in these at least in Shahdara are fewer in numbers. The waste pickers stand apart as they belong to a refugee community which is not fully settled or integrated into the community and may move away (as they did when the crack down against militants began). They, as well as street vendors, belong to the category of unpaid family workers whose work and income are subsumed in the family income and have not yet received as much attention as home-workers have. Waste collection does not have many women and in Shahdara they seem to be an exception. By and large this is not a usual female activity in Pakistan and is probably exceptional to the area. The street vendors in Shahdara are fewer than home-workers and generally have not yet received specific/adequate attention in the literature.

During the meetings with groups of informal sectors covered in this study various dilemmas that informal sector workers face were raised and discussed. There was consensus that government has failed to introduce social protection measures and safety nets for this specific sector. The various officials of the Labour, Planning and Development and Solid Waste departments, while acknowledging the contribution of the informal sector, did not seem to consider it necessary to integrate them at the policy or practical levels. While the presence of Khushali Bank and micro credit organisation, Kashf was reported by a few workers, few home-workers were accessing them. The development programmes of all the three levels of government do not seem to directly target the informal workers.

The fact is that most of these workers are scattered, and do not have a platform to raise their voice. In order to tackle these issues there have been at least two attempts to unionise them through the initiative of Home Net, a network for home based workers and by the Women Workers Helpline. The focus of both is women home-based workers who may be working on the basis of piece rate or any other kind of contractual arrangement. However these initiatives do not take into account other groups of informal workers i.e. waste pickers and vendors, and their membership does not include home-based workers.

---

<sup>28</sup> Committee system is an unorganised activity of saving at the *mohalla* (locality) level.

## Windows of Opportunity?

While work has been done to highlight the female informal workers, we are not aware of any initiative to approach their issues from the budget-making perspective. The focus thus far has been from women's and labour organisations to get home-workers recognised as a cadre of the work force that contributes substantially to the economy and get them counted to reflect their real numbers and conditions of work. The other two groups studied have a scantier information base.

In our view the primary need of the moment is for advocacy on the informal economy as a whole, in view of the fact that the manufacturing sector in its effort to become competitive in the global market and maintain profits is systematically sidestepping formal labour employment to cut costs. Informally employed labour does not receive the minimum wage and women in the sector, especially home-workers remain cloistered, isolated and exploited. However given the objective of the present exercise to develop a strategy that can impact budget-making we are looking at the three groups studied.

The study, despite the limited coverage, seems to suggest that the focus of the exercise be confined to women home-workers at this stage. The compelling reasons for doing so are:

- this is a widespread phenomenon – there are more women working as home-workers not only in the area but across urban/peri-urban Pakistan;
- women are engaged in this sector due to poverty and can potentially benefit more with fair payment and decent work;
- policy level advocacy is already underway to get the sector acknowledged;
- home-workers have been the subject of a wide range of studies in different parts of the country and a strong case has already been made on their behalf by organisations like the Home Net, Women Workers Helpline, PILER, Sungi Foundation and Aurat Foundation. Multilateral agencies like ILO, UNIFEM and bi-lateral ones like CIDA have also supported various initiatives towards the recognition of this sector. From within the Government the strongest support has come from the Ministry of Women Development (MOWD) and the National Commission on the Status of Women (NCSW). It is as a result of persistent efforts that the draft National Policy on Home-based Workers has been developed by the MOWD and a Social Protection Bill is in the National Assembly Parliamentary Committee on Labour. The thrust is for the inclusion of these informal sector workers into the mainstream of development and financial planning.

Proposed here therefore are strategies for advocacy for the inclusion of the needs of women home-workers in budget-making at the local level (Lahore District), and for enabling provisions in federal and provincial budgets. The budget allocation pursued should be able to address the issues of home-workers isolation, adequate remuneration for the activity carried, availability of work with regularity, and enhanced collective bargaining capacity.

