



# CHILDREN AND WORKING-CLASS WOMEN: Trade Liberalisation, IMF, and International Law Protections

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One of the hallmarks of the Structural Adjustment Programmes (SAPs) of the International Monetary Fund (IMF) is trade liberalisation, which focuses on allowing imports into the market and increasing exports to earn foreign exchange. This policy often exposes vulnerable segments of the Pakistani population, particularly children and working-class women, to extreme levels of exploitation primarily to extract their cheap labour and provide a competitive edge to Pakistani exports. This is a situation in which both the IMF is culpable and complicit in violations of international law, particularly from the perspective of Public International Law, International Labour Law, and International Human Rights Law.

## TRADE LIBERALISATION OF IMF

In most IMF SAPs, economic liberalisation is encouraged. In 2002, IMF required from the GoP that custom tariffs to be reduced to 25%.<sup>1</sup> Similarly, one of the facets of IMF's trade liberalisation is allowing anti-dumping laws which abolish any kind of regulatory duties which might have a discriminating effect against imports.<sup>2</sup> In this way, any difference in terms of excise tax between domestically produced goods and imported goods was removed.

The temporary high duties and import restrictions

which were present to preserve the balance of payments were promised to be removed by the end of July 2002. Quantitative restrictions and license requirements were also eliminated under SAPs of the IMF in terms of imports and exports of wheat as well as the export of oil products. Therefore, a complete deregulation of wheat procurement in terms of procedures as well as pricing was considered to be implemented. To streamline trade liberalisation, tariff rates were considered for simplification. Statutory Regulatory Orders (SROs) which resulted in the establishment of special rates or non-tariff trade barriers at around four thousand products were removed. To create a transparent system, a framework of four slabs was created with percentages ranging from 1% to 25% with very few exceptions. Moreover, trade relations were planned to be improved with a plan to take full advantage of the trade preferences from the European Union as well as better trade relations with other countries.<sup>3</sup> All surcharges were abolished in relation to trade policy.<sup>4</sup>

## EFFECT ON CHILDREN

Pakistan accounts for a major chunk of the world's exports of soccer balls. Due to the policies of increasing exports and trade liberalisation, international sports companies increasingly rely on the local manufacturers of Sialkot for the sophisticated fine art of producing high-quality footballs. However, since there was an increasing use of child labour in making such footballs, international companies with very weak inspection methods started using the certification of 'child-labour-free' to protect any tinge on their reputation. In effect, these labels became a method of further 'value-addition' just like 'no animal testing'.

This was similar to the processes followed in the carpet manufacturing sector where such corporate fashions resulted in the creation of four international certification organisations. In a way, the use of child labour is successfully washed through the creation of such certifications. In this scenario, the GoP believes that the only comparative advantage for them is the provision of cheap and hassle-free labour in the form of even children.<sup>5</sup> In 10 years, only in reported terms, 96 child labourers were tortured and raped while 44 of them were murdered with 79% of the cases being from Punjab.<sup>6</sup>

## EFFECT ON WORKING CLASS WOMEN

The introduction of economic liberalisation in countries like Pakistan through the IMF's neoliberal agenda often uses a variety of popular social movements such as women's entrepreneurship to reaffirm the structural framework of the free-market model. It assumes that empowering elite women through 'platinum entrepreneurship' will have social impacts which will trickle down to other women in lower income households. However, the effects of such empowerment do not

trickle down to female domestic servants and other employees who are generally in the informal sector. Thus, the use of women empowerment at a corporate level reproduces relations of servitude and social hierarchies for industrial labour, especially women, who are employed mostly in export-oriented textile industries.<sup>7</sup>

IMF loans also detrimentally impact the labour force participation of females. Informal economies, in which working class women tend to work, expand following the onset of trade liberalisation initiatives. With little to no regulatory oversight, employers in these domains increase exploitative practices, triggering a reversion to caregiving and household duties for a large chunk of these women.<sup>8</sup>

Prior to 2005, the Multi-Fibre Agreement (MFA) had provided Pakistan a quota in the global share. After 2005, it was removed – prompting Pakistani textile capitalists to worry about the competitiveness of their products in international markets. In response, Pakistani textile owners replaced male workers with female workers. Female workers had less exposure and were less educated. Therefore, they were cheaper and were less insistent about their rights. As a result, the number of female workers increased from 10% to 30% from 2000 to 2010 and were severely exploited for their labour by international textile retailers.<sup>9</sup>

## IMF IS BOUND TO RESPECT INTERNATIONAL LAW

The duties of third-party international organisations are of special importance. Article 35 of the Vienna Convention on the Law of Treaties Between States and International Organisations or Between International Organisations (VCLTIO) states that an obligation can arise to the third party in an agreement between two parties if the third party expresses acceptance of the obligation in writing. However, it seems improbable for the IMF to make itself bound by the implications of these policies.

