

# STATUS OF LABOUR RIGHTS IN PAKISTAN 2015

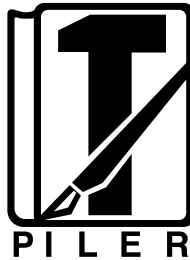


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PAKISTAN INSTITUTE OF LABOUR EDUCATION & RESEARCH



# Status of Labour Rights in Pakistan 2015



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Pakistan



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# Foreword

Though our society is moving from oral culture to written culture, transition is uneven and riddled with gaps. In recent years the state has struggled to expedite documentation in finance and banking. In the social sector, documentation of education by non-state actors has flourished with a number of surveys, research and data analyses, spurred by genuine concern and sorrow felt by society at being so far behind in achieving universal literacy. Sadly, the world of work remains poorly documented despite labour's pivotal position in the production of goods and services, and its role in economic growth and development.

Timely documentation help decision makers develop informed policies aimed at economic and social progress. Documentation facilitates understanding of social behavior, discrimination and biases and can be used to correct social anomalies and unjust practices. 'Better data, better lives' was indeed an apt moto adopted for the World Statistics Day 2015.

The PILER 2015 Report on the Status of Labour Rights, fifth in the series, based on secondary research, aims to present an overview of the status of labour and the issues in the year impacting labour directly or indirectly. Currently, Pakistan has a labour force of 61.04 million, engaged in diverse sectors of economy, at various levels of occupations. The bulk of our non-agriculture labour force, 72.6 per cent, is employed in the informal economy and if we include agricultural work force, the overwhelming labour force is toiling under informal work arrangements, and the key issue with the informal economy is its lack of documentation.

PILER hopes that in the years to come, not only official data gathering on labour would be improved and strengthened, the country's academia and research institutes would give more attention to labour issues.



Zeenat Hisam  
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February 2016



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# Year 2015: Introduction

## National Context

The year 2015 witnessed relative economic and political stability, but Pakistan remained mired in social and political tension. Armed conflicts, terrorist attacks and human and labour rights abuses continued to plague the country. There were no signs of structural change in the economic, political and legal systems nor in governance.

The year began with the announcement of the National Action Plan (NAP). The 20-point plan - which vowed to 'root out terrorism' - was initiated by the armed forces and endorsed by the political elite. It came as a reaction to the massacre at the Army Public School in Peshawar in which 141 people (mostly schoolchildren) were killed by the Tehrik-e-Taliban Pakistan on 16 December 2014. As a consequence of this act of terror, the government lifted the moratorium on execution, which had been in place since 2008. In addition, the 21st Amendment to the Constitution was passed on 6 January 2015, applicable for two years, extending the jurisdiction of the military courts to try a certain class of civilians.<sup>1</sup> These measures severely undermined the civilian institutions and strengthened

the role of the military in civil affairs.

The Karachi operation, undertaken by the Sindh Police and Rangers (which began in September 2013 and broadened through NAP) was intensified in the troubled megacity in 2015. The first phase of the operation was completed on 10 August 2015; the second phase was initiated on 14 August 2015.<sup>2</sup>

According to the Rangers, 795 raids had been conducted and thousands of suspects were arrested by 5 July 2015. Among the raids were the two major ones: one conducted at the Muttahida Qaumi Movement (MQM) headquarters and the other on the offices of the Sindh Building Control Authority (SBCA).<sup>3</sup> In November 2015, the Rangers announced the third phase of the Karachi operation which was approved by the prime minister. Though the government claimed that the operation was devoid of any political discretion, some circles considered its procedures a gross violation of human rights.

One consequence of the counter-terrorism operation was an increase in encounter-related killings and disappearances, particularly in the Federally Administered Tribal Agencies (FATA), Khyber

Pakhtunkhwa(KPK) and Balochistan. On the flip side, there was the improved law and order situation in Karachi. A decrease in shutdown strikes led to a reduced number of days without wages for daily wage workers and an improved sense of security among the general public.

However the country including Karachi, remained hostage to suicide bombings and sectarian killings. In January and February, there were two attacks on imambargahs: one in Shikarpur and the other in Peshawar. In March, suicide bombers attacked churches in Lahore. In May, members of the Ismaili community on a bus were brutally murdered by the alleged Islamic State militant group in Karachi.

Terrorism aside, a shocking child abuse case in Kasur, Punjab, revealing the sexual abuse of 280 children, unsettled the country in August.

On the economic front, the fiscal measures taken in 2015 led to a modest 4.24 per cent economic growth, contained inflation, reduced fiscal deficit and slightly improved tax collection.<sup>4</sup> An important development was the Chinese President's visit to Islamabad in April and the signing of 51 Memorandum of Understanding (MoU) and agreements for infrastructure and energy projects worth USD 46 billion under the Pak-China Economic Corridor (PCEC).<sup>5</sup> The economic corridor is to be about 3,000 km long and comprises highways, railways and pipelines that are to connect China's Xinjiang province with the rest of the world through Pakistan's Gwadar port.<sup>6</sup> The route that the economic corridor is proposed to take within Pakistan

was subject to controversy. The route initially identified was changed to pass through central Punjab to benefit the province at the expense of Balochistan and Sindh<sup>7</sup>, and the May All Parties Conference decided to adopt a modified western route.<sup>8</sup>

Termed as a game changer, the investment under CPEC is expected to have a positive impact on Pakistan's economy. However, the government failed to share details of the economic deals with the stakeholders who demanded transparency. The prospects for employment generation also did not come up for discussion in the media. The skill level of the Pakistan workforce working on these projects was cited as one of the serious challenges for the successful completion of CPEC.<sup>9</sup>

As part of the drive to broaden the tax base, the federal government introduced a levy of 0.6 per cent advance tax on banking transactions on non-filers through the Finance Act 2015. On strong resistance from the business community, the levy was reduced to 0.3 per cent. Other than broadening the tax base, the payment of taxes by businesses in the informal economy has the potential to lead small firms towards documentation and interaction with the state. Thus, it may promote good governance and labour compliance. However, the move did not attract the attention it deserved among labour economists or trade unionists and (with the exception of some editorials in praise of the step) no analysis was forthcoming in popular discourse.

A positive human rights development in

2015 was the Supreme Court judgment in October that upheld the death sentence awarded by an anti-terrorism court to the former elite force guard Mumtaz Qadri for killing the then Punjab governor, Salmaan Taseer. The convict was initially sentenced to death under the Pakistan Penal Code as well as under the Anti-Terrorism Act (ATA). But the Islamabad High Court accepted his application to void ATA's Section 7.

### War on Terror

Operation Zarb-e-Azb, launched in June 2014, continued through 2015 - primarily in the FATA region through massive aerial attacks targeting terrorists' sites. Other forms of violence, suicide bombings, explosions and target killings continued in all four provinces, though there was a decrease in the number of incidents.

According to the South Asian Terrorism Portal (SATP) report, a total of 3,221 persons were killed from January to 18 October 2015 in the ongoing War on Terror in Pakistan. Of these, 783 were civilians and 289 were security force personnel.<sup>10</sup>

Shias, in particular, were the target of violence by religious extremist organizations. According to partial data compiled by the SATP, out of the 226 civilian fatalities till 22 February 2015, at least 105 were Shia.

In May, the Sindh police chief said that 3,000 hardcore criminals had been arrested, while 246 terrorists, 38 kidnapers and 10 extortionists had been killed in police encounters in the operation in Karachi.<sup>11</sup> The Rangers were stated to have killed 364 suspected criminals in

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Shias in Pakistan

encounters and arrested 213.<sup>12</sup> It was not clear in the reports whether the police and the Rangers were talking about the same encounters or different ones. The common perception is that the ‘encounters’ are staged to kill the alleged accused, bypassing even the military courts to establish guilt. Anecdotal evidence suggests that there have been instances of innocent wage workers, often migrants, getting trapped in criminal investigations and suffering harassment and torture as a result.

According to an official estimate prepared in consultation with the relevant ministries, departments and autonomous bodies on the impact of terrorism on the country’s economy, Pakistan suffered a loss of US\$ 4.53 million in the fiscal year 2014-15.<sup>13</sup> A grave fallout of extremist violence and the War on Terror was the sidelining of critical issues pertaining to socio-economic and human indicators, including labour and employment. The War on Terror also served as justification for flawed planning, poor governance and structural weaknesses of socio-political systems.

## Anti-Terrorism Laws

The 21st Amendment to the Constitution, passed by Parliament on 7 January 2015, added to the growing list of anti-terrorism laws undermining democratic rule. The reasons cited by the parliament for giving sweeping powers to the military, as stated in the Act were ‘...extraordinary situation and circumstances...which demand special measures for speedy trial of offences relating to terrorism, waging of war or insurrection against Pakistan and

prevention of acts threatening the security of Pakistan. There exists grave and unprecedented threat to the territorial integrity of Pakistan by miscreants, terrorists and foreign funded elements.’

The 21st Amendment was challenged through a number of petitions, mostly filed by the members of bar associations from all over the country. The petitioners stated that the parliament was not empowered to bring about changes in the basic structure of the Constitution and that ‘these ‘courts’ have not been established by amending the Constitution, but by subterfuge...’ A parallel court system is not envisaged by Article 175.<sup>14</sup>

The proceedings continued till June and on 5 August, the 17-member bench of the Supreme Court gave its judgment dismissing the petitions. The dissenting judgment by six judges of the Supreme Court against the majority judgment of 11 judges declared the ‘...21st Amendment as well as trials of the accused by military courts as illegal and unconstitutional.’ Apart from dissent within the legal fraternity and by human rights activists, the 21st Amendment did not generate any discourse.

The National Counter Terrorism Authority (NACTA), established in 2013 by an act of parliament, with a broad mandate to plan strategies, collate data and information, coordinate among relevant agencies and departments, failed to reactivate its website in 2015: it was activated in January 2016.<sup>16</sup> A media report stated that the NACTA coordinator had resigned due to a tussle between the Interior Ministry and the Prime Minister

Secretariat, and also because of the lack of co-operation among the security agencies in sharing intelligence/information and a general paucity of funds.<sup>17</sup>

Meanwhile, no tangible progress was reported during the year on points pertaining to reformative actions committed to in the 20-point National Action Plan (i.e., taking effective steps against religious persecution, initiating reforms in FATA, dealing firmly with sectarian terrorists, working towards reconciliation in Balochistan, and revamping and reforming the criminal justice system).

## Economic Overview

The country managed a stable growth of 4.24 per cent and an all time low rate of inflation at 4.5 per cent. Economic growth was led by the services sector which recorded a 4.95 per cent growth with its thriving sub-sectors: finance, banking and telecom. Despite a slowdown in large-scale manufacturing, the industrial sector managed a growth of 3.62 per cent due to the resilience of small-scale manufacturing in the informal sector. However, overall growth in manufacturing declined from 4.46 per cent to 3.17 per cent in 2014-15.<sup>18</sup> The factors responsible for reducing large scale manufacturing from four per cent last year to 2.38 per cent in 2015 included a weak export demand for cotton yarn and energy shortages.<sup>19</sup> In the textile sector, a major employer, 30 per cent of production units closed down creating unemployment for two million people.

Agriculture growth remained almost stagnant at 2.9 per cent, a matter of concern for policy makers.

The sector accounted for 20.9 per cent of the GDP and employed the largest component, 42.3 per cent, of the country's labour force.<sup>20</sup> According to a report, there has been a 'steep fall in [the] total cultivated area, despite rising food prices.' Besides other chronic factors (i.e., fragmentation of land, inequitable land distribution, etc.) recent climate changes have increased crop vulnerability. The area under cultivation has not yet recovered to pre-flood levels.<sup>21</sup> Among reasons cited for poor performance of agriculture is the poverty of the subsistence and small farmers and their lack of access to formal credit which force farmers to rely on moneylenders resulting in 'possible exploitation of farmers'.<sup>22</sup>

## GSP Plus and Compliance

Pakistan was granted the Generalized System of Preference Plus (GSP+) status by the European Union in January 2014. The scheme allows Pakistan tariff-free export of its products to the European markets. The GSP Plus is linked to ratification of, and compliance to, 27 international standards and covenants on labour, human and women's rights, environment, narcotics and corruption. The first review of compliance to the 27 Conventions under the GSP Plus was scheduled in January 2016.

Implementation of the 27 conventions, however, remained weak in 2015. With the exception of large manufacturing houses, labour rights violations continued



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in the informal employment that constitutes 72.6 per cent<sup>23</sup> of the total work force.

In January 2015, the Ambassador of EU to Pakistan shared his concerns on the human rights situation in Pakistan. 'Freedom of religion and belief and the situation for religious minorities, the rights of women and children, access to justice and the death penalty are areas where we see particular problems.'<sup>24</sup> Labour rights was another area, the EU Ambassador noticed 'shortcomings'. 'Despite a relatively good legal framework, we continue to see problems in areas such as bonded labour, occupational safety and health and the right of labour unions to organise and bargain collectively, to name a few.'<sup>25</sup>

In June 2015 the All Pakistan Textile Mills Association, the representative body of the spinners and fabric producers in the corporate sector, stated its 400 member businessmen were in 'complete compliance' with the 27 ratified conventions. Also, it was noted that the textile sector had reduced the carbon dioxide emission by 40,000 tonnes.<sup>26</sup>

The GSP Plus scheme has compelled export-oriented textile chain to better implement international standards in production. Big textile houses have sought technical support from ILO-Pakistan and GTZ. The All Pakistan Textile Mills Association is being facilitated by GTZ and the World Wide Fund-Pakistan in implementing sustainable production processes, social compliance projects and better cotton initiative. The Pakistan Textile Exporters Association has collaborated with the ILO to implement

compliance in its member mills.

Apart from big textile houses and export firms, little or no activity was evident in the larger informal sector. According to Pakistan Readymade Garment Manufacturers and Employers Association, its many member units are not registered with the state-run labour welfare institutions such as EOBI and SESSI, and violation of labour laws are rampant.<sup>27</sup>

By 2015, several procedures to facilitate improvement and monitoring of compliance of international covenants and conventions had been established. These included the Treaty Implementation Cells at provincial and federal levels, the GSP Plus Support Mechanism Unit to coordinate with stakeholders, and the Cabinet Committee on GSP Plus Compliance in Punjab to advise on gaps. However, details of performance of these mechanisms were not available.

## Human Development Indicators

Two key indicators - education and health - measuring human development remained dismal in 2015. The GDP allocation for education remained stagnant at 2.1 per cent while health received the abysmally low allocation of 0.42 per cent of the GDP. This contradicted the government's much publicized Vision 2025, and its aim of Putting People First: Developing Human and Social Capital by increasing public expenditure on education to four per cent of the GDP and to three per cent of the GDP on health by 2018.<sup>28</sup>

The literacy rate also remained stagnant

at 58 per cent with a high gender disparity: 47 per cent female literacy versus 70 per cent male literacy. According to a 2014 report, 6.7 million children remained out of school. The state failed to address the key challenges to Pakistan's education identified in the report: lack of access to education, poor quality of education, equity and governance.<sup>29</sup> Pakistan's health indicators remained lowest among eleven of the Southeast Asian countries. Maternal mortality rate was 170 (per 100,000); infant mortality rate 69 (per 1000) and under-five mortality rate was 85.5 (per 1000).<sup>30</sup>

## Millennium Development Goals (MGDs)

Fifteen years after the signing of the Millennium Development Declaration in 2000, and committing to achieving eight MDGs for development and poverty eradication, Pakistan failed to achieve any of the eight goals (eradicating extreme poverty, establishing universal primary education, promoting gender equality, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases, ensuring environmental sustainability). Out of the total of 48 indicators to measure progress towards the MDGs, Pakistan committed to implement 37. Of these, according to civil society groups, Pakistan was on track to achieving only four indicators by 2013.<sup>31</sup> However, according to the government, progress on nine indicators was on track.<sup>32</sup>

Though the MDGs were declared as a national objective, neither the government nor parliamentarians showed the political will necessary to take the goals seriously.

The civil society believes that the goals 'were not embedded in a sufficiently robust institutional framework or strong enough institutions' and neither was the MDG secretariat in the Planning Commission empowered enough to work towards achieving the goals. Moreover, the progress was monitored neither by the Cabinet nor by a parliamentary committee. The Planning Commission brought out the fifth report of the MGD assessment in 2013.<sup>33</sup> The final assessment was either not prepared or was not shared with the public till as late as February 2016.