## Ministries and departments

Keeping in mind the budget-making process in the country and the Ministries /Departments which could impact on the sectoral group, the key agencies for engagement would be:

- The Finance Ministry at the federal level as it allocates funds and makes the national budget
- The Planning Commission and Punjab Planning & Development (P&D) department since they are responsible for development planning
- Labour and Women Development Ministries (federal) and departments (provincial).
- The Department of Trade and Industry
- The District Government

The MOWD has already taken up the case along with NCSW to advocate for a policy on home-based workers. The Planning Commission recognises this as an issue. However the Labour Ministry has not paid any attention to women home-workers nor has it taken up the signing and ratification of the relevant ILO Convention. The Federal Bureau of Statistics (FBS) fails to adequately capture their numbers and contribution. Not to be forgotten is the fact that social sectors are a low priority in the total annual budget (15 percent collectively to all in 2007–08) and that the Labour Ministry and MOWD are ‘weak ministries’ with limited influence.

## Departmental analysis

### Ministry of Finance

It is the major ministry in Pakistan and the artery for allocations to all other sectors in Pakistan at federal level budget. It aims at capacity building and institutional establishment and receives high allocations. For year 2008–09 it was allocated 3 percent of the total federal budget and 23 percent of the PSDP for schemes and programmes whose implementation the Ministry oversees. The largest programme is the pro-poor income support programme, which basically consists of cash handouts to offset the impact of inflation. (See Table 10). Named Benazir Income Support Programme in 2008–09, the programme targets very poor families with incomes below Rs.6,000 per month and is given to widowed/divorced women in families that do not have adult males or have a physically/intellectually disabled/chronically ill member in the family. Possession of the national identity card by the woman applicant is an essential condition for benefiting from the programme.<sup>1</sup> The possible windows here can be the budget lines of ‘Supporting participatory policy for SMEs (Small and Medium Enterprises)’ and ‘TA (Technical Assistance) – II for Gender and Governance.’ We note that the first of these was allocated only Rs.77 million in 2008–09, much less than the Rs.5, 533 million of 2007–08. The second also saw a big decrease in its budget – from Rs.858 million in 2007–08 to Rs.63 million in 2008–09. These patterns probably reflect both the extent, of utilisation of funds in the previous year and changing donor contributions.

**Table 10. Ministry of Finance** **Rs. Million**

<b>Programmes</b>	<b>2007–08</b>	<b>2008–09</b>
Public sector capacity building project	3538.0	1053.0
Supporting participatory policy for SMEs	5533.0	77.0
TA-I for Local Government Performance	1572.3	3.5
TA-II for Gender and Governance	858.1	6.5
TA grant for the poorest	173.5	62.5
Integrated solid waste management	600.0	50.0
Pro-poor income support programme	50000.0	34000.0
Total amount	147667.4	50752.5

### Planning and Development Division

The Planning Commission within the Division focuses on capacity building, institutional strengthening, monitoring of the ADB and PSDP, strategic planning, economic research and support for poverty reduction and received an allocation of 5% of the total PSDP. An opportunity exists in the Planning Commission under its research programme for long-term inclusion of the sector in mainstream planning.

### **Department of Labour and Manpower Division (federal)**

in 2007–08 were allocated between them 0.07% of the total federal budget and 0.05% of the total PSDP. Within the allocation no existing provision impacts on informal sector workers. In order to develop a skilled labour force on modern lines, Labour and Manpower Division has established five Skill Development Councils (SDCs), one each at Islamabad, Karachi, Lahore, Peshawar and Quetta. These Councils have attempted to meet the diversified training needs of the industrial and commercial sectors and have so far trained 46,674 workers. This provides the opportunity for home-based workers to be included under the training programme. In addition the department also has budgets for training of trainers and skill development where the home-based workers may find space.

In Punjab the budget heads in the Labour Department that may provide opportunities for allocations are through Micro Finance for Household Enterprises (with an allocation of 0.04% of the total PSDP of Rs.163 388.7 million) which could be extended to women home-based workers. The Punjab Centre for the Improvement of Working Conditions and Environment (CIWCE), a part of the Punjab Labour Department, is involved in both research and training of the labour force in Punjab and is implementing projects from the provincial government's own funds. This points to the possibility of pressing for special interventions by the District Government for the Shahdara neighbourhood.

CIWCE is also responsible for drafting new laws and drafted two laws between 2007 and 2009. The proposed Occupational Safety and Health Act, 2009, for the development of which the government allocated Rs.13 million in 2008/09 once passed, would improve contractor /employee relationship and provide safety and protection to contract labour by holding factories responsible (to counter the practice of avoiding permanently employed labour and their benefits). This is another opportunity to advocate through the provincial assembly to extend the cover of the proposed Act to those home-based workers who are part of the manufacturing production chain.