<sup>1</sup>Government of Pakistan, Memorandum of Economic and Financial Policies (Letter of Intent, November 4, 2000), Para 49

<sup>2</sup>Government of Pakistan, Memorandum of Economic and Financial Policies (Letter of Intent, March 18, 2001), Para 49, Para 8

<sup>3</sup>Government of Pakistan, Memorandum of Economic and Financial Policies (Letter of Intent, December 5, 2013) Para 35

<sup>4</sup>Government of Pakistan, Memorandum of Economic and Financial Policies (Letter of Intent, June 27, 2013) Para 19

<sup>5</sup>Saadia Toor, 'Child Labor in Pakistan: Coming of Age in the New World Order' (2001) 575 *Annals Am Acad Pol & Soc Sci* 194, 216

<sup>6</sup>Zia – ur – Rehman, '140 child domestic workers tortured, raped or murdered in a decade' *The News* (Lahore, January 20, 2020)

<sup>7</sup>Ghazal Mir Zulfiqar and Adrienne Roberts, 'The political economy of women's entrepreneurship initiatives in Pakistan: reflections on gender, class, and "development"' (2019) 26:3 *Review of International Political Economy* 410,426

<sup>8</sup>Yassaman Saadatmand, Michael Toma, 'IMF-Induced Structural Adjustment Programs and Women in Ecuador', (2008) 14 *Int Adv Econ Res* 181, 189 – 190

<sup>9</sup>Kamal A. Munir, Natalya Naqvi and Adaner Usmani, 'The Abject Condition of Labor in Pakistan', (2015) 87 *International Labor and Working-Class History* 174, 181



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Another way to hold IMF accountable for its actions is through the United Nations Charter which possesses human rights provisions concerning economic, social, and cultural rights. Due to the central place of the UN Charter in the international system of governance, international organisations like the IMF are required to respect human rights instruments like the International Covenant of Economic, Social and Cultural Rights (ICESCR).<sup>10</sup> The responsibility of the IMF extends to at least the compliance of human rights, i.e. the right to respect, to enable states to protect and fulfil safe working conditions. Thus, an 'obligation of result' can be applied to the IMF<sup>11</sup>.

The exploitation of working-class women due to the neoliberal agenda of the IMF is in direct contradiction with Article 11 of the Convention on Elimination of Discrimination Against Women. Article 11 requires that women must be provided with the Right to Work in a way which is free from exploitative practices, as this is an inalienable right of every human being.<sup>12</sup> The International Labour Organisation (ILO) also prescribes a considerable number of maternity benefits to women as they cannot be forced to work during the six weeks following their confinement. They also have the option of leaving work if they believe that their confinement will occur within six weeks. During this period, the woman in question must be provided full access to health services, as well as a payment for her children and the costs of delivery.<sup>13</sup> In some jurisdictions, Article 8 of the ILO Convention 183 is also applied to provide maternity benefits and reinstatement to the same position for a woman who was fired due to the conditions related to her pregnancy which constricted her ability to work properly.<sup>14</sup> The hostile labour conditions encouraged and fostered by IMF SAPs mean that women are unfortunately barred from these rights.

The gross use of children for industrial labour also violates the international human rights obligations of Pakistan in ICESCR and the Convention on Rights of Children (CRC). Most of the Human Rights instruments are supplementary and complementary. Article 32 of the CRC unequivocally states that children must be protected from every kind of economic exploitation.<sup>15</sup> ICESCR also places adequate emphasis on the protection of children from all work which will hamper their physical or mental health. Moreover, children must

equipped with technical and vocational education.<sup>16</sup> The Economic, Social and Cultural Rights Committee has clearly stated that transnational corporations must not use forced or compulsory labour and should respect the rights of children. They should strive for healthy working conditions for all with adequate compensation and sufficient freedom of association.<sup>17</sup>

## CONCLUSION

The IMF has acted as a transmission belt for globalisation and caused violations of multiple human rights. Generally, for neoliberals, there is no collective desire for expanded rights or even the prevention of the violations of existing ones. In this globalisation process that leads to a gradual crippling of the state apparatus, it is strange to see an absence of push back from many of those that have been on the receiving end. The fact is that states do not possess the development capacity of bygone times. Governments are expected to resolve all issues through the IMF, the policies of which are virtually designed to incapacitate them further.<sup>18</sup> In this situation, organisations like the IMF must be held accountable under international law even if the traditional actors of international law are states themselves. It would be willful ignorance on the part of international legal scholars to continue to stick with the traditional philosophy of international law when the lives of billions of human beings are numbed and made miserable due to the crassness of predatory international financial actors.

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<sup>10</sup>Jason Morgan Foster: 'The Relationship of IMF Structural Adjustment Programs to Economic, Social and Cultural Rights: The Argentine Case Revisited', (2003) 24:2 MJLI 578, 630

<sup>11</sup>The 1997 Maastricht Guidelines on Violations of Economic, Social and Cultural Rights, 291, 262

<sup>12</sup>Convention on the Elimination of All Forms of Discrimination Against Women 1979, Article 14

<sup>13</sup>ILO Maternity Protection Convention, 1919 (No. 3), Article 3

<sup>14</sup>Hossou Djossou z v. Plan International Benin (2009) Cotonou Court of First Instance First Class, 54-2002

<sup>15</sup>Convention on the Rights of the Child 1989, Article 32

<sup>16</sup>UN Committee on Economic, Social and Cultural Rights (CESCR), General Comment No. 18: The Right to Work (Art. 6 of the Covenant), (CESCR, 6 February 2006) Para <https://www.refworld.org/docid/4415453b4.html> accessed 26 September 2022

<sup>17</sup>Economic and Social Council: 'Report of the sessional working group on the working methods and activities of transnational corporations on its fourth session' (Report: E/CN.4/Sub.2/2002/13), Para 5-9

<sup>18</sup>Eric Toussaint: 'The World Bank, the IMF, and the respect of human rights' (CADTM, 25 October 2020) <<https://www.cadtm.org/The-World-Bank-the-IMF-and-the-respect-of-human-rights>>