There were stark provincial differences in the progress of the MDGs indicators: Punjab stood above the national average in 18 of the 25 MDG indicators, KPK in eight of the 25 MDG indicators, Sindh in nine of the 23 MDG indicators, Balochistan in one of the 23 MDG indicators, AJK in 13 of the 24 MDG indicators, GB for five of the 22 MDG indicators and FATA for one of the 23 MDG indicators.<sup>34</sup>

Of the four provinces, Punjab did the best in MDGs as it was the only province that undertook a number of initiatives to improve performance of the social service sectors, including the Punjab Devolved Social Services Programme (PDSSP) to improve service delivery at grass roots level.<sup>35</sup>

In October 2015, the government committed itself to the Sustainable Development Goals (SDGs) adopted by the UN in September. While accepting the fact that the country had not achieved MGDs, the government stated that 17 goals of the SDGs including the eradication of hunger, the elimination of



poverty, universal primary education and gender equality, had already been adopted by Pakistan in its Vision 2025 development agenda.<sup>36</sup>

## Commissioner System in Local Governments

Democratic transition in Pakistan remained characterized by the reluctance of the elected representatives to decentralize power and share it at grass roots levels or with local representatives. After prolonged and heated debated on delimiting constituencies, 2015 finally witnessed local government elections in Punjab, Sindh and KPK. However, all the

provinces (including Balochistan which had held local elections in 2013) restored the age-old colonial unrepresentative commissioner system, and kept the power firmly pegged at respective provincial levels to benefit the bureaucracy and the provincial assembly members. The democratically elected parliaments thus deprived the citizens of effective local governance arrangements through denying the devolution of adequate political, fiscal and administrative powers to local councils. The running of the Local Government Fund continued to be managed by the Finance Department and Finance Minister of the province.<sup>37</sup> ■

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## Section One

# Legislative Changes

## Labour Legislation

Even five years after the passage of the 18th Amendment, the federal government failed to come up with a blueprint to harmonize labour laws across the provinces. A broader national legislative labour framework based on constitutional rights and international labour standards, and a statutory/constitutional mechanism to ensure provincial laws adhere to this blueprint remained to be devised till the end of 2015.

Unfortunately the demand for harmony of labour laws was neither raised by the trade unions nor by employers. Experts had pointed out the need for such a mechanism in 2010 and suggested that the Council of Common Interest (CCI) take up this task.<sup>1</sup> As per the 18th Amendment, the revised Federal Legislative List empowers the parliament to legislate on labour matters (Articles 3, 11, 16, 17, 37e, 38 a,b, c, d) enshrined in the Constitution and related to the federation. Hence, the parliament can legislate a national framework on labour, but it did not. The federal legislature is 'empowered to legislate on all issues pertaining to industries that fall under the centre's purview as well as those

industries that straddle provincial boundaries.<sup>2</sup> Matters relating to international treaties and conventions (33 ratified ILO conventions are in force in Pakistan) come under the federal legislature as well.

## Labour Legislation in the Provinces

During the last five years, the provinces revised and enacted a number of labour laws but so far no comprehensive assessment of provincial laws have been carried out to ascertain the level of adherence to the ratified ILO conventions and to the Constitution. The existing labour laws that allow individuals, fourteen years old and above, to engage in productive activity remains to be brought in sync with Article 25-A which calls for universal education from ages five to sixteen. New labour laws enacted by the provinces have ignored this essential aspect: the definition of 'child' is being kept the same (fourteen years). For instance, the Khyber Pakhtunkhwa Prohibition of Employment of Children Act 2015 and the Khyber Pakhtunkhwa Shops and Establishment Act 2015 define 'child' as a person who has not completed fourteenth year of his age.<sup>3</sup>

141 Social Protection in Punjab



A troubling aspect of the process of redrafting of labour laws in the provinces has been a lack of transparency. Who scrutinized the old laws and revised or drafted the new versions? And who continues to do so? Do the committees or boards involved in this process include workers' representation? Whom is the draft sent to for vetting? None of the official websites contain this information, nor is it disseminated to the media. Unfortunately, neither trade union bodies nor labour organizations demand the information.

Khyber Pakhtunkhwa enacted four labour laws in the year: the Khyber Pakhtunkhwa Maternity Benefits (Amendment) Act 2015; the Khyber Pakhtunkhwa Bonded Labour System (Abolition) Act 2015; the Khyber Pakhtunkhwa Shops and Establishment

Act 2015 and the Khyber Pakhtunkhwa Prohibition of Employment of Children Act, 2015. Earlier, till Dec 2014, the KPK had adopted seven labour laws.

The Punjab province established the Punjab Social Protection Authority through an Act in May 2015, repealed the Punjab Social Services Board Ordinance 1970 and dissolved the Social Services Board. The Authority was given the task to 'formulate social protection policy for the Punjab in consultation with all stakeholders' and undertake related functions.<sup>4</sup> The government of Punjab has not used the term 'social protection' with a perspective to include all workers as is currently the norm in global labour discourse but has defined 'social protection' as 'the welfare and benefit of the poor and vulnerable'. The Act

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stipulates the Authority to ‘formulate policies for the protection of legal rights of [the] poor and vulnerable’ and evaluate the performance of ‘social sector programmes’. The text does not specify social sector welfare programmes. The draft of the Punjab Labour Policy, prepared and shared with stakeholders in 2014, remained a draft and was not finalized in 2015. The Punjab Labour and Human Resource Department notified the Punjab Hazardous Occupation (Silicon) Rules, 2015. The draft was prepared and finalized in a tripartite consultation held in December 2014.

The Sindh Employees’ Old-Age Benefits Act was passed in December 2014 and made effective from January 2015.<sup>5</sup> The Sindh government passed the Sindh Differently Able Persons (Employment, Rehabilitation and Welfare) Act in February 2015. The Sindh Workers’ Welfare Fund Act 2014 was passed and enforced in May 2015. The Sindh Bonded Labour System (Abolition) Bill, the Sindh Companies Profits (Workers’ Participation) Bill 2015,<sup>6</sup> and the Sindh Minimum Wage Bill<sup>7</sup> were sent to the Standing Committee on Labour and Human Resources in 2015 but till the end of 2015, these remained to be passed into acts. The Sindh Assembly official website does not give any information on the draft bills and neither does it provide information on the members of the Standing Committee with the exception of the name of the Committee Chairperson, Arshad Abdullah Vohra.

The Balochistan government promulgated the Balochistan Industrial Relations (Amendment) Act 2015 and the

Balochistan Boilers and Pressure Vessels Act 2015 during the year. The Balochistan government has not yet constituted a Standing Committee on Labour.

## **EOBI and WWF**

The devolution of two labour welfare institutions, Employees Old-Age Benefits Institution (EOBI) and the Workers’ Welfare Fund (WWF), remained controversial, under litigation, and unresolved. The devolution of the EOBI would benefit Punjab and Sindh as the two provinces are the major contributors to the EOBI fund whereas the militancy-hit KPK province and under-developed and conflict-ridden Balochistan would be affected adversely. The Pakistan Workers’ Federation representatives advocated that EOBI be retained as a federal institution to benefit workers of the four provinces equally.<sup>8</sup>

In April the Supreme Court took up the three-year old petition filed by the Punjab government under Article 184 (1) of the Constitution, seeking transfer of EOBI and WWF to the provinces after the passage of 18th Amendment.<sup>9</sup> The assistant advocate-general Punjab, pleading the case, stated that instead of devolving the institutions, the federal government through its notification dated 31 June 2011 had merged EOBI and WWF into the Ministry of Labour and Human Resources in violation of the constitution. This was refuted by the federal government which stated that after the devolution of the Federal Ministry of Labour and Human Resources, the assets of the EOBI and WWF have been transferred to the Ministry of Inter-

Provincial Coordination.<sup>10</sup> The apex court issued notices to Balochistan, KPK and Sindh provincial governments.

The Punjab government wants distribution of assets under the National Finance Commission formula based on the number of registered industrial units and workers. On the other hand, the Sindh government wants the distribution to be based on source of collection of fund while the KPK and Balochistan governments are in favour of continuing with the existing formula, under which both provinces receive comparatively higher funds.<sup>11</sup> Meanwhile, Sindh struggled to implement the EOBI Act. In August 2015, a meeting was held to determine measures to initiate the EOBI institutional chartered functions on the provincial level under the Sindh EOBI Act, 2014. A transition unit in the Labour Department was to be constituted

to monitor and coordinate the activities of EOBI. There was no follow-up on that. The Inter-provincial Coordination (IPC) department advised the Labour Department to notify its board of trustees.<sup>12</sup>

In April 2015, the federal government raised the minimum EOBI pension from Rs. 3,600 to Rs. 5,250 per month. By December 2015, the EOBI had 103,302 employers and 6,670,880 employees registered under different schemes. The total numbers of pensioners stood at 561,968.<sup>13</sup>

National Industrial Relations Commission Devolution of 'labour' thus stood incomplete in 2015, causing hardships to workers in accessing justice. The National Industrial Relations Commission (NIRC) was sustained as a federal industrial dispute resolution mechanism after the

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Provincial Coordination.<sup>10</sup> The apex court issued notices to Balochistan, KPK and Sindh provincial governments.

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Sindh High Court validated the Industrial Relations Act, 2012, in its August 2014 judgment. Employees of state-run corporations, multi-national companies and the corporate sector faced difficulties as the NIRC benches in Karachi, Sukkur, Lahore, Multan, Peshawar, Kohat and Islamabad were not able to handle the very large number of cases they had to deal with. The backlog of cases was caused by a shortage of judges/members, staff, infrastructure and offices of the Commission. In the Lahore NIRC bench alone, 2,500 cases were

pending till April 2015.<sup>14</sup> The NIRC which by law, should have ten members had only six in 2015. A summary was sent to the prime minister for the appointment of more members to complete the composition of the Commission but till the end of the year there had been no follow-up.<sup>15</sup> ■

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# Labour Conditions

## Labour Market Information

Reliable data collection is crucial for effective policy planning related to labour and employment. Aside policy makers, other stakeholders such as employers' associations, worker organizations, trade unions and labour activists require authentic data to campaign for and influence policy directions. As the world economies become more inter-dependent and intertwined, impacted by global dynamics, sound data at national level becomes vital for a country's progress. 'Better data, better lives' was the motto of the second World Statistics Day celebrated on 20 October 2015. It is pertinent to note that Pakistan has not yet ratified the ILO Labour Statistics Convention No.160 (1985) that mandates the ratifying countries to regularly collect, compile and publish basic labour statistics as specified in its guidelines.

The Pakistan Bureau of Statistics has been conducting Labour Force Surveys (LFS) since 1963. The methodology and questionnaire of the LFS have been revised a few times for addition of new indicators. The LFS 2013-2014, released in May 2015, was delayed due to a revision by the Panel of Labour Statistics.<sup>1</sup>

The draft LFS 2014-2015 was put on the website in February 2016.

The LFS is still lacking in several key indicators as set out by the ILO Key Indicators of Labour Market (KILM) which is a collection of 18 key indicators relating to employment (i.e., volume, status, work hours), unemployment, workers' education, wages and compensation costs, labour productivity and working poverty. 'Taken together, the KILM indicators give a strong foundation to begin addressing key questions related to productive employment and decent work.'<sup>2</sup> In its 8th edition of KILM released in 2014, the ILO included new indicators on unemployment flows 'workers' inflow rates into and outflow rates out of unemployment - as part of its series of indicators on unemployment (KILM 9).<sup>3</sup>

Pakistan Labour Force Survey documents most of the 18 key indicators. However, it leaves out some pertinent ones which are essential for a full understanding of labour market dynamics. Indicators missing from LFS are labour productivity, skill mismatch, compensation costs, poverty, income distribution and working poverty.

A crucial gap in the LFA is the age of 'economically active population' which is defined as 'all persons ten years of age and above'. This definition is contradictory to the definitions given in the Constitution of Pakistan (Article 25-A) and the national law on child labour, which sets the limit of 14 years for the person to enter labour market. Also, the ILO core labour convention (No.138) on the minimum age stipulates that the person entering the labour force should not 'be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years'.

Apart from the information available in the Pakistan LFS, there is no data available on labour in the country. Provincial labour departments lack proper documentation largely due to financial and human resource constraints, but also for lack of capacity, ineptitude and apathy.

Even in cases where departments have data on labour, such as occupational accidents and injuries, number of mine workers, number of trade unions registered, they do not share data in any form. On the whole, the country has suffered a regression in labour data sharing. *The Labour Gazette*, which was published by the British in the Subcontinent in the post-partition years, continued as *Pakistan Labour Gazette* after independence but gradually its frequency dwindled from monthly to quarterly in the 1950s and 1960s and its content diminished too. In the 1970s it became a bi-annual, then an annual. In the 1980s it ceased publication altogether.

### Labour Market Indicators

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decline occurred in age cohorts between 10 to 24 years of age. Participation rate among child labour (10 to 14 years of age) declined from 10.6 per cent to 9.6 per cent.<sup>5</sup> This could be due to several factors (i.e., increasing enrollment in schools, state and non-state interventions against child labour) which need to be validated through research.

This age cohort (10-14 years), however, needs to be re-defined as the global definition of labor force participation rate refers to the proportion of the population ages 15 and older.

The drop in labour force participation rates among 15-19 years and 20-24 years workers was indicative of increasing youth unemployment due to factors (i.e., skill mismatch, low employment generation) yet to be determined through surveys. It is to be noted that Pakistan's labour force participation rate is among the lowest in the world. In advanced economies, labour force participation rates are above 70 per cent. The reasons for over-all low labour force participation in Pakistan include poor job growth, lack of skills and poor education of potential work force.

Also, there is a wide disparity between men (67.8 per cent) and women (22 per cent) refined activity participation rates. There is a sharp differential between rural (28.8 per cent) and urban (10 per cent) women's economic participation. Women's low participation rate, the lowest in South Asia, is due to lower human development indicators for women (i.e., literacy, skills, health) and cultural constraints that inhibit women's mobility and participation in economic and public affairs.

In absolute numbers, Pakistan's labour force was 61.14 million in 2014-15. Of the total workforce, 57.42 million were employed and 3.62 million unemployed.<sup>7</sup> Out of the employed work force, the largest number - 42.3 per cent - was engaged in agriculture, a sector where wages are the lowest and incidence of bonded labour high. Sadly, the bulk of vulnerable agricultural work force was female: 72.7 per cent, compared to 33.1 per cent men working in agriculture.<sup>8</sup>

The biggest challenge of labour market dynamics remained 'informality' of employment. The informal sector refers to the lack of legal status of the economic activity. Mostly unregistered, informal enterprises are out of the ambit of state regulations and do not comply with relevant legislation, thus depriving workers of their rights and entitlements. According to the latest LFS, the majority of the non-agricultural labour - 72.6 per cent - worked in the informal sector.

Out of the total employed persons in the informal section in 2014-15, 44.0 per cent were own account workers (running their own enterprises with or without hired labour); this figure was up from 40.5 per cent in 2013-14. This significant increase of 3.5 per cent, is indicative of growing informality as well as dynamism and entrepreneurship. Contributing family workers comprised 8.9 per cent of the total. The two categories - own account workers and contributing family workers - fall under the classification of 'vulnerable' workers. In Pakistan, the bulk - 52.9 per cent - of the informal labour force, fell under the category of 'vulnerable employment'.

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A positive state intervention to address informality of economy was the imposition, in June, of a 0.6 per cent tax on all kinds of banking instruments of over Rs. 50,000 of non-filers of income tax.<sup>9</sup> Faced with stiff resistance from the business circles, the government relented and reduced the tax to 0.3 per cent in September. This intervention could impact governance issues in the informal economy and ‘...may be a method of engaging firms with the state, and thus promoting legitimacy, good governance, and political accountability.’<sup>10</sup> But there was no debate or analysis by labour economists that the measure deserved

#### National Wages

According to the latest Pakistan LFS 2014-2015, the national average monthly wage stood at Rs. 14,971. Agricultural workers earned Rs. 7,804 per month, which is half of the national average. Not only that, they were also the lowest wage earners

in all categories of worker - a stark indicator of rural poverty. With the average family size at 6.8 per cent and 1.5 earning members per family in Pakistan, a monthly income of rural family translates in to Rs. 57 (half a dollar) per person per day in the rural household.

Surprisingly, workers in the manufacturing sector earned less than the national average: Rs. 13,478. Textile and garments comprise the largest and the most important component of the manufacturing sector. After the granting of the GSP Plus tariff-free scheme, textile contributed 57 per cent of the total export in the fiscal year 2014-15.<sup>11</sup> The earnings of manufacturing sector workers indicate that the benefit of enhanced exports is not trickling down to the workers. The gender differential in wages in the manufacturing sector was mind boggling: women workers getting Rs. 5,435 per month compared to male workers earnings of Rs.14,465.<sup>12</sup> Women comprise

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25 per cent of the work force engaged in textile and garments. LFS 2014-2015 attributes the gender differential to the 'sampling effect and consequential scarceness of response.'<sup>13</sup>

Wage differential for employment status was even greater: a manager earned Rs. 51,578 per month compared to persons engaged in elementary occupations who earned Rs. 10,392, almost five-fold difference.

## Minimum Wages

Minimum wages were raised from Rs. 12,000 to Rs. 13,000 in 2015 by the federal government. The provincial governments of Punjab, Sindh and Balochistan raised the minimum wages to Rs 13,000 in their respective budgets for 2015-16. Sindh notified the raise in November, Punjab in August.

The government of KPK had raised the minimum wage to Rs. 15,000 in September 2014. But as the government did not follow the process of consulting the Minimum Wage Board, the notification was challenged in court. The Balochistan government announced minimum wages (Rs. 13,000) along with the budget in June 2015, but the decision was not notified.

The Pakistan Minimum Wages Ordinance, 1961, regulates minimum rates of wages for all classes of workers ('skilled, unskilled, intellectual, technical, clerical, manual or other work including domestic')<sup>14</sup> employed in certain industrial undertakings. The KPK and Punjab provincialized the law with some changes in 2013 and 2014 respectively. The legislation excludes the employees of

federal and provincial governments, coal mines employees<sup>15</sup> and workers employed in agriculture.

