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FOR PAKISTANI PARLIAMENTARIANS

Strengthening Democracy and Democratic Institutions in Pakistan

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UNDERSTANDING LABOUR ISSUES IN PAKISTAN



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Pakistan Institute of Legislative Development And Transparency
House No. 7, 9th Avenue, F-8/1, Islamabad, Pakistan
Tel: (+92-51) 111-123-345; Fax: (+92-51) 226-3078
E-mail: info@pildat.org; URL: www.pildat.org

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UNDERSTANDING LABOUR ISSUES IN PAKISTAN

FOREWORD

General labour conditions in Pakistan leave much to be desired. The country's existing labour code is beset with discrepancies. Furthermore, since Pakistan's economy is mainly dominated by the informal sector, a vast majority of workers remain outside the ambit of labour laws and social protection. Only 2.4 per cent of the labour force is unionized and has access to collective bargaining for their wages and working conditions.

The objective of this briefing paper is to contribute to the prevalent debate on labour reforms in Pakistan. It is important to understand the diverse viewpoints on the subject and strive for a consensus based solution. PILDAT hopes that this paper will provide an impetus for public representatives to play a more proactive role in the debate on labour reforms as well as in policy formulation.

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The author, PILDAT and its team of researchers have made every effort to ensure the accuracy of the contents of this paper and do not accept responsibility for any omission and error, as it is not deliberate. The views expressed in the paper are not necessarily those of PILDAT or of the Solidarity Center.

Islamabad
June 2005

PROFILE OF THE AUTHOR



Ms. Tazeen Javed is the Senior Research Associate at the Pakistan Institute of Labour Education and Research - PILER. She holds a Masters degree in Social Policy and Development from the Institute of Development Policy and Management at the University of Manchester, U.K., as well as a Masters in International Relations from the University of Karachi. She was awarded the British Chevening Scholarship in 2003 and Certificate of Merit for securing First Class Third position in MA from University of Karachi.

She has previously worked as a Trends Analyst for the British Labour Party in the U.K., a sub-editor and content writer for the Daily Dawn, and has taught as visiting faculty at the University of Karachi. Ms. Tazeen Javed has attended several national and international workshops and training courses.

Ms. Tazeen Javed has numerous publications to her name. These include "Poverty in South Asia: Civil Society's Perspective", "The Politics of Insurgency and Counter Insurgency in South Asian Security", and over 100 articles in Daily Dawn and The News on social and political issues.

1. Overview

Pakistan's population in mid 2004 is estimated at 148.72 million - 1.9 per cent higher than 2003¹. On the basis of population of 148.72 million, the total labour force is estimated to be over 45 million. Of this, 67 per cent is rural². The employed labour force is defined as all persons of ten years and above who worked at least one hour during the reference period and were either paid employees or self-employed³. Based on this definition, the total number of employed labour force in 2004 is estimated at 41.32 million

In addition to the ILO (International Labour Organisation) convention no. 87, a judgment of the Federal *Shariat* Court made in reference to the Industrial Relations Ordinance (Judgment title: *PLJ 1984 FSC 164*⁸ in 1983 also supports the right of association. The judgment asserts a very positive Islamic view on laws for the welfare of labour and asks the state to step in when the employer fails to fulfill *Sharia* duty of treating the employee as a "brother." It is held that Islam confers wide powers on the state to regulate ownership and enterprise, including the relationship (and terms and conditions) between employer and employee

TABLE 1: CIVILIAN LABOUR FORCE IN PAKISTAN
(in Millions)

	Both Sexes	Male	Female
All Areas (all ages)	45.23	37.13 (82 %)	8.10 (18 %)

Source: Labour Force Survey 2004, pg 18

as compared to 40.48 million in 2003⁴. Under the Constitution, labour is regarded as a 'concurrent subject', which means that it is the responsibility of both the Federal and Provincial Governments. However, for the sake of uniformity, laws are enacted by the Federal Government, stipulating that Provincial Governments may make rules and regulations of their own according to the conditions prevailing in or for the specific requirements of the Provinces⁵.

Only a small percentage of the total workforce is registered with the trade unions. According to the latest available figures, which are for the year 2000, only 1,018,879 workers were registered with 7318 trade unions⁶, which reflects 2.4 percent of the workforce. In 2000, the number of Collective Bargaining Agents (CBA) was 1833 and their membership was 305,413⁷. Despite this low percentage of organized labour, the right of association is restricted in the latest Industrial Relations Ordinance - IRO 2000. For instance, right of association was restricted for workers of Employees Old Age Benefit Institution (EOBI) and the ban continues on the trade unions of institutions such as Pakistan International Airlines (PIA) and Karachi Electric Supply Corporation (KESC).

and between landowner and tenant. Taken literally, the implications for a minimum wage and other benefits are staggering.

Box 1 LABOUR RIGHTS IN THE CONSTITUTION

- Article 11 of the Constitution prohibits all forms of slavery, forced labour and child labour;
- Article 17 provides for a fundamental right to exercise the freedom of association and the right to form unions;
- Article 18 proscribes the right of its citizens to enter upon any lawful profession or occupation and to conduct any lawful trade or business;
- Article 25 lays down the right to equality before the law and prohibition of discrimination on the grounds of sex alone;
- Article 37(e) makes provision for securing just and humane conditions of work, ensuring that children and women are not employed in vocations unsuited to their age or sex, and for maternity benefits for women in employment.