### **Ministry of Women Development**

The MOWD mobilises budgets for focused programmes for women. For example, in 2008–09 the Federal Government allocated a specific amount for the advancement of rural women. Given the Ministry's interest in the home-based workers advocacy for special initiative for home-workers for the area is a possibility. Similarly under its 'Capacity Building of women' budget heading a programme for home-worker's skill development could be mobilised.

The Punjab Women Development Department implements the projects the Ministry has developed. It is currently a weak and understaffed department with little capacity to take initiative but once the federal ministry is mobilised it would be overseeing the provincial department's implementation.

At the District level women's development is included under the Community Development Department.

### **The Department of Trade and Industry**

has the responsibility for employment generation towards economic growth. It has taken various initiatives to promote industrial growth and received a federal government allocation 35.7 million in 2008–09 for women business development (0.34 percent of total budget of the Department for industries and production). An interesting project with potential of replication in urban areas is that of one-village-one-product programme with an emphasis on skills development of rural informal sector workers, and was allocated Rs.500 million.

## The Punjab budget

As stated above in the budget-making section, the bulk of the funds to the province come from the federal government but requests go from the province and to a large extent determine the allocations. The social sectors get smaller allocation but, as already noted, the provincial Government does generate its own funds and has utilised those for specific sectors/activities. The provincial Government's self-generated funds are through levy of taxes on luxury goods (imported luxury cars), sales tax, property tax, leasing of agricultural lands to cultivators, stamp duties on land registration and transfers among others. Moreover the government also receives money through vertical programmes that are in addition to the annual budget. These vertical programmes include Education Sector Reforms, Health Sector Reforms, District level Cluster Surveys, etc.

## The Lahore district budget

The City District government budget 2008–09 does not seem to have space for informal sector workers (See Table 11).

**Table 11. Relevant Items within Annual Development Programme (2008–09) City District Govt. Lahore**

<b>Programmes</b>	<b>Revised (2007–08) Millions</b>
Total Expenditure	2524.9
Comprehensive TB control Programme	0.06
Total Expenditure on Literacy	4.1
Total Expenditure on Social Welfare	13.5
Provision of Additional facilities in Dar-ul-Aman, Bund Road, Lahore	0.32
Total Expenditure on Transfer Payment	266.5
Punjab Education Sector Reform Programme	52.0
Punjab Health Sector Reform Programme	22.0

In addition to the funding that comes to the district through transfers from provincial Finance Commission, the District government imposes a number of taxes that impact on activities in the informal economy. These taxes constitute a small proportion of the total revenue, but could imply a relatively large expenditure in terms of a worker's earnings. Table 12 shows the tax revenue sources for Ravi Town. In the absence of allocations from the district budget one could lobby for these funds to be utilised in ways that assist women informal sector workers as these represent self generated revenue of the UC.

**Table 12. Taxes Imposed in Ravi Town**

	<b>Revised (07–08)</b>	<b>Proposed (2008–09)</b>
Total Receipts	145,870,000	157,880,000
Tax on Animal Fee	8,000,000	9,000,000
Tax on Hand Carts	100,000	200,000
Tonga / Cart Tax	100,000	150,000
Car parking / cycle / Motor Cycle Fee	2,000,000	1,800,000
Fine on Stray Cattle	300,000	300,000

The District budget includes a small allocation for women's welfare (Rs.0.2 million) but the strategy for its implementation is vague.

As the lowest tier of the government the UCs in the Town receive a standard equal payment from the provincial government that is meant to be used to address community needs. The Ravi Town revised budget in 2007–08 was 14.9 million and the proposed budget for 2008–09 is 15.6 million. Given the current budgetary situation the space for women and especially informal sector workers seems very limited. However there are recent policy developments where some space may be carved out.