The provincial Minimum Wage Boards, which in theory are tri-partite bodies, recommend to respective governments the minimum rates of wages (for time work, piece work, over time work and paid holidays) in specified industries. However, it is the provincial governments which first announce the minimum wages during the budget. Then the reference is sent to the respective Minimum Wages Boards which then consult the members and send back recommendations to respective provincial governments which then approve and notify these wages. The process becomes time-consuming due to inefficiency of both, the provincial labour departments and the Boards, in case Boards are constituted!

The gap between announcement and notification impacts the workers who are often deprived of their dues in minimum wages raise. Even in those units where employers agree to pay minimum wages, payment of arrears remains in doubt. In March 2015, the representatives of employers of the FB Area Association of Trade and Industry and North Karachi Association of Trade and Industry, stated it was problematic for many industrial units to pay arrears with retrospect effect (i.e., July 2014) since the Sindh government notified it very late.<sup>16</sup>

In April, a two-member bench of the Supreme Court, in a *suo moto* notice about the payment of minimum wages by the federal and provincial governments, sought reports from all the four provincial labour secretaries regarding the volume

and the status of the complaints of non-payment of minimum wages and measures taken by the provincial governments. In September 2015, the Supreme Court sought implementation reports from all provincial governments within three months.

Pakistan has not yet ratified the three ILO standards on minimum wages - Minimum Wage Fixing Machinery Convention, 1926 (No.26); Minimum Wage Fixing Machinery Convention Agriculture, 1951 (No.99); and Minimum Wage Fixing Convention, 1970 (No.131). Ratification is not on the state agenda and neither are any of the concerned circles (i.e., trade unions) demanding it.

### Provincial Minimum Wages Boards

The province of KPK had not constituted

the Minimum Wages Board till early 2015 under the Khyber Pakhtunkhwa Minimum Wages Act, 2013. The KPK Labour Department's notification of minimum wages (raised to Rs. 15000), issued in September 2014, was challenged in Peshawar High Court by employers. The Court suspended the notification on the ground that it was not determined by the Board as the Board remained to be constituted. The provincial government was advised to form a wage board under the relevant law to determine the minimum wage.<sup>17</sup> There was no follow-up on the media on the KPK Minimum Wage Board. The official website does not contain this information either.

Under the Khyber Pakhtunkhwa Minimum Wages Act 2013, the Minimum Wages Board is to have an independent member, two employers' representatives and two workers' representatives. The Chairman

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and the members are all appointed by provincial government.<sup>18</sup>

The Punjab Minimum Wages Board composition was changed under the provincialized law put into effect in 2014. According to the official website, the Board has no representation of either workers or employers. It comprises a 'Chairman (Secretary Labour and Human Resource is ex-officio Chairman of the Board), a Secretary (BS-18), one Research and Statistical Officer (BS-17)'.<sup>19</sup>

## Occupational Safety and Health (OSH)

Pakistan slid further down the occupational safety and health score in 2015 as was made manifest by meager official data and mounting evidence. A major industrial accident - the collapse of a four-storey factory building in the Sunder Industrial Estate of Lahore in November causing the death of thirty-one workers (including child workers) and injuring another 100 epitomized the sad state of work place safety. It once again highlighted the crucial role of regulating agencies, not just of those related to inspection of labour conditions but also of those responsible for ensuring the worthiness and safety of work place infrastructure.

The inquiry undertaken by a seven-member committee headed by Secretary Industries held the Punjab Industrial Estate and Industry Department responsible for letting the factory operate without a completion certificate. The building was structurally weak and unable to bear the load of the heavy machinery deployed there.

In recent years, especially after the Baldia Factory fire disaster in 2012, the building control authorities in the cities have been exposed for their inefficiency and corruption. The number of workers who suffer injuries or fall prey to diseases at their work place has been steadily increasing over the last seven years as recorded by the Pakistan LFS reports. In the 2013-14 survey, 4.3 per cent of the work force, or 2.58 million workers, reported work place related injuries and diseases. The Table below illustrates the rising numbers over the last seven years:

## Occupational Injuries and Disease

The largest group of victims of work place injuries and diseases belonged to the agriculture and fisheries sector where 51.2 per cent workers reported work place

Year	% of workers suffered injuries & diseases
2013-14	4.3
2012-13	4.0
2011-12	-----
2010-11	3.5
2009-10	2.9
2008-09	2.7
2007-08	2.0

Source: Pakistan Labour Force Surveys

injury or disease.<sup>20</sup> Agriculture is one of the most hazardous occupations in the world where workers are exposed to pesticides, infectious and parasitic diseases (i.e., malaria, dengue, tetanus), transmissible animal diseases (i.e., bovine tuberculosis, rabies, snake bites), and



extreme weather. These risks, combined with a non-existent/poor rural healthcare infrastructure and rural poverty undermine health and safety of agricultural workers. The most damaging factor is the lack of a regulatory framework in agriculture: none of the existing health and safety laws cover agriculture.

Manufacturing was the second most unsafe sector where 14.2 per cent workers suffered Occupation Safety and Health (OSH) injuries and diseases, followed by construction (14.1 per cent), wholesale/retail and food (8.6 per cent) and transport (7.5 per cent).<sup>21</sup>

A recent study on OSH in Pakistan's construction sector revealed that the majority injuries suffered (55 per cent) was due to falling from a height. Struck-

by injuries were reported in 53 per cent cases; injuries by wastage and raw materials by 36 per cent; and heat stroke by 33 per cent. The survey also revealed cave-ins due to inadequate shoring during excavations and falling from scaffolding were the major causes of injuries. This was followed by lack of care and maintenance of tools at welding plants and electronic equipment, temporarily laid power lines without the necessary safety guidelines, and defective or faulty Personal Protective Equipment (PPE). Another cause was lack of training of the worker in the use of particular equipment or machinery.<sup>22</sup>

It is to be noted that occupational accidents are grossly under-reported due to informality, non-compliance, lack of labour inspection and a general reluctance

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for documentation. The media tends to report only fatal or serious accidents.

Pakistan did not ratify any of the ILO conventions relating to occupational health and safety of workers in 2015 despite increasing awareness of the urgent need for provision of safety to workers following the status of the GSP Plus granted to Pakistan. There are three general ILO Conventions on occupational health and safety (C-155, C-161, C-187) and five conventions specific to industries - commerce and offices, dock work, mines, construction and agriculture.<sup>23</sup>

ILO Convention No. 155 Occupational Safety and Health Convention, 1981, calls for the adoption of a coherent national occupational safety and health policy and implementation of the same to promote occupational safety and health and to improve working conditions. The Occupational Health Services Convention, 1985 (No. 161) provides for the establishment of enterprise-level occupational health services with preventive functions responsible for advising the employer, the workers and their representatives in the enterprise on maintaining a safe and healthy working environment. The Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) requires the ratifying state to develop, in consultation with employers and workers, a national policy, national system, and a national programme on occupational safety and health.

A silver lining was the announcement in April 2015 by the Ministry of Overseas Pakistanis and Human Resources Development that the federal government

was to initiate a tripartite dialogue to consider ratification of new ILO conventions, including the Occupational Safety and Health Convention (No. 155). However, no progress was reported about the initiative till the end of the year.

There is a need for an effective, national OSH strategy. Reform and harmonization of existing OSH laws and drafting of new laws where required is essential, along with the strengthening of inspection systems.

## Child Labour

According to a 2015 ILO publication<sup>24</sup> on child labour in South Asia, Pakistan's data<sup>25</sup> reveals that out of its total work forces, 5.7 million children of ages 10-17 were employed, representing 19.9 per cent of all children in that age group. The employment ratio was 13.0 per cent for 10-14 year olds, rising to 33.3 per cent for children between 15-17 years of age. More than two-thirds of working children between the ages of 10-17 in Pakistan were employed in the agricultural sector. A similar proportion of employed children, 67.9 per cent, were engaged in unpaid family work, with the remaining 32.1 per cent were paid workers or self-employed.<sup>26</sup>

In May 2015, KPK passed the Khyber Pakhtunkhwa Prohibition of Employment of Children Act 2015. The Act is an amended version of the Employment of Children Act 1991, which prohibits child labour (below 14) only in hazardous occupations. This is not in conformity with ILO Conventions 138 and 182 (both apply to persons under 18) ratified by the government. Article 11(3) of the country's

## **Baldia Factory Fire Case: 2015 Update**

**Sana Hakeem**

Three years on, three investigations reports later, the case registered in pursuit of those responsible for deaths of 258 workers remained to be decided. The country's worst industrial incident, the deadly fire at the Ali Enterprises factory in Karachi's Baldia Town, occurred on 11 September 2012. Initially the case was registered under the Criminal Procedure Code (Section 493 for premeditated murder) against the factory owners, managers and other employees for their alleged negligence in managing the evacuation process during the fire and not providing a safe exit. However, this section was later removed on intervention of industrialists lobby. During the last three years, the hearings in the Sindh High Court continued, sometimes inching forward while at other times simply being adjourned.

In January 2015 the judicial commission Sindh High Court ordered distribution of PKR 500,000 for each deceased person family as death grant. In compliance of the order, 560 cheques were distributed among major legal heirs of the deceased person. The compensation amount for 157 minor legal heirs was invested with the National Saving Center, while 66 cheques were pending due to personal issues of respective victim families. Three of the victim families did not receive compensation yet as they belonged to Bengali families and NADRA officials did not cooperate to issue CNICs.

On February 7, 2015, the report prepared by a joint investigation team (JIT) was submitted to the Sindh High Court by additional attorney general, along with a statement of the deputy assistant judge advocate general of Sindh Rangers. This report claimed that a political party was behind the deadly fire. The JIT report pushed to the backburner the main issue: lack of health and safety facilities at the industries.

Three Inquiries had been conducted in the Baldia factory fire case: i) inquiry conducted by a committee of Police Officers; ii) FIA Inquiry; iii) judicial inquiry by a retired Judge of the Sindh High Court. In these inquiries, the issue of the fire being caused by sabotage for extortion reasons was looked into and rejected as a cause of the fire.

The owner of the industrial unit, Abdul Aziz Bhaila, and his two sons, Arshad Bhaila and Shahid Bhaila, general manager Mansoor and three gatekeepers were booked through FIR No: 343/2012 on 17 September 2012 under the Criminal Proceeding Code. The Sindh High Court released all the accused who were earlier arrested in the case in April 2013.

On 16 February 2015 Advocate Shazia Hanjra, the public prosecutor in the case, stepped down from the case due to lack of cooperation from police officers investigating case. In March 2015 Mrs. Shahida Parveen, a widow of a victim of the factory fire launched a community petition on the online activist website Avaaz. She campaigning to ensure that she and all the victims of the Ali Enterprises factory fire receive long-term compensation from KiK, a German discount retailer and the sole buyer from the factory.

In August, the joint investigation team (JIT) formed to probe the Baldia Town factory inferno case was granted permission to travel to London carry out further investigations in the case. The JIT members traveled to London to record statements from the factory owners who had left the country. In October, the joint investigation team held another session with the owners of Ali Enterprises Ltd. at the Pakistani Consulate in Dubai and recorded their statement.

By the end of 2015, all the suspects were on bail. The accused owners of the factory did not attend the court hearing for 14 months but sent applications for exemption on medical grounds.

The workers who survived the disaster but were injured received compensation from the court in initial proceedings of the case. Two survivors who became completely disabled after the incidence received the compensation amount of PKR 600,000 from the court. Forty-five survivors who recovered from minor injuries found employment as contract workers in other factories in the same area. Out of the total workforce of 1500 workers employed in the factory at the time of incidence, the skilled workers found employment. But many unskilled labour, i.e. loaders, cleaners became jobless.

Constitution is also not in conformity with these two ILO conventions as the Constitution defines child as a person below 14. The Khyber Pakhtunkhwa Act, however, has declared 35 processes as hazardous for children compared to 14 hazardous processes in the 1991 Act.<sup>27</sup>

The Punjab province drafted the Restriction of Employment of Children Act, 2015 prohibiting employment of children in any kind of industrial work soon after the collapse of the factory in Sunder Industrial Estate, Lahore. The draft was approved in December.<sup>28</sup> But the age of child has been retained in the Act as below the age of 14. Earlier, in 2011 the province had amended the 1991 Act. The provinces of Sindh and Balochistan lagged behind in formulating/revising the Employment of Children Act 1991.

The National Commission for Child Welfare and Development, a federal advisory body under the Ministry of Human Rights, is supposed to monitor and ensure the implementation of the UN Convention on the Rights of the Child. The Commission has no role in taking action over violations against children's rights and its powers and functions are mainly recommendatory.

The issue of child labour remained on the margin, both for policy-makers and academicians. No national survey on child labour has been conducted since 1996, and as matters stand after the passage of the 18th Amendment, it does not seem likely that the federal government will undertake a national survey on child labour. The only recourse is to add indicators in the next population census

Constitution is also not in conformity with these two ILO conventions as the Constitution defines child as a person below 14. The Khyber Pakhtunkhwa Act, however, has declared 35 processes as hazardous for children compared to 14 hazardous processes in the 1991 Act.<sup>27</sup>

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to measure the extent and scope of children engaged in work.

Academic research on child labour is scant or non-existent. In 2015, only one research on child labour was disseminated on internet. The Social Development Policy Institute undertook a research on child labour in district Sahiwal, Punjab, and outlined policy recommendations.<sup>29</sup> An earlier (2014) study analyzed sociological causative factors of child labour in Bajaur Agency, FATA.<sup>30</sup> Civil society organizations focusing on labour are few and project-driven. Labour is not the priority thematic area of international funding agencies.

## Trade Unions

According to the 2015 International Trade Union Confederation (ITUC) Global Rights Index of the World's Worst Countries for Workers, Pakistan stands at the bottom at five on a scale of one to five. Fundamental rights of workers, the right to bargain collectively, the right to strike, the right to associate freely, and access to due legal process, are in practice non-existent in Pakistan: '...the government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under continuous threat'.<sup>31</sup> In its 3rd World Congress 2014, the ITUC identified Pakistan as one of the twenty-four countries at risk of 'experiencing a profound failure to guarantee laws that ensure fundamental rights for all workers.'

The industrial relations laws, enacted by the provinces after the passage of 18th Amendment, based on the repressive

Industrial Relations Ordinance 1969, have retained exclusionary framework depriving workers in several categories of services of their rights granted by the Constitution. The provinces have retained the restrictive clauses of the 1969 Ordinance curtailing the right to form trade unions and collective bargaining as well as the right to strike. The government may prohibit 'a strike or lock-out at any time before the expiry of thirty days, if it is satisfied that the continuance of such a strike or lock-out is causing serious hardship to the community or is prejudicial to the national interest.'<sup>32</sup>

According to latest available non-official data, there are 949 registered trade unions with a total membership of 1,865,141 amounting to three per cent unionized workers of the labour force.<sup>33</sup> The number and strength of trade unions in the country have diminished considerably over the years due to restrictive legislation imposed by the state. The process of registering a trade union with the Registrar Trade Unions, under the IRAs, is excessively complex.<sup>34</sup> In addition, 'With vast discretionary powers, Registrars often misuse, delay or deny the registration process in collusion with employers'.<sup>35</sup> Often employers clandestinely register two 'pocket' or 'yellow' unions themselves so that the genuine group of workers cannot fulfil the condition of at least 20 per cent membership of total employees for the registration of a third union.<sup>36</sup> When a trade union is registered after all the hassle, the workers face a disabling environment at the work place; employers use coercive tactics including harassment, threats and dismissal to weaken or curb union activities. Trade union registration

Shi Shadi Khan Pakistan Press



is also annulled on many accounts.

In October 2015, the Lahore High Court annulled the registration of Ittehad Workers Union at the UniLever plant on Multan Road. The petition against the union was filed by the employer. The court maintained that UniLever is trans-provincial establishment and therefore it could not be registered with Trade Unions Registrar; it would have to register with the NIRC.<sup>37</sup>

Two years after the enactment of the Sindh Industrial Relations Act 2013 that brought agricultural workers within the ambit of the law, the country's first ever trade union of the agricultural and fisheries sector, the Sindh Agriculture and Fishing Workers Union, was registered in February 2015 with the office of the

Registrar Trade Unions, Karachi. According to media reports, the union comprised 400 members, including 180 women.<sup>38</sup> Labour activists working in rural Sindh, however, remained unaware of the union and its activities.

Another first ever trade union to emerge in 2015 was the Domestic Workers' Trade Union formed by the Pakistan Workers Federation and registered with the Lahore Office of the Registrar of Trade Unions. The Union comprised 235 members and except 10, all were female domestic workers. The Pakistan Workers' Federation is in the process of registering the union with the International Domestic Workers' Federation.<sup>39</sup> As these two new sector unions have emerged through outside facilitation and not from mobilization of the workers within

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As these two new sector unions have emerged through outside facilitation and not from mobilization of the workers within

the sectors (agriculture, domestic services) it is too early to say whether the unions would be able to expand the membership.

### **Invoking Essential Services Act for Banning Unions**

One of the laws to obstruct trade union activity turned out to be the Essential Services Maintenance Act 1952 that covers government services and state enterprises. The law is usually invoked to limit or ban strikes and to annul registration of trade unions. The year 2015 witnessed an increasing use of the Essential Services Act to curb union activities.

