

Labor Unionization in Pakistan – History & Trends

By Riffat Bawa and Waqar Hashmi

After the French Revolution, laborers in the mining industry formed a labor association as the revolution had inculcated a sense of collectivism in the masses. By that time, labor associations had no legal standing, but soon there was a mushroom growth of labor associations. These were the first labor bodies and soon the right of unionization was accepted through the Combination Act of 1828. Thus these associations became labor unions and they were accepted legally.

Malik Gokhale and his associates first started organizing labor in the Indo-Pak sub-continent. Malik also published a paper titled ‘Maratha’ which became instantly popular. In the beginning, the articles published in this paper were disseminated to study groups comprising labors from different industries for awareness. The Bill Hands Association came into being under the auspices of ‘Maratha.’ In a way, it was the first ever labor union in the Indo-Pak sub-continent. Slowly and gradually the wave of labor unionization reached British-India from England.

Generally, there used to be craft unions in England in those days, whereas, initially organizational-based labor unions were interestingly formed in British-India. For instance, the labor unions in Port Trust, Railway and Post Office etc., were the catalyst unions. Soon, labor unionization took momentum and consequently the Trade Unions Act was passed in 1926 under which labor unions were registered in order to give them legal status and official recognition.

In the context of Pakistan, the Railway Workers Union is considered the foremost labor union. Similarly, the Postal & Telegraph Department & Port Trust unions were established. Narain Das started organizing labor unions in the Sindh province and also paved the way for labor unionization in the private industrial sector. Popular labor unions at that time were in the Komal Flour Mill and the Ganesh Khopra (Coconut) Mill. The labor union of the Lahore Railway Workshop emerged as a powerful entity. Similarly, the Hydro-Electric Central Labor Union was formed pre-partition in 1935 in British-India at the electricity department. Its headquarters was in Shimla and Bashir Bakhtiar was its head. Another exemplary contemporary labor activist was Mirza Ibrahim, who energized the Railway Workers Union.

In British-India, labor unions were affiliated to the India Trade Union Congress which had a great inclination towards communism. In view of this, the Congress Party established the Indian Trade Union Congress (INTUC). Jay Parakash Narain's Socialist Party formed Hindustan Mazdour Sabha (HMS) – meaning labor council. Naturally, the INTUC & HMS activists were under the influence of the National Congress and Socialist Party respectively and were committed to further the cause of these forceful political outfits. The difference was that HMS supporters used to prefer the legal course whereas INTUC followers believed in industrial strikes. As per legal framework regarding industrial disputes, first notices of a strike were served, then negotiations were held and on unsuccessful deliberations a formal declaration was made and subsequently legal course was adopted by taking-up matters to the labor court or else observe a strike. The period of strike notice used to be 14 days which could be extended during negotiations and more often the notification period used to be extended.

As stated above, INTUC used to prefer going on strike whereas HMS often used to opt for taking matters to the labor court. Government had the discretion to halt the strike and refer the dispute to the labor court. The whole process used to take a lot of time as there used to be too many unsettled issues.

Strikes were not prohibited during the Second World War, but the Government used to interfere in the labor union related matters in major organizations. Congress and the communist block diverge upon two separate paths. During war there was a trend to focus on the war and avoid strikes so that there is no disruption in production. One of the stakeholders from the labor side was the Radical Democratic Party, which was in favor of war assuming it anti-fascist, while the rest used to consider it empirical war. Congress had the same view. As expected the communists also used to consider it a Zionist war, but in 1942 after the Nazi attack on Soviet Union began calling it civil war. This actually was the view of the British Communist Party, and their representatives propagated this belief by sending their missions in different countries including India.

The hype remained alive among labors even after the war. Pakistan came into being as an independent state. The labor in the newly established state formed the Pakistan Trade Union Federation while severing formal ties with All-India Trade Union Congress. Famous activist Mirza Ibrahim was the first President of the Pakistan Trade Union Federation. Bashir Ahmed Bakhtiar was another notable labor activist. Pasha Lodhi and Tuffail Abbas were also popular. Tuffail Abbas used to lead the labor initiative at the Orient Airways. Labor Union at the Orient Airways faced a lot of difficulties in the beginning as their initial strike did not go well and was unsuccessful. Meanwhile, Orient Airways emerged as a larger public enterprise in the shape of Pakistan International Airlines (PIA). However,

Tuffail Abbas was a good strategist and a visionary. He formed a Committee for Mutual Cooperation (CMC) when labor union at PIA was dissolved, and later this Committee was transformed into a new labor union.

Under the banner of the CMC the interests of labor were aligned and this factor was instrumental in formation of the new union. The new union fund became a valuable resource for organizing the staggered labor elsewhere. Laborers in the other enterprises were organized gradually. In fact, labor movement outside Karachi was stirred. For instance, laborers were successfully organized in Lahore, Faisalabad, Rawalpindi (Punjab province) & Peshawar (erstwhile North-West-Frontier province & now newly named Khyber-Pakhtunkhwa province).