## Recent policy developments

Recently there has been far stronger emphasis placed on the formulation, coordination and monitoring of pro-poor employment policies, as well as on the role of human resource development in economic and social policies. This is reflected in the government's Vision 2030 (released in August 2007), as well as the Medium Term Development Framework 2005–10, the Poverty Reduction Strategy Paper II (2007–09), the 2002 Labour Policy and other policy documents. Reforms are also envisaged in the technical and vocational education and training (TVET) system – a central pillar of human resource development policies in Pakistan. The National Vocational and Technical Education Commission (NAVTEC) formed in 2006 has recently released a draft Vision on skills, *Skilling Pakistan: A Vision for the National Skills Strategy, 2008 – 2012*. The recently issued Approach Paper for the Tenth Five Year Plan focuses on creation of decent employment, poverty reduction and human resource development and jobs in the country. These are: People's Work Programme; National Internship Programme; People's Rozgar Programme; credit programme for self-employment by the National Bank of Pakistan; ten percent quota for women across the board in all government jobs; increase in minimum wage from Rs.4,600 to Rs.6000 per month; recruitment of 100,000 new Lady Health Workers during the current financial year; National Employment Scheme under which employment will be provided to one person of each poor family in 50 percent districts of the country; construction of one million housing units; distribution of agricultural land among landless haris (tenant farmers); Benazir Income Support Programme (named after the slain political leader Benazir Bhutto) and Pakistan Skilling programme. Some of the initiatives have begun, including the Benazir Income Support Programme providing cash transfer to women of very poor households.

## The strategy

If budget allocations are desired at the UC level, the best opportunity would be to develop a special pilot programme for women home-based workers in Shahdara that entails setting up of a women's centre based on the concept of 'Women Friendly Spaces' (WFS) tried out post-tsunami in South Asia and post-earthquake in Pakistan.<sup>29</sup> The underlying idea is to create a women-managed place for getting together and planning activities. There is space in the federal ministries (MOWD, Labour) and also at the provincial level for special pilot programmes and possibilities are present in programmes envisaged under new policies (above). The idea has to be sold at all three levels of government and can be done through developing a project proposal that involves women councillors, *nazim* and *naib nazim* and women workers of the UC. It would be an effective poverty-reduction, employment generation scheme and in the process give women voice and mobility.

A WFS created for home-based workers would be multi-purpose: a place for dropping in as well as socialisation, for capacity building and for provision of work. Activities would be planned by the women facilitated by a trained manger/coordinator. The manager would be supported by a women workers advisory

<sup>29</sup> Shirkat Gah facilitated the setting up of 6 WFS, 3 each in NWFP and Azad Jammu Kashmir with locally operating partners Sungi and Omer Asghar Khan Development Foundation (OAKDF). These are still operating successfully. Sungi has expanded to 17 WFS.

committee. It would be the hub of skill training (by possible CIWCE or under the Capacity Building budget of MOWD) in the kind of work for which there is a demand; for information on workers' rights (through Home Net and Women Workers Helpline) to become active members of advocacy groups and able to engage in collective bargaining for better wages; and be the place from which work is distributed and negotiations with contractors are carried out (instead of single women in their homes).

The funds required are not substantial especially if the space is provided by the local government. Essential expenditure of a Coordinator, admin and accounts person, guard and cleaners would not be more than Rs.100,000 for a year. Activities should include provision for a time-use survey of women home-based workers in the UC (with FBS-Punjab), training (CIWCE), sessions on workers' rights (Women Workers Helpline/Home Net), sessions on women's rights (NGOs), and organisational capacity building. Liaison with various other departments would be the task of the coordinator (SMEDA, micro-credit, etc.). A rough budget estimate would be between Rs.0.5 to a million annually. The exercise has tremendous potential for replication and could possibly get support from ILO and UNIFEM who have funded a number of home-based workers studies as well as policy.

The proposal will have to be routed through the UC nazim to the District *nazim* and once cost estimates and PC-I is prepared and passed by the District assembly. Budget spaces within ministries and departments would have to be highlighted for the District government to negotiate through the P&D Department. The practice of budget from the bottom-up is still in the early stages of development and is still not institutionalised to reflect local realities or needs (which currently have to be fitted into from what comes from the top).