In May, the Punjab government invoked

the Essential Services Act in education through a notification and put a ban on teachers' associations.<sup>40</sup> In October, the Lahore High Court annulled the registration of a trade union formed by workers at the Board of Intermediate and Secondary Education (BISE), Lahore. The court observed that the BISE is an essential service in view of a notification issued by the Punjab governor hence teachers could not form a trade union.<sup>41</sup>

In December, the KPK government invoked the Essential Services Act in all teaching hospitals in the province following the Peshawar High Court Order of 7 December 2015. The Act prohibited the medical staff from engaging in any kind of union activities.<sup>42</sup> ■





# Labour Struggles

The absence of a labour movement, or a unified collective struggle, should not be taken to mean that the workers in Pakistan have turned into passive stake-holders. Despite the disabling legislation and repressive tactics used by the state and employers that make union formation and collective bargaining extremely difficult, the workers have continued to raise their voices against injustices and violation of their rights. Aggrieved workers' groups took to legal recourse, stake-holders' mediation, partnership with civil society organizations, use of media, and protests and rallies to seek policy-makers' attention and the society's support. Employees of government establishments and public sector enterprises rallied around issues of privatization. The corporate sector workers fought legal battles and the informal sector workers sought solutions at district level.

## Public Sector: Privatization

Public sector enterprises contribute around 10 per cent to the country's GDP by providing infrastructure services and other public goods. From 1991 up to December 2015, a total of 172 public sector enterprises were privatized. The Privatization Commission further identified

69 enterprises for transactions in the coming years.<sup>1</sup> No reliable cumulative data on retrenchment due to privatization in the last 24 years is available. The labour aspect is totally missing from the official discourse on privatization.

The privatization of Pakistan International Airlines (PIA) was approved to be initiated in January 2014.<sup>2</sup> PIA was included in the list of 39 enterprises for early implementation approved by the Cabinet Committee on Privatization in June 2014. The process was delayed due to inter-ministerial differences in the government.<sup>3</sup> In a controversial move, the government promulgated a presidential ordinance, the Pakistan International Airlines (PIA) Corporation Conversion Ordinance 2015, in early December and converted the entity into a company by repealing the PIA Act of 1956 which was considered a legal hindrance to the privatization of the airline.<sup>4</sup> The move was severely criticized by the opposition political parties (PPP, PTI, MQM, JI, BAP). PIA employees rallied against privatization in several cities including Karachi, Lahore, Multan, Faisalabad, Peshawar and Quetta, and demanded the presidential ordinance to be rolled back. In late December, the Senate moved a resolution for the repeal

of the ordinance under Article 89(2) of the Constitution. PIA employees continued their protests.

During 2015, employees of nine electric power supply companies (Islamabad, Lahore, Faisalabad, Gujranwala, Multan Peshawar, Hyderabad and Quetta) resisted privatization. Facilitated by the All Pakistan Wapda Hydro Electric Workers Union, the employees held corner meetings, took out rallies, and talked to the press. In June, a conference was organized by the Anti-Privatization Committee of trade unions at Karachi. Concerned about the aggressive privatization programme of the government, the workers discussed strategies to resist privatization.<sup>5</sup>

In December, health workers held rallies against planned privatization of public

sector hospitals in Punjab. Health workers, including doctors, from different hospitals participated in the protest. The Punjab Paramedical Alliance demanded regularization of daily wagers, contract and ad hoc health workers, and support staff in all hospitals.<sup>6</sup>

The Punjab government, under the Punjab Health Sector Reforms Programme facilitated by the World Bank, planned to 'outsource' (read privatize) health facilities including the district, tehsil and rural health centres. In June 2015, the Punjab government confirmed that hospitals in 10 districts of the province would be privatized. In September and October, a number of doctors' organizations went on strike and rallied in different districts against large-scale privatization in the health sector.

(ii) Status of Labour Rights in Pakistan

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## Corporate Sector: the MNCs

*Transnational corporations have profited enormously from investment subsidies, tax breaks and deregulated labour markets. Today, they dominate the global economy, controlling some 80 per cent of world trade through their own operations and those of their business partners, organised in global value chains. These webs of power have fragmented the workplace and become the factories of the 21st century. Trade unions require bold new approaches to fight the power of Transnational Corporations.*<sup>7</sup>

Trade union analysts believe that these 'webs of power' can only be countered by unions 'securing local and national power base within and along global value chains'. In Pakistan, some of the transnational corporations resort to tactics to curb union activities similar to national companies or the government. The 'measures' include unlawful termination of service and the use of anti-terrorist laws. Workers in multinational companies stand a better chance of unionizing and negotiating as Collective Bargaining Agent (CBA) if they work/mobilize at three levels: local, sectoral or national and global. Workers in large multinationals operating in Pakistan are linking themselves with international trade union federations and bodies aiming to expand the basis of solidarity, and strengthen collective bargaining leverage. Yet, much depend on the local affiliates of international trade unions and how they facilitate the unions to steer through troubled phases.

In 2015, two cases of labour abuses by Nestle and Shell were highlighted by the

alternative media. The mainstream media generally do not cover wrongdoings by the MNCs.

In August, the Workers' Action Committee Nestle, Multan, rallied against the retrenchment of workers and the way the management had responded to their demands by instituting false cases against workers. The management harassed and sacked workers demanding fair wages, better working conditions and other facilities as approved by ILO Conventions.<sup>8</sup>

In September, the management forcibly locked out the 800 low-paid contract workers from its Kabirwala factory without notification of termination of their contract. The management had backed out of the contract it signed with the union three years earlier to regularize 588 contract workers. The workers protested for 48 days in front of the factory. They were removed by the police. The president of the union was arrested on false cases under the Anti-Terrorism Act but was released after two months in October on bail from Multan prison. The management had been trying to bust the union for more than 10 years.<sup>9</sup>

The International Union of Food and Allied Workers Pakistan (IUF-P) is supporting workers of Nestle, Unilever, Pepsi-cola and Cadbury, according to an undated, old document.<sup>10</sup> Unlike its 'past achievements', apparently the IUF-P played no role in the Nestle Pakistan workers' struggle in 2015.

In July 2015, the Karachi Trade Union Registrar dismissed Shell Pakistan management's appeal against the

42) Shell Workers Pakistan



annulment of the union's registration and the collective bargaining status at the Shell Pakistan's lubricant oil blending plant in Keamari. The decision led to the regularization of 300 workers. However, the management filed an appeal before Islamabad Trade Union Registrar which was also dismissed in October. In November, Shell Pakistan deployed paramilitary Rangers at the plant and appointed 100 new workers through contractors.<sup>11</sup>

The struggle of 300 union workers of Shell Pakistan for the right of union formation and collective bargaining and regularizing of worker is supported by the IndustriALL Global Union's affiliate Pakistan Federation of Chemical, Energy, Mine, and General Workers' Union. The workers first attempted to register Insaaf Shell

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The Pakistan Federation of Chemical, Energy, Mine, and General Workers Union (PCEM) is one of the ten trade union federations affiliated with the IndustriALL Global Union, founded in 2012, representing 50 million workers in mining, energy and manufacturing sectors in 140 countries.

#### Informal Sector

The bulk of the labour force work under informal terms and conditions of work and are deprived of entitlements that come with regular, formal employment. Lack

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of legal identity as workers, lack of social benefits, sub-minimum wages, poor working conditions and the absence of unions make their struggle much harder. Yet the informal sector workers do raise voices and band together to access their rights. Informal sector workers' groups and member-based organizations that emerged in the last 15 years in Pakistan (i.e. Anujam-e-Mazrain Punjab, Pakistan Fisherfolk Forum) have sustained themselves, strengthened by their achievements.

Informal sector workers' organizations, besides Anjuman Mazarain Punjab and Pakistan Fisherfolk Forum, that actively pursued collective interests in 2015 included landless tenants' groups facilitated by civil society organizations, bangle-factory workers, garments factory workers, lady health workers and home-based workers. Due to lack of documentation skills within the workers groups, and the media's tendency to cover events without adequate follow-up stories, the impact of workers' struggles remained to be gauged.

## Agriculture

The bulk, 42.3 per cent,<sup>12</sup> of Pakistan's labour force remained engaged in agriculture; a sector marred with low returns for farmers, informality, lack of social protection, low wages for tenants and often debt bondage, particularly in Sindh where landholdings are most skewed. Due to the exclusion of agriculture from the ambit of labour laws and the power of landlords, agriculture workers have no collective voice and hardly any forum. It is mostly civil society

organizations and human rights groups that facilitate the struggle of agricultural workers.

In January 2015, a constitutional petition filed by a civil society organization, the Sindh Qaumi Saath (SQS), moved the Supreme Court against violations of fundamental rights of labour kept in bondage by ex-MPAs Mir Hayat Khan Talpur and Mureed Khan Mari on their lands in Digri in Mirpurkhas and Sanghar.<sup>13</sup> The 2-member bench sought explanation from relevant offices whether this was true.<sup>14</sup> There was no follow-up on the matter. Meanwhile, according to the media, police recovered fifteen workers from a private jail of a feudal in Shikarpur in January. In a separate raid, seventeen haris were recovered from a private jail in Mirpurkhas. As generally happens in these cases, one bonded labour manages to escape from captivity and, with the support of civil society, files a habeas corpus case in court and thus secures the release of the captive family members.

In March, the Punjab government refused to allow the Pakistan Kissan Ittehad Council to hold a protest against state policies adversely impacting small farmers. When the farmers headed towards the Lahore Press Club, police disrupted the procession and arrested a number of workers.<sup>15</sup> In August, the Pakistan Kissan Ittehad Council staged a sit-in outside Punjab Assembly demanding agricultural reforms.

## Fisheries

The fisheries sector workers, represented by Pakistan Fisherfolk Forum, continued

its advocacy campaigns and struggles on issues impacting the fishing communities. In February, the Forum demanded an amicable resolution of fishermen's detention on both Pakistan and Indian sides and urged authorities concerned to release them on humanitarian grounds. In May, fisher workers rejected the draft of the Sindh Fisheries and Aquaculture Bill, 2015, which would bring the controversial fishing contract system back to the province's inland and marine waters and deprive small fishermen of their livelihoods.<sup>16</sup> In October, the Forum advocated in favour of making sea intrusion a part of the agenda of the Council of Common Interests so that effective steps could be taken in a short time span to save the coastal areas from sea intrusion. In November, the Forum highlighted the issues of illegal occupation of the Chotiyari Reservoir in district Sanghar, detained fishermen, and the degradation of mangrove forests in the Indus Delta and along the coastal belt of

Sindh.<sup>17</sup>

## Glass Bangle Workers

In August, Glass Bangle Labour Union held a demonstration at the Hyderabad Press Club against closure of a factory. The owner shut down the unit without any notification to the concerned authority and without clearing dues to the workers.<sup>18</sup> In November, All Hyderabad Choori Welding Workers Association demanded a wage raise and other facilities for workers in the bangle manufacturing units. Supported by Home-based Women Workers Federation, the bangle workers pressed the labour department for implementation of labour laws, including minimum wage law. Bangle workers earn Rs. 200 to 250 per day, an amount lower than the minimum wage.<sup>19</sup>

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The Small and Medium Enterprise Development Authority (SMEDA) estimates there are 32 glass-bangle



manufacturing units in Hyderabad with 300,000 people directly or indirectly involved in the manufacturing, trading, packing and transporting of glass bangles.<sup>20</sup>

## Road Transport Workers: Qingqi Rickshaw Drivers

In early August 2015, estimated 65,000<sup>21</sup> qingqi rickshaw drivers in Karachi lost their livelihood when the Sindh Hight Court banned this mode of transportation. The court decision was a response to more than 10 petitions filed in the court against qingqi rickshaws by various stakeholders, mainly the Karachi Taxi, Motor Rickshaw and Yellow Cab Owners Association. The petitioners had several grounds to ask for the ban: lack of safety of drivers and passengers both, potential of child labour and congestion on the roads. The motive of the taxis, yellow cabs and motor rickshaws' drivers was the fact that due to the cheap fare of qingqis, more and more passengers were using this mode of transport. The qingqi drivers moved the Supreme Court against the ban and stated that the Labour, Transport, Industries and Commerce Departments had allowed operation qingqi rickshaws of 100CC and 150CC in 2007 followed by specifying registration in 2010.<sup>22</sup>

Later in August, chingchi drivers rallied at the Karachi Press Club. Earlier, during the month a qingqi driver had committed suicide due to loss of his job. The Qingqi Rickshaw Drivers' Welfare Association used to allocate the routes, determine the fares the drivers received, identify the locations for their stands, and negotiate the informal payments that were made to the police and the political parties in whose areas the stands were located.

In September, the Supreme Court in its hearing on the qingqi drivers' petition sought a comprehensive report from the Sindh transport secretary on alternative transport for the commuter. However, the Supreme Court did not make any reference to alternate livelihood or employment of the qingqi drivers.

There was no follow-up in the media about the SC petition, nor any research on what happened to estimated 65,000 young men, mostly migrants from impoverished districts in Sindh and Punjab, who lost their livelihoods. The city authorities failed to come up with any alternative either for this unemployed workforce or the city commuters who lost cheap and affordable mode of transport. ■





## Section Two

# Gender Wage Differential in Pakistan

Nadia Tahir\*

### Economy, Employment and Wages

Over the past decade, there is an upward trend in nominal minimum wages but not in real terms. Wages are not keeping pace with the basic needs of working poor. Workers have to face low wages and unfavourable work conditions in the form of power outages, terrorism and workplace insecurity. Pakistan's economy has experienced recovery during 2009-14. However, growth remains low and employment is not increasing for the vulnerable and the poor. Mostly, workers are engaged in elementary, low skill and low paid occupations.

Decent wages are important for creating right incentives for the poor and private sector for improving skills and growth. The Beijing Declaration brought wages into the heart of this discussion. Wages were viewed as a means to attain equality, empowerment and growth. Pakistan adopted the trade liberalization route, but this policy benefited only the skilled and educated workers to the detriment of the

middle and low skilled workers. Unregulated labour market and low unit labour cost are considered important for attracting more investment. This type of thinking ignored the distributional issues and its implications for inclusive growth and harmony in the society.

As a result of this policy, the remuneration of the upper echelon of legislators, managers and professionals have increased at a faster rate and caused wage and income inequalities. These gains of the top two per cent have further weakened the relative position of the poor and the vulnerable. Another distressing dimension of the liberalization approach is the weakening of the labour movement, with virtual bans on trade unions in numerous cases. Stagnant health and education expenditures, lack of social security and dwindling employment opportunities for the illiterate pushed almost 40 per cent of the elementary worker into poverty.

The rate of unemployment as measured by the official Labour Force Surveys has increased from 5.2 to 5.94 per cent during

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2004-05 to 2014-15. Although, the unemployment rate marginally declined from 6 per cent to 5.94 in 2014-15, it is still higher than the average of the last nine years. It is not a healthy indicator for an economy where population is growing at two per cent annually. Employment opportunities increased for 0.90 million mostly in rural areas -- 0.77 million against 0.13 million in urban areas. The rate of growth of the employed increased during 2006-2015. Increasing employment is a healthy sign but in the last nine years (2006-07 to 2014-15), the rate of unemployment on average was 5.7 per cent and average GDP growth was 3.65. Thus the rate of unemployment was higher than the GDP growth rate on average. The liberalization reforms started in early 1990s have increased the intensity of local competition but employment opportunities have not increased significantly. In the same period, wages for less skilled workers remained stagnant or declined.

### A Labour Force with a Man's Face

Pakistan's labour force statistics are predominantly male. According to the

Labour Force Survey 2014-15, Pakistan's labour force is about 61.04 million, of which 46.38 million are males and 14.66 million are females. Out of the total work force 61.04 million, 3.62 million are unemployed. Of the total unemployed, one-third (1.28 million) are women. The male participation rate is 48.1 per cent against the female labour force participation rate of 16 per cent, largely in low wage occupations. Wage employment accounts for 39 per cent of the total employment, male wage employment constitutes 43 per cent of total male employment and female wage employment constitutes 25 per cent of the total female employment. The share of females in wage employment showed a decline of one percentage point when compared with the year 2003-04. The share of own account workers, in case of females, registered an increase of two percentage points. Two-thirds (74 per cent) of the female workforce is in agriculture and related sectors and more than half of the female workers (54.6%) are contributing family workers. Female employers are only 0.1 per cent as compared to 1.1 per cent male employers. In general, females earn less and work in



Figure 1. Vulnerable Employment and Educational Status

support roles.

It is clear from Figure 1 that the employment status of most workers is illiterate and vulnerable. The vast majority of those with skill and education are also in low skill and low education categories.

## Wages and Women

Wages in Pakistan are not adequately related with the skills. As noted earlier, women in the workforce are more highly concentrated in low-wage sectors such as agriculture. Not only do they have fewer opportunities for work, but also have to compete under an uneven wage structure. Wages are related to gender, not skills. Female workers suffer from an increasing disparity in wages.

As per the recent rankings of World Economic Forum (WEF), Pakistan has last but one position on the gender equality along with global economic growth ranking. Scholars working on wages trends in Pakistan report that real wages showed an upward trend in last 60 years. In early 1960s, real wages of industrial and manufacturing workers increased rapidly.

During 1980s, real wages of all workers increased because of increased employment opportunities in Gulf countries. In 1990s, public sector employees, bureaucrats and higher officials witnessed a surge in their real wage. Labour Force Surveys showed that real wages trend was positive. Low wages is the causative factor for working poor in Pakistan. According to a 2008 study by Ministry of Labour & Manpower and the ILO, gender wage gap in Pakistan was around 33 percent. In other words, female workers

earned 66 per cent of male earnings.