Muhammad Suleiman played an instrumental role in forming and organizing labor unions in Lahore, Faisalabad & Rawalpindi. Similarly, lawyer Muhammad Akram activated the labor movement in Faisalabad & Rawalpindi. Subsequently, labor unions were formed in Rawalpindi at Watan Woolen Mill, Watan Cotton Mill, Rahat Woolen Mill and Glass Factory etc. Slowly the effect spread throughout. Some unions assembled at Tezab Ghar Aahata (Acid House Premises) of Watan Woolen Mills residential colony and initiated the process for labor unionization. Afterwards, Cantonment Staffs' Union also participated in this uprising. A large number of workers who participated in this assembly were supporters of the Pakistan Peoples Party (PPP). As a result, the new union body was named Peoples Labor Front (PLF). Due to its policy of 'powerful struggle' the PLF carved a special place in the hearts of the laborers. Because of the concerted efforts of Rafiq Qureshi who was an ex-employee of PIA, a strong labor union came into being. Due to 'powerful struggle' mandate laborers started joining PLF in flocks.

Meanwhile, in the Industrial Area (Sector I-9) of Islamabad where there were about 100 factories, the labor movement gained momentum. Labor unions were formed due to the PPP-led PLF struggle in most of the factories. Among the people who led the PLF initiative, there notably were Nazir Masih (who belonged to the Cantonment Board, Rawalpindi – Islamabad & Rawalpindi are called the twin cities), Rafiq Qureshi from PIA, and Luqman Mirza from Tailoring House. After the general elections labor movement took pace. A large number of these laborers were pro-PPP.

As per law, labor unions could raise an industrial dispute after registration. As per the procedure, first the general secretary of the registered labor union had to serve a notice along with the list of demands to the management to hold negotiations with the union. After two weeks the general secretary could notify strike regardless of receiving response from the management. In view of strike notice, the Ministry of manpower used to intervene. Government used to nominate a re-conciliator who was supposed to supervise and facilitate the reconciliation process between the

management and the union. In case of a deadlock in reconciliation efforts the reconciliator used to issue a 'failure certificate.' Subsequently, there were three courses of action available to the labor unions; firstly to go on strike, secondly to take the matter to the labor court, and thirdly to involve an arbitrator. The inexperienced labor unions never realizing the usefulness of the arbitration process used to tap the first two options more often. The arbitrator was supposed to hear the standpoint of both the parties i.e., management and the labor union, and then render a verdict just like an expedient labor court. However, arbitration is a modern progressive way of resolving issues, and this mechanism is rarely deployed in Pakistan even now. One example of deployment of arbitration process was witnessed at the daily Tameer, where Rao Irshad, who was editor of a pro-labor weekly *Al-Fatah*, was nominated arbitrator to resolve a dispute between labor and management. As expected, Rao Irshad announced a verdict which was more inclined towards the interest of the labor union.

In countries where Industrial Relations are at a developed and mature stage, a panel of arbitrators is formed. This is not done in Pakistan as the state of industrial relations manifests a primitive outlook. Both management and the labor unions adopt a non-cooperative and confrontational stance towards each other. Two-party-approach is desirable but likely to take a lot of time and effort to evolve, hence not yet in place in Pakistan.

Salient Industrial Relations Trends in Pakistan

1. Employers avoid documentation.
2. Organizations contract-out jobs even of permanent nature.
3. There is a growing trend in government setups of making appointments on contract-basis particularly over the last ten years.
4. Present PPP led coalition Government repealed the Industrial Relations Ordinance (IRO) 2002 and by default the IRO 1969 is in effect. New law will be introduced soon. IRO 2002 was dubbed as an anti-union law. Formation of labor unions, work councils and management committees are envisaged in the IRO 1969.
5. Many manufacturing organizations award bonuses while linking them to annual profits.
6. Subsidized meals, company ration, and company goods are offered as a benefit in many corporations.
7. Paid holidays are awarded as an incentive in many factories.
8. Golden hand-shake schemes have been introduced in many organizations particularly public enterprises.

9. There is an increasing trend of out-sourcing even the core jobs in different industries.
10. Joint Management Consultation and Collective Bargaining do not take place at many companies, because formal labor representation does not exist there. In these organizations the management decides increase in salaries unilaterally. Wage offensive from labor unions does not take place at national level.
11. During collective bargaining the labor unions come up with as many demands as possible in order to derive better results.
12. Jobs are offered on recommendation or reference so that laborers find it difficult to go on strike and laborers show of power will be controlled.
13. Traditionally employers very smartly have avoided setting precedence of any kind. Before labor start agitation, the management announces some sort of financial relief to mitigate the effects in many organizations.
14. In many manufacturing concerns three months probationary salary after joining is withheld as a security.
15. As per rules, double of the daily wage is to be offered if the labor is called for work on public holidays, whereas either this is completely overlooked by employers or 1.5 times of the daily wage is offered at best.