## References

- Bureau of Statistics. *Multiple Indicator Cluster Survey, Punjab 2007–08*. Planning and Development Department, Government of the Punjab –, Lahore, Pakistan.
- Chen, M. (2005). Rethinking the informal economy, linkages with the formal economy and the formal regulatory environment. Research Paper No. 2005/10 WIDER
- Bertulfo, L, F. Ihsan, and L. Lazo. (2009). Home-based workers scoping exercise, a report for CIDA. July 2009. (unpublished)
- Butt, K. (2008). Waste pickers study. Government College University, Lahore.
- City District Government Faisalabad. *Strategic Operational Plan (2004–05)*
- Gennari, P. (2004). Informal Sector: Statistical definition and Measurement issues. Assessing and Improving Data Quality: Measuring the Non- Observed Economy – 11–14 May 2004, Bangkok.
- Government of Pakistan. Federal Bureau of Statistics. *Pakistan Labour Force Survey 2001–02, 2005–06, and 2007–08*. Government of Pakistan.
- Government of Pakistan. *Pakistan Economic Survey*, (Various Issues) Finance Division, Economic Adviser's Wing, Islamabad.
- Government of Pakistan (2007). *Pakistan Employment Trends*. Ministry of Labour, Manpower and Overseas Pakistanis Labour Market Information and Analysis Unit
- Government of Pakistan. Planning Commission, Unpaid Family Workers: *Unravelling the Mystery of Falling Unemployment*. Discussion Paper Series 17, Centre for Research on Poverty Reduction and Income Distribution. Government of Pakistan.
- Government of Pakistan. Population Census Organisation. *Census Reports of Pakistan, 1973, 1981 and 1998*. Government of Pakistan.
- Home Net Foundation. (2009). *Draft Policy for home based workers in Pakistan*.
- Hussain, A. et al. (2003). *United Nations Human Develop Report Pakistan*. UNDP. Islamabad
- Idris, I. (2008). *Legal Empowerment in Pakistan*. United Nations Development Programme, Pakistan.
- ILO (2002). *Women and Men in the Informal Economy, A Statistical Picture*. Geneva: ILO.
- Mumtaz, K. (2008). *How does the system work; the case of City District Government Faisalabad*. Paper for Shirkat Gah's Women's Empowerment in Muslim Contexts project. (Unpublished)
- Pakistan Participatory Poverty Assessment National, Provincial, AJK, FANA Reports*. (2003) GOP. Islamabad.
- Sayeed, A. and S. Javed. (2001). *Household characteristics, poverty and indebtedness among women workers in urban Pakistan*. Working Paper No.3. PILER. Karachi
- Shaheed, F. and K. Mumtaz. (1981). *Invisible Workers*. Women's Division. Islamabad.
- SPDC (1996) Social Development Ranking of Districts of Pakistan. Research Report No. 10
- Trebilcock, A. (2005). Decent Work and the Informal Economy. Discussion Research Paper No. 2005/04 WIDER .

**About Inclusive Cities:** The Inclusive Cities project aims to strengthen membership-based organizations (MBOs) of the working poor in the areas of organizing, policy analysis and advocacy, in order to ensure that urban informal workers have the tools necessary to make themselves heard within urban planning processes. Inclusive Cities is a collaboration between MBOs of the working poor, international alliances of MBOs and those supporting the work of MBOs. For more information visit: [www.inclusivecities.org](http://www.inclusivecities.org).

**About WIEGO:** Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with, and draws its membership from, three constituencies: membership-based organizations of informal workers, researchers and statisticians working on the informal economy, and professionals from development agencies interested in the informal economy. WIEGO pursues its objectives by helping to build and strengthen networks of informal worker organizations; undertaking policy analysis, statistical research and data analysis on the informal economy; providing policy advice and convening policy dialogues on the informal economy; and documenting and disseminating good practice in support of the informal workforce. For more information visit: [www.wiego.org](http://www.wiego.org).

**Shirkat Gah Women's Resource Centre** aims to catalyse women's empowerment for social justice and social justice for women's empowerment. Operating from 3 offices - Lahore, Peshawar and Karachi - Shirkat Gah works across the country with over 50 local partners on issues affecting women's lives. Its grassroots generated evidence feeds into advocacy from local to international levels and builds grassroots-focused capacity through its thematic areas of rights, governance and livelihoods. Shirkat Gah increases women's access to information, resources, skills and decision-making supported by research and documentation, extensive publications and intensive networking. For more information, visit [www.shirkatgah.org](http://www.shirkatgah.org).