## Wage Trend by Industry Division

Recent wage trends are analysed in Table 1. In Pakistan as a whole, real wages cumulatively grew by 3 per cent during 2004-2015. This is significantly below the average (6%) in Asia-Pacific region. Wages increased slowly and incomes are also below the threshold level of income in the region. In the same period, nominal wages (wages unadjusted for inflation) have increased on average by 15 per cent for major industry divisions but incomes remained low. It will be seen from Table 1 that the period 2003-04 to 2008-09 witnessed a higher real wage increase for females of 5 per cent compared to 3 per cent for men. Subsequently, between 2009-10 and 2014-15, the increase in real wages for males fell to two per cent and the corresponding increase for females was just one per cent, suggesting a widening of the gender differential. Over the entire period of 2003-04 to 2014-15, the wages for males as well as females grew at the same rate of 3 per cent, suggesting that the differential may not have changed.

The overall increase in real female wages and the stagnation of the male-female differential hides the fact that wages increased disproportionately and inconsistently across industry divisions. This is visible from Table 1. While overall real wages increased by 3 per cent during 2004-2015, the lowest increase of one per cent was recorded in manufacturing and wholesale and retail sectors. The other significant feature is that real wages increased rapidly in construction sector (10 %) with no change in employment

**Table 1: Annual Compound Rate of Growth of Wages by Industry Divisions: Nominal and Real (%)**

Major Industry Divisions	2000-04 to 2006-09		2009-10 to 2014-15		2000-04 to 2014-15	
	Male	Female	Male	Female	Male	Female
Agriculture, Forestry, fish, Insect and fishing	10	18	10	11	15	16
Mining & quarrying	4	49	17	31	19	49
Manufacturing	14	16	7	113	11	1
Electricity, gas and water	10	1	15	10	15	14
Construction	2	1	3	0	2	1
Wholesale & retail trade and restaurants & hotels	10	15	15	111	10	10
Transport, storage and communication	20	11	0	158	0	17
Finance and insurance, real estate and business services	2	26	24	12	24	21
Community, social and personal services	2	13	11	4	10	1
Total	16	18	10	22	15	13

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**Wage Trend by Occupational Distribution**

Occupational distribution of the employed and respective wages are mapped in Figure 2. It shows that legislators, officials and managers are only 2 per cent of the total employed, but it is also the highest

earning group. These managers are not only at the top of wage group but also claim even bigger wages. Their share is ever growing rapidly, leaving all others behind. This extraordinary increase in wages of top 2 percent has implications for inequalities and is the main source of creating a privileged class. Another important fact is that before 2010-11, there was hardly any difference between the wages of males and females in this group. After 2011-12 wages of female workers which constitute only 0.3 per cent in this category is declining sharply. This type of sharp increase is not only causing inequalities and disturbing the wage distribution, but it is also creating a strong discriminatory effect for female managers by paying them less. Women are not only few in top management roles, but are also

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earning less as compared to their male counterparts. This discrimination is very evident. It is also true that the top managers and professionals have the ability to claim very high wages, but women are not in the position to claim the same wages, perks and privileges as the males in this group.

Professionals constitute almost 5 per cent of the total employed and it is the only group where more females (6.4 per cent) are joining the labour force as compared to males (4.7 per cent). The wages of this group has also increased but not for the females. Professional have also seen consistent and rapid increases, but less than the managers. Females are joining as professionals but also facing a declining wage trend at least for the last three years.

Skilled agriculture, forestry and fishery workers are the largest group, constituting 37.1 per cent of the employed in 2014-15 against 37.8 per cent in 2013-14. It is also

the sector where females have the largest concentration, 61.7 per cent in 2014-15 against 62.4 per cent in 2013-14. This group has seen not only the lowest wages but also the most fluctuating wages. Wage structure of the elementary workers at the bottom 15 per cent of the distribution, has not changed much. These workers are earning too little and their wages are insufficient for the survival.

Table 2 shows that legislators and managers record highest growth rate in real wages i.e. 4 per cent but for females it is only 2 per cent whereas professionals record no growth in their real wages. Skilled agriculture, forestry and fishery workers, which is the largest group (39 per cent), witnessed negative 2 per cent growth in real wages annually during the 2004-2015. Again females are worst hit, recording negative 13 per cent growth in real wages during the same period. Females either record no growth or very insignificant growth in their real wages. It is alarming

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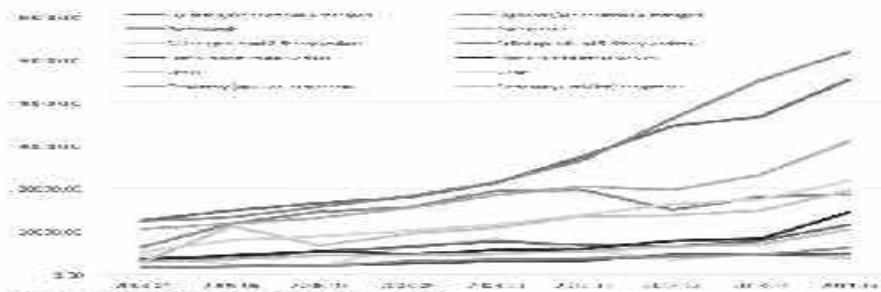


Fig. 2: Distribution of Wages of the Employed

to note that women are mostly joining labour market in agriculture and related sectors as contributing family workers getting very little or no pay. The gap between male and female wages is widening in all cases. Moreover, the pace of annual wage increases of top 7 per cent registered sharp increase compared to the growth of bottom 93 per cent, which was actually below the average. This means the share of the top 7 per cent was rising relative to the other groups.

### Pay Gap and Earnings Ratio

Wage rates and payment patterns differ widely for same work in the same profession. Wage rates are different for

male and female workers. Women are paid less than men for the same work. Not only that women are paid less, but the differential between men and women is increasing.

On an average, women workers earn less than men. Figure 2 looks at wages for various occupational groups. Women are earning 77 per cent of the male earning for the same work. Average wages are substantially lower for labour-intensive tasks such as skilled agricultural, forestry and fishery workers and elementary workers which are traditionally carried out by women. It is also the largest occupational group for women. The year 2006-07 was the lowest point for female

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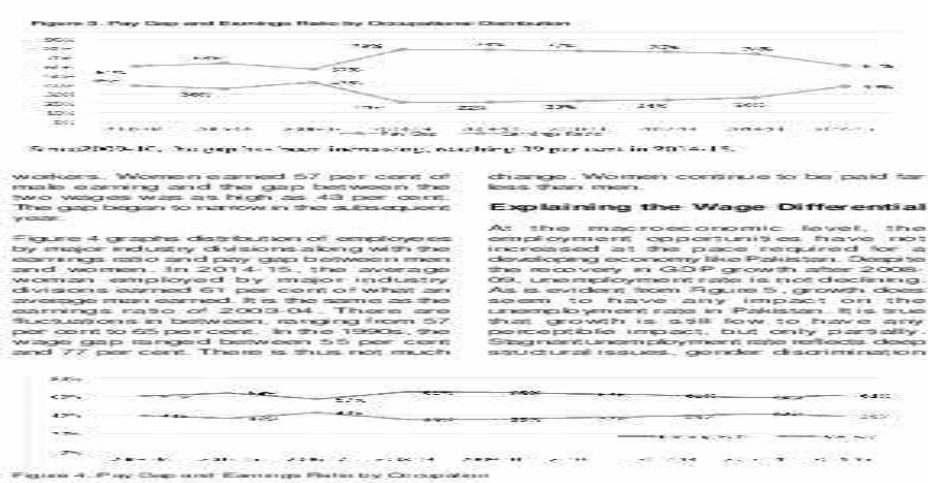
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Table 2. Annual Compound Growth of Wages by Occupation, Nominal and Real (%)

Major Occupational Group	2003-4 to 2008-9			2009-10 to 2014-15			2003-04 to 2014-15		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
Electrical/electronic	1	2	10	18	13	18	17	15	17
Oil clubs & managers	100	140	100	9	6	9	4	2	4
Professional	1	20	10	8	11	1	12	13	13
Technical	100	10	100	11	10	1	11	0	0
Technical non-occupational	8	50	10	10	11	18	10	14	17
Unskilled	0	2	11	8	2	8	9	1	4
Unskilled	100	34	100	12	12	14	17	18	17
Service workers	0	43	4	8	3	1	4	10	8
Shop & market sales	17	20	14	10	10	10	15	10	15
Skilled agricultural & fishery workers	3	2	3	0	5	3	2	4	2
Skilled agricultural & fishery workers	14	10	14	14	11	8	16	15	16
Textile & apparel	5	10	5	11	12	11	2	11	11
Trade & transport	8	11	8	10	8	10	17	18	17
Unskilled	8	10	10	1	2	10	4	0	4
Plant & machinery operators	14	21	11	8	4	17	13	11	13
Construction	0	5	10	11	10	3	1	10	1
Community, health & social work	2	17	11	8	10	17	15	16	16
Unskilled	7	2	10	0	1	7	2	2	2
Unskilled	11	11	11	11	11	10	10	10	10
Total	11	11	11	11	11	10	10	10	10

Note: In each cell, the top number stands for total workers and the bottom number stands for female workers.

Figure 3. Pay Gap and Earnings Ratio by Occupational Distribution



workers. Women earned 57 per cent of male earning and the gap between the two wages was as high as 43 per cent. The gap began to narrow in the subsequent year.

Figure 4 graphs distribution of employees by major industry divisions along with the earnings ratio and pay gap between men and women. In 2014-15, the average woman employed by major industry divisions earned 61 per cent of what an average man earned. It is the same as the earnings ratio of 2003-04. There are fluctuations in between, ranging from 57 per cent to 65 per cent. In the 1990s, the wage gap ranged between 55 per cent and 77 per cent. There is thus not much

change. Women continue to be paid far less than men.

### Explaining the Wage Differential

At the macroeconomic level, the employment opportunities have not increased at the pace required for a developing economy like Pakistan. Despite the recovery in GDP growth after 2008-09, unemployment rate is not declining. As is evident from Figure 5, growth does seem to have any impact on the unemployment rate in Pakistan. It is true that growth is still low to have any perceptible impact, but only partially. Stagnant unemployment rate reflects deep structural issues, gender discrimination



Figure 4. Pay Gap and Earnings Ratio by Occupation

among the most important ones. This also has implications for gender wage gap. During 2009-15, when growth was recovering slowly, there was even slower growth in nominal wages as compared to 2003-04 to 2008-09. Inflation rate increased 10 per cent on average. At an aggregate level in the last ten years, real wages have grown at the rate of 3 percent annually and nominal wages at 15 per cent. But the increase in female wages was less than the increase in male wages.

Studies<sup>1</sup> on gender wage gap attribute the gender wage differential to the differences in characteristics the associated returns. Greater illiteracy, low education and poor skills leads to the concentration of women in low paid occupations and sectors. Overtime, the gender wage gap has not changed significantly, nor the heavy prevalence of women in elementary occupations. In addition to the differences in educational and skills, there is continuing discrimination in the labour market. Socio-cultural practices restrict career choices of the women. Women lack negotiation skills and bargaining capacity. On the

whole, there are fewer opportunities for women.

Overall, the wage inequality between the upper tier and the lower tier rose significantly in 2009-10 and at a slower pace during 2003-04 to 2008-09. After 2008-09, wages for elementary group has not been increasing while the upper wage group is enjoying higher wages and better health and education facilities. One can expect widening inequality in times to come. It may be noted that the wage differential is higher in the private sector than in the public sector.

### What is to be Done?

Article-25 read with the Article-27 of Pakistan's Constitution protects the rights of equal remuneration for equal work. There is no distinction in male and female in relation to payment of wages. After 68 years of independence, we are nowhere near the fulfilment of the Constitutional requirement of closing the gender gap in equal work opportunities. Equal pay is a dream which even literate women (40%)

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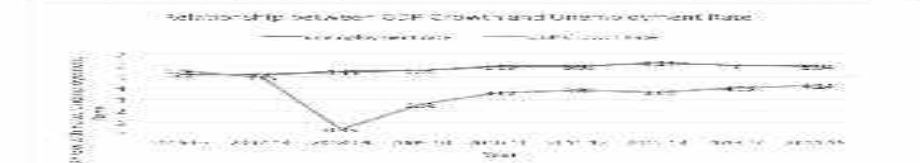


Figure 3: Growth and Unemployment  
 For example, Siddiqui, et al. (1998) A Decomposition of Male-Female Earnings Differentials. *The Pakistan Development Review* 37:4, 885-98.

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are not dreaming. There is a wide awareness gap. In these circumstances, it is imperative to develop labour market regulations and reforms in labour market to solve distributional issues.

It is argued that illiteracy, low levels of education, lack of vocational and technical training for women add to the already high gender wage gap. Similarly, wage gap can be closed or narrowed by establishing proper legislation of remuneration and audit by making it mandatory for all the registered and unregistered companies to pay equal wages to their female workers without any discrimination.

Minimum wages and strong trade unions are a means to close the wage differential and empowering women. Minimum wage is a means available for reducing wage gap for the poor and redistribute resources in a welfare enhancing way. Those who are against minimum wages hold that it depresses wages for the poor and reduces employment opportunities. Empirical evidence provided by Card and Krueger<sup>2</sup> (1994, 1995) suggested that moderate increases in minimum wages leads to increased employment opportunities for low-wage workers. Earlier, Sidney Webb<sup>3</sup> had argued that minimum wages for subsistence workers result into increased expenditure on health and education. It is an effective strategy for more productive labour force. New research on the effect of minimum wage explains reductions in family poverty rates and enrollments in public assistance programs, such as food stamps. Some studies have also identified additional benefits of higher wages, including improved morale, improved work

performance, and reductions in absenteeism. Most important, minimum wage gives some predictability of wage bills in a skills scarce society.

In Pakistan, minimum wage is determined by provincial governments. Below this minimum, it is illegal for the employer to pay employees. Minimum wage is usually announced in the federal and provincial budgets. After the announcement of minimum wages by the provincial government, provincial labour department issues detailed minimum wage notifications for different industries.

In general, minimum wage generally considers cost of living, cost of social insurance, housing cost, average wages, unemployment and economic development. The provinces hardly consider all of these factors and minimum wage announcement is a political rather than an economic decision in Pakistan. Minimum Wage in Pakistan is set under the following two Acts: Pakistan Minimum Wages for Unskilled Workers Ordinance, 1969 and the Minimum Wages Ordinance, 1961. After the 18th amendment, Pakistan Minimum Wages For Unskilled Workers Ordinance is no longer relevant. Minimum Wages Ordinance, 1961 is applicable in ICT, Sindh and Balochistan. Khyber Pakhtunkhwa enacted Minimum Wages Act, 2013 and Punjab amended Minimum Wages Ordinance, 1961 in 2012 and enacted an amended act.

Figure 6 shows nominal minimum wage announced during 1992-2014. An analysis of minimum wages during last this period revealed that minimum wages are usually

<sup>2</sup>Card and Krueger (1994), Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania, *The American Economic Review*, September; (1995), Myth and Measurement: *The New Economics of the Minimum Wage*. Princeton: Princeton University Press

<sup>3</sup>Webb (1912), The Economic Theory of a Legal Minimum Wage, *The Journal of Political Economy*, September.

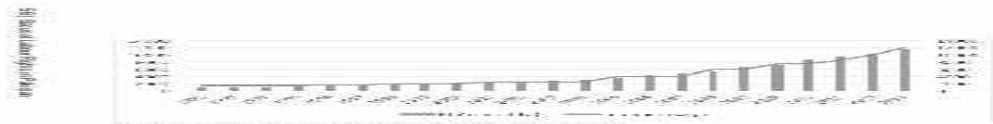


Figure 6: Per Capita Income (PKY) and Minimum Wage

equal to monthly per capita income of Pakistan. In 1990s minimum wage was set above the per capita income. After 2000, minimum wage is below the per capita income. Figure 6 shows upward trend in minimum wages during the last decade. In his Federal Budget 2015-16 speech, the Federal Finance Minister announced the increase of minimum wage for private sector workers from Rs. 12,000 to Rs. 13,000 per month.

Figure 7 shows real and nominal national minimum wage during 1992 to 2015. Despite the upward trend in nominal minimum wage, adjustment for inflation there is hardly any change in real wages for the lowest category. While the nominal wage trend looks like Manhattan, the real wage looks like a river that keeps its level.

Minimum wages are low and stagnant in real terms. The trade union movement has become so weak that it cannot negotiate adequate and decent minimum wages. Even in their better days, the unions could not ensure equal minimum wage for women. Yet in a democracy, it is only effective collective bargaining, energized by the equal participation of women that can enhance real minimum wage at a

decent level without any gender discrimination.

#### Conclusion

Wage differential explains that wages are not adequately related with skills but with gender or with the bargaining position of the wage workers. This paper aimed to analyze the relative wage share by gender and employment status during the decade of war on terror in Pakistan. Our analysis reveals that inconsistent and disproportionate increase in nominal wages is a source of inequalities. The increase has not matched with the increased in productivity.

It is argued that illiteracy, low and poor levels of education, lack of vocational and technical training for women add to the already high gender pay gap. Similarly, cultural and social norms affect career choices in the country. Women work in low skill pyramid of the wage work is a serious concern and a cause of low growth, poverty and inequality in the economy. It is quite evident that rural sector is still the job provider for the most of the population and especially women work force. This contradicts the notion that women are

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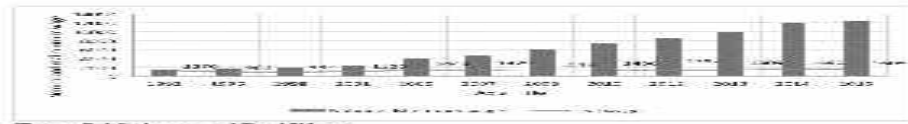


Figure 7: Minimized Real Wage:

more active in urban labour force. Elementary workers have no or very weak negotiation skills and these workers are not organized in labour unions. This is why they keep earning less and meager wages. The labour union membership is declining and share of casual work is increasing. Wage differential is also increasing for the skilled worker which is a concern. Trade liberalization and privatization process failed to increase wages and employment in urban areas.

Increases in the nominal wages just keep pace with the rate of inflation and increase in wages are disproportionate.

The question arises, how to close the wage differential and increase employment opportunities for the bottom 30% of the employed labour force. The answer to this question is also a question: How to improve the bargaining power to protect the labour? ■

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# Inspection and Labour Law Enforcement

Hasan Sajjad

Labour inspection is a worldwide practice to monitor implementation of national laws and international labour standards. The International Labour Organization (ILO) explains labour inspection as ‘an essential part of the labour administration system, exercising the fundamental function of labour law enforcement and effective compliance. It ensures fairness in the workplace and helps promote economic development.’<sup>1</sup> Francis Blanchard, Director General of the ILO (1974-89), had said that ‘Labour legislation without inspection is an exercise in ethics, but not a binding social discipline.’

Labour inspection has been in the forefront of ILO’s programme ever since the organization’s inception. In its very first labour conference eighty years ago a labour inspections’ agenda was adopted by the ILO and made part of its recommendations. Over the years this practice has taken firm roots. In the present era it is considered one of the most vital ingredients of any systemized and regulated labour organization. It is the responsibility of concerned labour

organizations to undertake inspections of all work places to ensure appropriate and lawful working conditions exist in every workplace.

The primary objective of labour inspections is to persuade stakeholders to understand the importance of labour laws and regulatory measures, which should be formulated jointly by the government and the private sector to ensure provision of a safe and non-discriminatory working environment.

Labour inspectors not only check for irregularities and identify problem areas they also educate people and advocate enforcement of safety measures, re-emphasizing the need to implement preventive measures to avoid accidents and other types of hardships. Labour inspection is a vital instrument used by the government for spreading awareness, and for instituting a system of check and balance that covers all aspects affecting productivity, i.e. wages, general condition of the workplace, occupational safety and health, industrial relations and issues of

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<sup>1</sup>International Labour Conference, 100th Session, 2011 Report V, [www.ilo.org](http://www.ilo.org)

security and employment.

Labour inspectors must also determine that every industrial activity that impacts labour is in compliance with the standards set by the labour laws of the country. But with rapid economic development and new industrial technology the task of labour inspectors has become correspondingly difficult and challenging.

Labour inspectors must remain fully aware of evolving and changing socioeconomic and political trends in society and adapt their own processes and policies accordingly. National governments normally adopt a 'tripartite strategy' for formulating legislation, which means a strategy or an agreement that has three parties or main stakeholders to formulate rules and regulations, thereby ensuring their smooth and effective working.

For labour legislation, the government, employers and labour unions work together and recommend the best possible legislation that takes into account the perspective and stakes of all three parties. The job of the labour inspector is to make sure that these laws and regulations are implemented in order to achieve the main objectives, i.e., making the workplace safe and healthy, eliminating discrimination of all kinds and improving working conditions.

## History of Labour Inspection

In 1802, the British parliament for the first time passed an act for the safety, health and welfare of workers but for many years thereafter this remained largely ineffective. In 1833 the British government hired four inspectors to enforce the law through

regular inspection of workplaces. After almost eleven years, in 1844, labour inspectors were inducted as civil servants, with the rest of Europe soon following suit.

In 1919, the international labour conference underlined the importance of labour inspections, specifically recommending the establishment of a factory inspection system which, under government supervision, was to ensure that labour worked in a safe environment and that their health was adequately safeguarded.

After four years, in 1923, a labour inspection conference adopted labour inspection recommendation (No. 20) which provided general guidelines for the organization and functioning of the national system of labour inspections. This recommendation provided the basics and paved the way for the 1947 labour inspection convention (No.81) and its recommendation (R. 81), ratified by over 141 countries. C.81 and R.81 (adopted by ILO) clearly state that every government must formulate rules and regulation to ensure that labour laws are properly implemented and that this is effectively monitored by a robust inspection system put in place for this purpose.

Since then the ILO has adopted many specific labour inspection recommendations and conventions that focus on different aspects of labour activity, addressing specific needs and requirements of the industry. Several specific conventions and recommendations adopted by the ILO for labour inspection are:

- C.81 Industry and commerce

- C. 110 Plantations
- C. 129 Agriculture
- C 122 Employment policy
- C 144 Tripartite consultation
- C 178 Maritime
- R.81 Labour Inspection Recommendation
- R.82 Mining and transport
- R. 133 Agriculture

The ILO has identified four of these Conventions as priority instruments for ensuring good governance in labour administration, due to the function they play in helping member countries promote and enforce fundamental rights: Labour Inspection Convention, 1947 (No. 81) Employment Policy Convention, 1964 (No. 122) Labour Inspection (Agriculture) Convention, 1969 (No. 129) Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144).<sup>2</sup>

Pakistan has ratified two of these conventions: it has not ratified Convention Nos.122 and 129.<sup>3</sup>

In 2010, the ILO developed a training package on 'Building modern and effective labour inspection systems' in collaboration with the International Training Centre. The material aimed to facilitate member countries build capacities of the staff involved in labour administration, achieve good governance and implement ILO priority Conventions related to labour inspection.<sup>4</sup>

In June 2015, the ILO adopted a new labour standard that aims to facilitate workers trapped in the informal economy, deprived of their rights, to move in to the formal economy. The new standard is called Transition from the Informal to the Formal Economy Recommendation, 2015

(204). The four priority Conventions related to labour inspection are also part of the new standard.<sup>5</sup>

## Labour Inspection Convention No. 81

All the above mentioned conventions and recommendations account for the legal framework of labour inspection and provide the guidelines and preferred ways for maintaining a safe, healthy, prosperous and universally agreed system of labour inspection. These conventions and recommendations discuss the details of problems experienced by workers in various organizations and provide legislative recommendations to empower state-run labour departments to appropriately address these problems on an enduring basis.

Labour Inspection Convention 81 was adopted by ILO in 1947 and ratified by 141 countries. After 68 years it still provides the basis for all major global labour inspection legislation. It covers almost all aspects of labour inspection laws, needs, requirements, problem areas, wages, security, health etc. and is therefore the principal recommendation for all international legislation on labour inspection; it mostly covers the responsibilities and functions of the inspection system, specifying the qualifications and recruitment criteria for inspectors, and the powers and resources of the inspection staff.

This convention also stresses the role of government in enforcing labour rules and regulations and imposing penalties where these are violated. Article 4.1 of the Labour

<sup>2</sup><http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/labour-inspection/lang--en/index.htm>

<sup>3</sup>[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200\\_COUNTRY\\_ID:103166](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:103166)

<sup>4</sup>[http://www.ilo.org/labadmin/info/inst/WCMS\\_141331/lang--en/index.htm](http://www.ilo.org/labadmin/info/inst/WCMS_141331/lang--en/index.htm)

<sup>5</sup>[http://www.ilo.org/ilc/ILCSessions/104/media-centre/news/WCMS\\_375615/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/104/media-centre/news/WCMS_375615/lang--en/index.htm)

Convention specifically mentions the need to have a central authority for the effective functioning of the labour inspection system. It focuses not just on the job security of workers but also that of inspectors who are the main agents of change in the process. Article 6 clearly states that inspectors must be government officials with job security, independent of changes in government or from external influence.

Article 18 recommends penalties for violation of the labour laws and for obstructing the process, either by threatening the inspectors or by interfering with their work; all this must be done under cover of appropriate national legislation.

## Overview of Labour Inspection in Pakistan

In previous decades labour inspection was mostly used as a tool for enforcing labour laws and legislation. Their main focus was to identify anomalies in the system and to try and enforce laws by use of authority and the legal justice system. This approach resulted in creating resistance to the labour inspection system in both the informal sector and large industry. Thus, rather than resolving the problems, the workers were subjected to many strict rules within their organizations and the relationship between the workers and their employers started to deteriorate.

A series of labour disputes resulted in creating resentment towards the inspection system. Concerned authorities, organizations and even workers stopped cooperating with the labour inspectors thus adversely impacting the data gathering process which in consequence produced

faulty results.

In Pakistan, where rule of law is weak, effective implementation of labour inspection was a challenge. The situation escalated when in 2002 the government decided to ban labour inspection, specifically with regard to identifying improper working places and the shifting of factories from residential areas to designated locations outside the city or away from residential areas.

The worst blow came after the Punjab Industrial Policy 2003 eliminated inspection of work places by labour inspectors in the province on behest of industrialist lobby.<sup>6</sup> The Sindh province followed suit: the CM chief minister verbally issued directives to government officials to stop the inspections of factories in Sindh.<sup>7</sup> In 2005, the Labour Inspection Policy draft prepared by the ADB consultants advocated minimum role of the state.<sup>8</sup> All these factors led to a crumbling of labour inspection system.

Successive governments kept the ban in place until 2010 when the 18th Amendment devolved labour and the provinces got the opportunity to revise/enact legislation on modern lines. The Punjab government lifted the ban on labour inspections in factories in February 2012. The notification came after 24 people died when a factory in a residential area collapsed.<sup>9</sup>

## Labour Inspection Machinery

There is no central, unified labour inspection authority in Pakistan. Labour inspection is decentralized since the very

<sup>6</sup><http://labourwatchpakistan.com/ban-on-labour-inspections-in-factories-lifted/>

<sup>7</sup><http://tribune.com.pk/story/435713/chief-minister-directed-me-to-stop-the-inspection-of-factories-labour-minister/>

<sup>8</sup>Denial and Discrimination: Labour Rights in Pakistan, 2007, PILER Report.

<sup>9</sup><http://tribune.com.pk/story/341377/labour-inspections-to-resume/>



beginning. There is no coordination between the federal and provincial ministry on the matters relating to labour inspection. The provincial ministries of Labour and Human Resources are responsible for inspections in shops and establishment in respective provinces. Within the provincial ministries, the Directorate General of labour Welfare is entrusted with the task of labour inspection out of a total 17 functions.<sup>10</sup> The Chief Inspector of Factories (CIF) and shops, in each provincial ministry, is supported by professionals and technical staff at the provincial level. There is a team of medical inspectors, technical inspectors, industrial hygiene, chemist, occupational and safety engineers responsible for super inspection of industrial units. The inspection tier comprises of Labour Officers, Assistant Directors, Deputy Directors and Joint Director and Director.

According to a 2015 assessment conducted by the ILO-Pakistan, by December 2014 there were 29,983 factories and 327,706 shops and establishments in the four provinces, that is, a total of 357,689 work places in the country requiring inspection. There were only 547 labour inspectors and only three were women.

## Gender Mainstreaming

The gender sensitive labour inspection (GSIS) web portal was launched in September 2015 as part of the ILO-Pakistan project 'Gender Equality for Decent Employment.' Earlier, the ILO-Pakistan had developed *Gender Mainstreaming in Labour Inspection: A Toolkit in 2012*. According to the ILO office, the toolkit was tested in eight different

factories across Pakistan and the provinces started using this toolkit for labour inspection.

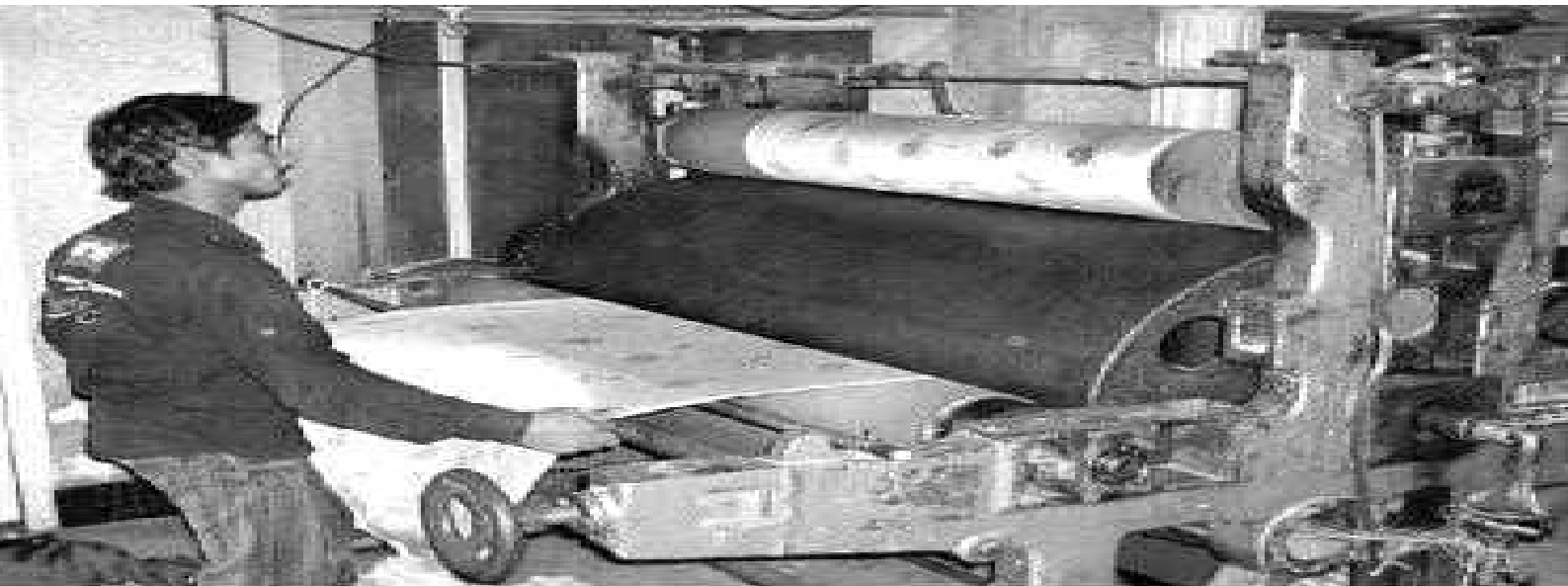
The online portal would build a gender disaggregated database of registered labour factories, inspection staff and inspections conducted in the four provinces, and track trends and measure performance and progress.

According to the website, after each inspection the inspector sends the report to the Gender Unit in the Labour Department in respective province where the data is entered. The online portal claims to generate the reports 'automatically which can be evaluated, analysed and used for different purposes'.<sup>11</sup> By December 2015 the number of inspection conducted and updated on the online portal was 181 in all provinces.

Gender discrimination at work places is rampant, more so in the informal economy. However, it is one of the many violations that are being committed in the factories, shops and industrial establishments. Unless the labour inspection system addresses all issues, mainstreaming gender alone in a vacuum, would not solve the problem. ■

<sup>10</sup>[http://www.punjab.gov.pk/provincialdepartments\\_labour\\_DG\\_labour](http://www.punjab.gov.pk/provincialdepartments_labour_DG_labour)

<sup>11</sup><http://gsis.org.pk/faqs.asp>



# Labour Inspection: Challenges and Opportunities\*

Labour Inspection Convention, 1947 (No. 81) requires from the ratifying state to establish a system of labour inspection responsible for securing the enforcement and bringing to the notice of the competent authority possible loopholes in existing legal provisions relating to conditions of work and the protection of workers in industrial workplaces.

The Convention also requires from the state machinery to supply technical information and advice to employers and workers concerning the most effective means of complying with the legal provisions. It highlights the role and responsibilities of central inspection authority, collaboration with social partners, cooperation with stakeholders, role and responsibilities of inspector, facilitation of the state to the inspector to perform its role in a fair and transparent manner, etc.

Pakistan has put in place a system of labour inspection of industrial and commercial establishments. The mechanism fulfils most of the provisions of Convention No. 81, but there is still a

need of addressing some of the key areas which are highlighted as under:

## **Ambiguities in Labour Laws**

There are ambiguities in labour laws due to some vague and absurd terminology. For instance, issue of number of workers regarding applicability of certain provisions of Factories Act, like Canteen Rules, Welfare Officer, etc. and provisions of bonus and gratuity as provided under Section 10 of the Standing Orders Ordinance, 1968, are often manipulated. Different forms and registers under various labour laws are required to be maintained by the management in this computer age. The employers always complain about difficulties in maintenance of record on these formats and are also irritants of the discretionary role of the inspector in these areas.

According to them, difficulties in maintenance of record and inefficiency of inspector in determination of number of workers and application of certain crucial provisions of labour laws are the gray

\*Courtesy ILO-Pakistan. Section 6 of the 2015 report *Assessing Labour Inspection and OSH in Pakistan*

areas of corruption and manipulation. The workers on the other hand complain that coverage of labour laws is limited to formal sector only; agriculture sector workers, informal sector workers, home based workers and all nonstandard employment are out of the scope of labour laws and labour inspection.

### **Poor Quality of Inspection**

Quality of inspection is another, albeit an important issue. The data provided by the Central Inspection Authority shows how many inspections were carried out during specific period of time according to fixed quota. However, it does not highlight the quality of inspection. The role of Central authority has not been effective as no such exercise to determine the quality of inspection, system inspection rather than conviction detection, role of education and guidance in inspection and follow-up of labour inspection has so far been initiated by any of the Province.

### **Weak Strength of Labour Inspection Staff**

The number of inspectors does not correspond with the number of industrial and commercial units. The Labour Departments are working with the strength of inspection machinery which they had been allocated at the time of creation in the 1970s, irrespective of the fact that the number of industrial and commercial establishments has increased number of times during the same period.

### **Lack of Follow-up Mechanism**

There is no mechanism in place to follow

the prosecution pending in the courts and assess that how much fine was imposed by the court against different nature of violations. There is no liaison between the court and the inspection machinery.

### **Weak Capacity**

Capacity of inspection staff is another major issue. There is no training and capacity development institution in the Provinces of KPK and Balochistan for the inspection staff of the Directorate of Labour Welfare. The facilities in the provinces of Sindh and Punjab are also limited.

### **Missing Role of Stakeholders**

Legally, employers and workers organization have no role under the existing labour inspection regime. They are not involved either at the grass root level or at the administrative level. Their suggestions and comments however, are sought through tripartite consultations and in written form (from Pakistan Workers' Federation) at policy level. The role of National Level Organizations i.e. Employers Federation of Pakistan (EFP) and Pakistan Workers' Federation (PWF) is however, recognized in dispute resolution at the platform of Workers and Employers Bilateral Council of Pakistan (WEB COP) and the Provincial and Federal Tripartite Committees.

### **Lack of Transparency and Information Sharing**

The present system of inspection does not promote even consultation and information sharing with the social partners. Involvement of stakeholders, workers' and

employers' organizations in the process of inspection through consultation, sharing of inspection reports, and publication of research on labour and drafting of legislation is very important for feedback on Policy and practices and guidance. Regular interaction with the stakeholders and tripartite constituents will no doubt improve implementation and labour administration.

### **Lack of Coordination**

Labour inspection in Pakistan is conducted in isolation of the other factory inspections, like, inspection by Boiler Engineers, inspection by Environmental Specialist, inspection of Civil Defense Officials, Inspection of Tehsil Administration and inspection of Electric Inspectors. There is no coordination among all the inspections, irrespective of the fact that all these inspections one way or the other affect the safety of the workers at the workplace. Social Security Ordinance and Employees Old-Age Institution laws are closely related to the labour department. These institutions are part and parcel of Labour Department, their Boards are tripartite in nature and duly represented by workers and employers but there is no link of inspection of these two institutions with the inspection being conducted under various labour laws.

The preventive mechanism in all the provinces is non-existent. Labour Departments do provide information to employers and workers through seminar and workshops. However, they do not use media like film shows, television programs, radio programs, exhibitions, or through emails or SMS to educate the social

partners.

### **Restriction of Approval of Prosecution**

Inspection of factories remained banned in the province of Punjab and stopped for ten years in the Province of Sindh. Even now, inspecting officers cannot visit factories without prior notice to the management. There is also restriction of approval in advance from the higher authorities for lodging of prosecutions in case of violations detected. Convention No. 81 provides for free access to the inspector for inspection of industrial establishments. Inspectors in the Provinces of Punjab and Sindh have to issue notice in advance to the industrial establishments. They have also to get their monthly inspection plan approved from the competent authority.

### **Poor Resource Allocation**

The lack of resource allocation for the labour inspection and resultant quality sufferance is a major reason of poor service delivery by the labour inspectors. The Inspectors are underpaid, not provided with mobility or alternative arrangements, lack of funds, and trainings. This has created serious challenges for the enforcement of labour inspection in all the provinces.

### **Work Load**

Inspection staff in the provinces of Balochistan and KPK has to ensure accuracy of commercial weights and measures. Inspectors have also to perform so many additional assignments like, anti-

dengue campaign, anti-polio campaign, election duties, etc. They could not spare enough time for inspection of labour laws for which they are notified as inspectors.

### **Downside of Devolution**

Devolution of Labour Department to the District Government under Local Governments, Ordinance, 2001 had not only faded the spirit of inspection but also politicized the implementation of labour laws. The heads of District Governments were Nazims and most of them were either industrialists or had their stakes in the industrial and commercial establishments. The Union Council Nazims by one way or the other also had interests in the factories of the District. The inspection machinery in certain cases was also used to harass the opponents. In these circumstances, it was hardly possible for the inspection staff to conduct inspection independently and in a fair manner. However, the issue is likely to be resolved as Labour Department is not going to be the part of District Government under the new Local Government laws.

### **Super Inspection**

Super inspection of industrial and commercial establishment was an important feature of labour inspection which along with monitoring labour inspectors was considered as deterrent for the managements. The mechanism was quite effective for enforcement of labour laws. Due to heavy work load supervisory officers could not spare time for super inspection which has affected overall implementation of labour laws. In the absence of practical super inspection mechanism in place, the

appraisal of inspection work is being carried out on the basis of reports submitted to the Headquarters and through quarterly meetings.

### **Reporting and Publication**

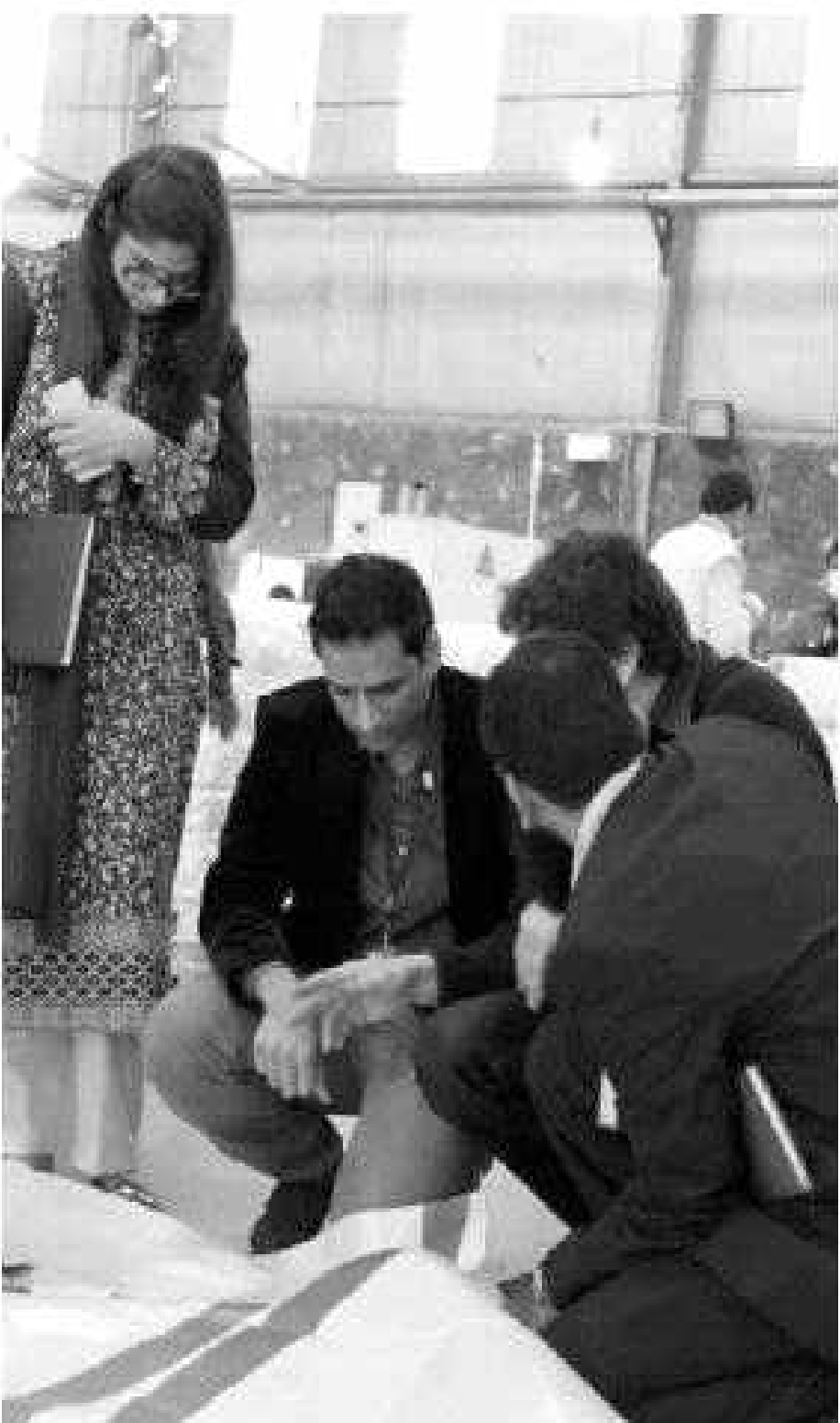
Reporting of inspection is very important as it gives the regional and central authorities the real picture of the industrial and commercial establishments in the area of a labour inspector. Consolidation of inspection reports in the office of the central authority is another important area. Without reporting, the provisions of Convention 81 in respect of reporting, consolidation and then publication of reports on annual basis cannot be observed. In the absence of accurate reporting of inspection reporting to ILO, as required under Article 22 of the Constitution of the ILO, is not possible.

Publication of inspection reports under ILO Convention 81 is the responsibility of the central inspection authority which is not fully applied in any province or at central level. There is no such practice in any of the Province. Along with inspection under various labour laws, the annual reports provide information on basic labour laws, notifications, various developments and other activities of the labour department. These are also helpful in improving the image of the inspectorate.

### **Gender Sensitivity**

A number of steps have been initiated for empowerment of women workers in the factories through enhancing their participation in different plant level committees, trade unions and under Sexual

Figure 1: Status of Labour Rights in Pakistan



Harassment Act, 2010. No solid steps have so far been initiated to ensure the implementation on ground. The number of lady inspectors could not have been raised to a reasonable level, only one or two inspectors are working in Sindh, KPK and Punjab and there is no female inspector in Balochistan.

## **Occupation Safety and Health Provisions**

There are number of gaps in enforcement of OSH provisions in the industrial and commercial establishments in Pakistan. Some of them are highlighted as under:

### **Technical Inspection**

Inspection of factories under section 33 of the Factories Act, 1934 by Technical Inspectors, Medical Inspectors, Industrial Hygienists and Chemists under Chapter III of the Factories Act was important feature of labour inspection in the Province of Punjab. Through their regular visits, these technical experts used to guide, update and advise the factory managements about necessary precautions to avoid industrial accidents and make hazard free workplace environment. They were also empowered to prosecute the managements in case of violation. The institution of Medical Inspectorate was abolished in 2001 and medical inspection was devolved to the Districts by notifying Executive District Officers Health as certifying surgeon under the Factories Act, 1934. Similarly, technical inspection was also stopped after devolution. Visits of factories by the Hygienists and Chemists from the (CIW & CE) were also withheld. As a result of

termination of these services and also in the absence of any alternative mechanism, the factory managements have been deprived of guidance and advice which is necessary under ILO's Convention 81.

### **Lack of Capacity**

The enforcement of section 33 of the Factories Act, 1934 in the other four provinces is also not satisfactory due to lack of capacity of the staff in health and safety. Due to lack of capacity in the existing training institutions, the inspectors could not get training on various dimensions of OSH issues in the context of ILS and technological advancement. They have no knowledge about international certification of OSH, like, OSHA, NABOSH, etc. and thus do not hear to the management having such certification. Similarly, the inspection machinery does not have adequate knowledge and expertise of the health and safety standards under different industrial processes.

### **Legislation Gaps**

Labour laws have not been amended to incorporate health and safety provisions. For instance, there is no health and safety provision under the Shops and Establishments Ordinance, 1969. The workers of informal sector, therefore, do not have coverage of health and safety. The workplaces are full of hazards and pose a permanent threat of industrial accidents.

### **Reporting**

Reporting of accidents is poor. Every



occupier under the Factories Act, 1934 is required to report within 24 hours to the Inspector of Factories about the occurrence of the industrial accident, but normally it does not happen. The Directorates do not have any system of getting such information in a regular manner. The information collected through Labour Force Survey does not contain any information about fatal accidents.

Awareness and advocacy of the health and safety at the workplace has not been made a permanent feature of the awareness campaign of the Labour Departments.

Research and development is another area which requires immediate attention. Through research and development, experts of OSH can identify the causes of different hazards and can propose minimum bearable level for safety of the workers.

The existing number of OSH professionals is not sufficient. Number of professionals should be enhanced enough so that they can provide full back up support to the inspection machinery.

## Recommendations

Following are the short term, medium term and long term recommendations to improve/ revamp existing labour and OSH inspection in Pakistan:

### Short Term

Rationalization of strength of inspectors is the key area. Efforts, therefore, should be made to increase number of inspectors

in accordance with number of industrial and commercial establishment in the four provinces, keeping in view the provisions of Article 10 of C-81, which requires that the number of labour inspectors should be sufficient to secure the effective discharge of the duties of the inspectorate and shall be determined with due regard for the importance of the duties; the number, nature, size and situation of the workplaces liable to inspection; the number and classes of workers employed in such workplaces; and the number and complexity of the legal provisions to be enforced. The Article further requires that while deciding the number of inspectors the material means placed at the disposal of the inspectors and the practical conditions under which visits of inspection must be carried out in order to be effective should also be considered. The increase of labour inspectors should be in gradual manner along with arrangement of adequate training, necessary inspection equipment and mobility resources.

- Activation of Directorate of Workers' Education in all the Provinces with the purpose to educate tripartite stakeholders about labour laws and labour rights through modern means of communication, like, film shows, television programs, radio programs, exhibitions, or through emails or SMS.
- The Provinces should allocate funds to the Directorate of Labour Welfare with an objective to facilitate inspection staff in terms of transportation and allowances to carryout inspection independently.
- Inspector should work independently,

without any authorization, he should plan, inspect, take legal action against violations in the light of the true spirit of labour inspection as highlighted in Convention 81.

- There should be a mechanism in place to involve the social partners in the process of inspection. The results of inspection and recommendations should also be shared with the necessary parties at the District and the Provincial level in the shape of reports and consultation sessions.
- Efforts should be made to start joint inspections of factories for improvement in system on pilot basis wherein, inspector labour should coordinate with authorities in civil defense, environment inspector, boiler inspector, social security officer, electric inspector etc.
- OSH Committees may be constituted at plant level under legal coverage to promote health and safety culture in the factories.
- The factories employing more than 200 workers should be legally bound to appoint at least one Health and Safety Officer who should be responsible for education and awareness of health and safety provisions at the workplace.
- A mechanism should be evolved to arrange pre-entry and at workplace medical examination of workers.
- Devising a mechanism to improve reporting of accidents in the office of Central Inspection Authority.
- A coordination mechanism should be developed to improve liaison of inspectors with magistrates so that penalties can be implemented in real sense and deterrent effect of laws is ensured.
- Establishment of Provincial Tripartite Consultative Committees in all the Provinces to oversee and monitor labour inspection and enforcement of health and safety standards in the industrial and commercial establishments.

### **Medium Term**

Labour laws are required to be updated and simplified. The limitation of scope and coverage may be addressed while in consultation with tripartite partners. The positive amendments by KP & Punjab in labour laws should also be incorporated by provinces of Sindh and Balochistan in their labour laws on the same pattern. A separate law on OSH standards as recommended by the Justice Shafi-ur-Rehman Commission may be promulgated after consultation with workers and employers organizations.

Training facilities for inspectors and technical inspection staff should be revamped, restructured and updated which along with imparting education on labour laws, health and safety at the workplace should also comprise curriculum about communicational skills, inspection techniques, steps of inspection, planning of inspection and strategies of awareness and enlightenment to the employers and workers.

The institution of super inspection, technical inspection, medical inspection and inspection on health and safety may be revived with check and balance system under the control of central inspection authority.

Computerization of labour inspection and introduction of online inspection of factories and establishments and publication of annual inspection report at the Provincial level. The on line inspection, introduced by province of Punjab should be improved further on the pattern of Sri Lanka i.e. through provision of tablets or Androids and other gadgets to inspectors. It will save time of posting and would be reliable as the figures cannot be changed after inspection.

Labour inspection is a state regulatory function. However, its efficiency can be improved through involving private sector or outsourcing some of the enforceable to testing companies as pilot for support and to promote healthy competition. Being market driven, private sector can bring modern techniques in the old inspection system.

Making the labour inspection gender responsive, gender segregation of information on implementation of labour laws through recruitment of more lady inspectors, awareness of labour rights to the women workers and focusing on inspection of the establishments employing more women.

## Long Run

Special efforts in the long run should be made to ensure adequate protection

mechanism in place at the workplace through involving employers and trade unions and promoting use of Personal Protective Instruments (PPIs), preparation of factories OSH profile and categorization of factories on the basis of potential health hazards and OSH Inspection should be scheduled accordingly, meaning thereby, putting more focus on the most hazardous factories and less on the factories having less potential hazards. All such measures would ultimately lead to fool proof 'system inspection'.

After the 18th Amendment in the Constitution, no doubt legislation on labour has been transferred to the provinces, monitoring of implementation of labour laws in the provinces and coordination still lie with the Federation. Federal Government has to play a crucial role to have equal labour standards and inspection regime in all the provinces. It is therefore, recommended that a center of excellence at the Federal level for coordination of efforts on legislation, labour inspection, health and safety at workplace, compensation in case of injuries to the workers, social protection, freedom of association, social dialogue, redressal of individual and collective complaints and research and development on various labour related matters may be established while in consultation with the provinces and the social partners. ■



# Union Power Sharing

**Zeena Shaukat**

It is seldom that trade unions or the informal workers' organizations support workers across sectors. Even within a sector, trade unions and workers often remain divided along various fault lines. Hence, the coming together of the collective power of the brick kiln workers and the power loom workers, and their increasing bonding in 2015, indicates a strategic change and points to a new direction for the informal sector workers' struggles in the country.

The joint struggle has compelled the Punjab Government--in the backdrop of the GSP Plus<sup>ó</sup>to raise annually the minimum wages in the brick kiln industry over the last three years while undertaking of measures to facilitate workers' access to the raised wages. This is in addition to a detailed survey of brick kilns in the province and efforts towards fast tracking of Provincial Employees Social Security cards for the 17, 240 labourers residing at 6,090 kilns in the province.<sup>1</sup>

The recent measures come after years long vacuum in access to rights for the brick kiln workers who work in groups, mostly family set ups, to produce bricks involving intensely menial and hazardous

labour. Apart from the labour involved in firing and baking of clay in kiln, known as jalai wallahs, all other workers are paid on piece rate basis at the rates now determined by the provincial governments through minimum wage notifications. The traditionally low pay of these workers, currently Rs 900 plus for 1,000 brick produced, gives way to a debt cycle, sought as advances, that keeps them trapped as bonded labour at the kiln till repayment is complete. The workers also suffer exploitation because of illiteracy and poor understanding of record-keeping. The condition of bondage translates into compromised access to labour rights such as unionization, decent working conditions, minimum wages and social protection, and access to other basic services such as healthcare and education. Due to the involvement of the labour as a family, child labour is rampant in the sector, further consolidated by inaccessibility to means of education.

According to estimates, there are 15,000 to 18,000 brick kilns in Pakistan. Half of the 60 workers associated with each kiln are women.<sup>2</sup> Historically, brick kiln workers have been supported by political workers

<sup>1</sup><http://www.punjab.gov.pk/node/1817>

<sup>2</sup><http://www.upi.com/UPI-Next/2015/01/29/Pakistani-activists-want-kilns-to-pay-working-women-not-their-husbands/21417390479106/>

and unions to organize and mobilize for their rights. NGOs and donor organizations too have supported access to services such as legal aid, National Identity Cards, registration of workers for access to social security, and schooling for the children of kiln workers. Laws such as the Bonded Labour System (Abolition) Act of 1992 have been used to release bonded workers from the brick kilns (as well as in agriculture sector). However, without a sustained effort directed at structural change in the conditions of employment as well as in citizenship terms, meaningful improvement in the lives of the workers attached to the sector is hard to realize. The support provided to the brick kiln workers by the Labour Qaumi Movement, Faisalabad, signals hope that such an undertaking may be possible. This article seeks to briefly document that.

Since 2013, the Labour Qaumi Movement (LQM), an organised force of workers, having basis in Faisalabad, mainly to support power loom workers in the textile-dominated city, has been backing the brick kiln workers of Faisalabad and other districts in Punjab to organize for their rights. The LQM had very little knowledge about the issues of the brick kiln workers till a rare encounter of one of their sector presidents with bhatta workers in District Jhang in 2013.<sup>3</sup> Being on his commute, the sector president, office bearer of LQA, saw a group of men kneeled down in a queue at a kiln. 'At that time, he did not feel courageous enough to ask what was going on, but visited the kiln late at night to inquire the matter. He was told that the workers were being punished for seeking a wage raise from the owner.'

The sector president advised the workers to visit to the District Coordination Officer of Faisalabad to lodge a complaint against the owner and also resolve the matter of the minimum wage. 'Barring one worker, out of the force of 70 workers employed at that particular kiln, none agreed'. However, the next day, that worker turned up with his entire family at the DCO office. When the DCO did not give an encouraging response, the LQM members accompanying the brick kiln worker's family staged a protest. Eventually, the DCO sent a police officer and they registered a complaint against the kiln owner for his inhuman treatment of workers.

An application was also filed with the Labour Department to ensure payment of Rs 740 as then minimum wage fixed by the provincial government. The LQM started approaching workers in the nearby kilns for solidarity. In the first meeting with the Labour Department, only workers from one brick kiln showed up. But in the next meeting over 500 workers came together. What started as an effort to bring to book a single brick kiln owner went on to become a movement focused on access to the government-announced minimum wage for the workers. The Jhang case was followed by a protest launch in Toba Tek Singh where the LQM announced that if the remuneration of the area's brick kiln workers were not raised, they would carry out a Long March to Lahore. Another demand by the workers was halting the practice of deduction from their wages against the traditional peshgi, which left them with a meagre Rs 300 per 1,000 bricks as take-home remuneration.

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<sup>3</sup>Latif Ansari, LQM.

Being an organised force, the LQM started devising a strategy for the Long March addressing two important concerns: resource mobilisation and strength for the movement. It was decided that all participating workers will produce at least one thousand extra bricks a week and contribute the remuneration to the funds to organise protests. The group also undertook the decision that workers would be mobilised from kilns falling in the route of the march to add to the numbers.

The Long March aimed for Lahore was initially launched from Kamalia in the third week of November 2013 with Toba Tek Singh being the first stop. As they moved forward, they found friendly allies in the state as well. Dr. Farah Masood, District Coordination Officer (DCO) Toba Tek Singh, upon hearing the grievance of workers issued an order for the brick kiln owners to follow the minimum wage notified by the government. In District Kamalia, Assistant Commissioner Syeda Ramla, did the same. According to LQM, at least ten brick kiln owners were taken to task against violation of the minimum wage notification.

One of the most important features of the march was the participation of women. The march stopped at villages and towns en route Lahore and was supported by brick kiln workers on the way who provided them with meals and shelter. Three days into the march and the protesting workers were approached by the Punjab Administration through DCO, Regional Police Officer, Assistant Commissioner, Director Labour Department and other officials. In order to prevent them from carrying the march forward, the

Administration negotiated an agreement between the LQM, Brick Kiln Owners Association and District Managements of Faisalabad and Nankana Sahib. The Agreement stipulated that all brick kiln owners would pay the rate of Rs. 740 per 1000 brick and no worker will be detained forcefully at workplace. LQM also insisted on a direction for the police to take action in case of bonded labour on identification of cases by workers. The march was then called off and the workers returned to their respective areas.<sup>4</sup>

Despite the notification by the concerned officials, the efforts continued with once-a-month follow up meetings with DCO to track the progress of the implementation of the minimum wage order. Moreover the mobilisation drive was expanded to other parts of the Punjab. Among other steps, a strong communication link between LQM and brick kiln workers, now organised as Bhatta Mazdoor Union/Tehrik was formed. This line is activated every time information sharing is required regarding a bondage situation or a case of denial of minimum wage or if a protest needs to be organised on a short notice.

The key demands for the struggle have been fair wages, health insurance, death grants, marriage grants, educational facilities, elimination of bonded labour and child labour, steps to implement existing labour laws and payment of minimum wage throughout the province

The two plus years collaboration of LQM and brick kiln workers (as Bhatta Mazdoor Union) has spread the movement to the majority of the northern and central districts of Punjab. The movement has also made

<sup>4</sup>Additional notes from "A day with Bhatta Mazdoors", 22 November 2013, [http://www.pattan.org/content.php?php=press/press\\_release/press\\_release26-11-2013.php](http://www.pattan.org/content.php?php=press/press_release/press_release26-11-2013.php) and "Long March of Brick Kiln Workers forces Owners and Government to Sign agreement for implementation of Rs. 740 rate", [https://groups.yahoo.com/neo/groups/socialist\\_pakistan\\_news/conversations/messages/31503](https://groups.yahoo.com/neo/groups/socialist_pakistan_news/conversations/messages/31503)

decent inroads into South Punjab.

The working strategy followed by the alliance includes protest marches, rallies, sit-ins, monthly meetings with DCO to track progress of the implementation of demands, strict vigilance of the working conditions of member bhatta workers and immediate call to the state officials in case of rights violations, a huge parallel conference outside the premises of the South Asia Labour Conference in April 2014, and the most dreaded threat of sit-ins outside the CM House. There were three major sit ins in Lahore that brought together workers from across the province.<sup>5</sup> In addition, at least 50 rallies took place in different parts of Punjab while there was endless mobilisation in Faisalabad itself.

Brick kiln owners too had formed their own union, Brick Kiln Owners Association. The meeting at the DCO office has representation of this Association. The move to raise the minimum wage was strongly resisted by the Brick Kiln Owners Association that also filed a writ petition challenging the minimum wage of Rs 740. However, the workers' sustained pressure forced the government to undertake measures to enforce the notification. The wages were increased from Rs. 888 to Rs. 962 per 1,000 bricks.

An important highlight of this struggle is an attack on the life of Lateef Ansari, the LQM leader steering the brick kiln workers' mobilisation. He was shot at outside the Labour Department Office Faisalabad following a meeting with the officials on the issue, on 20 June 2014. Though he survived the attack, the resultant injury left him with a crippled leg. Despite registration

of the case with the police, no action has been taken against the nominee Bhatta Owners Association President Abdul Razzaq Bajwa.

A major difference between LQM's regular struggle, which has largely concerned efforts for the rights of the power loom and textile workers, and its solidarity with brick kiln workers relate to the role of women. Women's participation in protest rallies and marches as well as regular meetings with DCO is sizeable though their under-confidence prevents them from acting as vocal partners. The first protest march in November 2013, which, as shared by independent sources, had participation of 10,000 workers,<sup>6</sup> had a good majority of women. Unlike power loom, brick kiln work involves participation of women especially at the clay preparation level. Sharing the workload as well as the burden of debts, women become natural partners in any struggle for rights. In an interview with the author, the female kiln workers in Faisalabad said that when going on a long march, they either take the children with them or leave them behind with a trust worthy relative to be looked after. Women, however, do feel that piece rate payment per family is an unjustified proposition given the individual nature of labour involved in the brick production. 'The inflation rate is too high. We end up spending much on groceries, treatment, clothes... We never have enough to meet our expenses. In Pakistan, a single individual gets Rs 14,000-Rs 15,000 as wage. But we get less than that for the entire family.'

When the LQM representatives were asked about the participation of women, they said

<sup>5</sup>Khalid Mahmood, Labour Education Foundation

<sup>6</sup>Sarqar Bari, "Brick-kiln workers fight for their rights", December 24, 2013



that though it was encouraging, mobilising women required added measures such as providing transport to them, facilitating special provisions for their access to hygiene and washrooms and also adequate shelter in case of long march. However, unlike the power loom sector where it is easy for male dominated groups to sideline women over security issue, male brick kiln workers prefer partnership with women. 'Men themselves bring women to the protests. In the kilns, there is no concept of segregation of men and women. When we took out a procession outside the DCO office in July 2015, women were in higher numbers compared to men. The DCO even invited them inside,' said an LQM leader during an interview.

In August 2015, brick kiln workers in Toba Tek Singh, supported by the LQM, rallied for implementation of minimum wages as notified, and staged a sit-in outside the district government complex. They also demanded issuance of social security and EOBI cards to the kiln workers. Finally the Assistant Commissioner and District Labour Officer came out and held talks with the protesters and committed to resolve the issue through a meeting of workers and kiln owners.<sup>7</sup> In September, the brick kiln workers, supported by the LQM, initiated a march demanding implementation of the minimum wage of Rs. 962 per 1000 bricks. On the assurance from the Labour Department, the workers put off the march.<sup>8</sup> The constant pressure generated through rallies and marches do result in enhanced efforts from state officials to ensure workers' rights in some brick kilns, if not all across the province.

Other factors too have played a role in the

recent creation of a pro-rights environment for the workers. In this regard, the GSP Plus status for Pakistan, that carries 27 provisions related to human rights, labour rights, environment and governance is also important. As brick kiln workers are at the receiving end of almost all human rights and labour rights violations, any measure to address issues such as the eradication of bonded labour and child labour, access to minimum wage, and provision of social security are likely to benefit this section of workers. The Punjab Labour Policy 2015 has sought to explicitly link brick kiln workers' protection with labour protection, workers welfare social security, and elimination and rehabilitation of Child and Bonded Labour. (Right to unionisation for brick kiln workers is conspicuously missing from the document).<sup>9</sup> A programme with ILO focusing on child labour free brick kilns was also launched. In addition, the province has seen a relatively sustained struggle for brick kiln workers by support groups such as the Bonded Labour Liberation Front (BLLF), Bhatta Mazdoor Tanzeem, Pattan, PILER, Labour Education Foundation, HRCP, Justice and Peace Commission, Women Workers Helpline and the Awami Workers Party, among many others. The BLLF just recently received US\$ 1.2million raised by the Humans of New York to support the cause of freedom for bonded labour.

Emphasising the significance of Labour Qaumi Movement's support for bhatta workers, Tariq Awan of PILER, who works closely with Punjab's bhatta workers observes that one reason the latter responded positively to LQM's solidarity efforts was that they saw this engagement yielding fast results (such as

<sup>7</sup><http://www.dawn.com/news/1197740>

<sup>8</sup><http://www.dawn.com/news/1207093>

<sup>9</sup>'Punjab Labour Policy', <http://www.dgpr.punjab.gov.pk/vd/dgpr/media/policies/Punjab%20Labour%20Policy%20Final.%202015.pdf>

implementation of minimum wages), unlike the project work of NGOs. 'They organise rallies very frequently. The ones that take place in Lahore are very effective. (Due to their outreach), they are able to mobilise workers from across Punjab.'

Though despite the two plus years long struggle the universalisation of minimum wage and social security have still not been realised, an important outcome of the collaboration of LQM with brick kiln workers is the series of trilateral

engagement that has taken place between the workers, the state and the employers. This dialogue has brought the three parties at a single platform for negotiations. This has and would have important ramifications for kiln workers whose marginalisation, both in citizenship and as workers, have perpetuated a life-cycle of invisibility and indignity. LQM's backing has brought them at a position where the state can no longer afford to look away and pretend business as usual. ■

### **LQM: A Brief Profile**

The Labour Qaumi Movement was formed in October 2003 as an organised force fighting for the rights of workers in the textile sector, focusing on the power loom sector. The early struggle of the movement concerned wage raise, social security registration, appointment letter and withdrawal of fake cases against workers. Despite having limited resources and capacities, the group members mobilized power loom workers by running a door-to-door campaign and raising funds through weekly donation. Once the movement succeeded in obtaining access to minimum wages for the power loom workers, they gradually expanded to raise their voice for the rights of workers in the textile sector, transport sector and other political movements in Pakistan.

Though the Movement acts as a trade union for textile workers, it essentially seeks to function as a community organisation ready to highlight the issues of all working classes. It is not a registered trade union nor does it plan any such move. Due to the concentration of textile workers in Faisalabad, and the Movement's support for the workers cause, it has a very impressive mobilisation capacity, at times gathering up to 200,000 workers for major rallies.

The style of working of LQM is street oriented as the group can gather a rally within a matter of minutes. This also includes frequent confrontation with police over 'security issues' and registration or withdrawal of cases. The group's strong mobilisation capacity has compelled even the employers to seek their support in agitation against the government over Faisalabad's crucial issue of electricity shortage (that negatively impacts industrial sector).

LQM elects leadership at central, district and sectoral levels. Elections are held in sectors every year, in districts every two years and on the central level, every three years.

The group is run through funds mobilized through individual donations of Rs. 20-30. These are collected on a weekly basis as workers get paid on a weekly basis. There is also a nominal annual membership fee. The collection of donation often lands the group in trouble as they are sometimes targeted by the police that calls this extortion. The group also shares that it runs a service along with lines of 15 networks for its members. 'Be it any issue, if there is a problem, our members are advised to call us on our phone number and we either alert the concerned sector of LQM or reach at the spot ourselves to help our members.'

There is limited involvement of women in the group because of lower presence of women in the power loom sector and their limited mobilization as an organised force in the textile sector (not to be mixed with their employment in the sector, which is sizeable). The LQM also admits that women's mobilization has been a problem because the group has not been able to undertake measures such as separate transport or arrangement of washrooms etc for women in times of protests.

### **Anti terrorism cases**

One of the highlights of the LQM's struggle is the launch of a protest in July 2010 against the power loom owners' reluctance to implement the 17pc rise in the minimum wages announced by the government. The workers, over 100,000 in numbers, launched a street protest for three weeks shutting down the industry.<sup>10</sup> The struggle was widely reported because of its magnitude and also because in its aftermath, six leaders of the LQM were labelled as terrorists by the employers and they were arrested by the local police. In early November 2011 the Anti-Terrorism Court of Pakistan sentenced these six leaders to 490 years in jail for terrorism offences, despite the lack of any legitimate evidence to justify their arrest and sentencing.<sup>11</sup> The workers were recently released after spending five years in jail over false charges.

<sup>10</sup><http://www.lef.org.pk/fsd%20strike.htm>

<sup>11</sup>See [http://www.asia-pacific-solidarity.net/southasia/pakistan/statements/ppr\\_freepakistanpoliticalpris\\_240512.htm](http://www.asia-pacific-solidarity.net/southasia/pakistan/statements/ppr_freepakistanpoliticalpris_240512.htm) also see: <http://www.nakedpunch.com/articles/132>

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