Box 2

ILO CORE LABOUR CONVENTIONS ON LABOUR RIGHTS

- Convention 87 Freedom of Association
- Convention 98 Right of Collective Bargaining
- Convention 29 & 105 Elimination of all forms of forced or compulsory labour
- Convention 182 Abolition of exploitative child labour
- Convention 100 & 111 elimination of discrimination in respect of employment and occupation

Active labour force constitutes 29.61 per cent of the estimated total population of 148.72 million in the year 2004⁹. According to the official estimates, rural unemployment has increased from 4.98 per cent in 1998 to 7.55 percent in 2004 and urban unemployment from 7.95 in 1998 to 9.80 in 2004¹⁰. Land-less peasants and small farmers driven out of agriculture - due to skewed land distribution, water crisis and increasing commercialization of agriculture - constitute a significant bulk of unemployed labour force. Pakistan's economy is mainly dominated by the informal sector. Agriculture is not included in the sectors covered under labour legislation. Officially, employment in the informal sector is recorded as 65.8 per cent¹¹. Hence the vast majority of workers remain outside the scope of labour laws and social protection. In addition, the seasonal workers are excluded in the latest labour policy that forms a major chunk of agro-sector labour force.

2. Labour in the Informal Economy

The 'informal economy' refers to modes of production and enterprises that range from small-scale production units, home-based work in production chains, and self-run micro-enterprises to bare-minimum economic survival activities such as street vending, rag-picking and domestic work. These activities remain 'informal' because workers/operators cannot comply with the established rules and regulations of the formal sector that they find prohibitive and costly. By virtue of being part of the "informal" economy, a vast majority of workers are excluded from legal and social protection and from the scope of labour laws.

Of the total labour force in Pakistan, 65.8¹³ per cent are

Box 3

INFORMAL SECTOR

The term "informal sector", coined by an ILO mission to Africa in the early 1970s, is invoked to refer to street vendors in Bogota; shoeshine boys and rickshaw pullers in Calcutta; garbage collectors in Cairo; home-based garment workers in Manila, Montreal, Madeira, or Mexico City; and home-based electronic workers in the Leeds, Istanbul, and Kuala Lumpur¹².

Following are part of the informal sector and are exempted from the labour laws

Employer:

- owners of informal enterprises
- owner operators of informal enterprises

Self-Employed:

- own-account workers
- heads of family businesses
- unpaid family workers

Wage Workers:

- employees of informal enterprises
- casual workers without a fixed employer
- home workers (also called industrial outworkers)
- domestic workers
- temporary and part-time workers
- unregistered workers

employed in the informal sector compared to 34.2 per cent in the formal sector¹⁴. Of these, 57 per cent are employees and unpaid family helpers, while 42.2 per cent are self-employed¹⁵ in the informal sector. The majority of the employees in the informal sector are piece-rate, home-based women workers who get extremely low wages and work under restrictive physical and social environs of their poor habitat, or at small hazardous work units¹⁶. Most of the workers are not aware of constitutional and international human and labour laws and covenants.

The informalization of economy presents perhaps the biggest challenge to sustainable development. On one

hand, it is vibrant sector of the economy, labour-intensive and responsive to new needs and opportunities. On the other hand, it is largely undocumented, which distorts both official statistics and existing analyses of the economy's performance. More importantly, it escapes the government's regulatory network. Labour in the informal sector is not governed by the various labour laws or regulations on working conditions. This means that workers have no paid holidays, no job security, no medical cover, no pension or provident fund, no limit on the hours worked and no overtime pay.

3. IRO: Issues and Controversies

The Industrial Relations Ordinance provides legal framework for the conduct of relations between employers and workers and settlement of their disputes. The advocates of labour rights consider the nature of the IRO 2002 as restrictive rather than promotional. They point out that a large portion of workers in the public sector are excluded from the purview of the ordinance. In the Industrial Relations Ordinance 2002, promulgated by President General Pervez Musharraf, restrictions on labour rights have been extended to the workers in the Old Age Benefit Institutions, Workers Welfare Funds, Pakistan Mint, watch and ward, security and fire services staff in different organizations. The ban on trade union activities in KESC and PIA continues and the activities in the banking industry are still restricted. Agricultural workers have remained outside the ambit of labour rights and laws. The IRO is also not applicable to the Export Processing Zones (EPZ) and Special Industrial Zones (SIZ). Contrary to that, workers in Sri Lanka have the right of association and collective bargaining even in EPZ operating in that country. Although a new law "EPZ workers Association and Industrial Relations Act 2004" allows the workers inside the zone to elect their representatives, a fully functional trade union with collective bargaining powers is still restricted. The promulgation of IRO 2002 is protected in Schedule 6 of 17th Amendment of the constitution, which safeguards all the legislation carried out in absence of parliament from 1999 to 2002.

The IRO 2002 has been opposed by trade unions some civil society organizations and political parties, on the grounds that it is against the principles of democracy, equality and social justice. After the promulgation of IRO 2002, a

Box 4

IRO 1969 AND 2002: EXCLUSIONS

Industrial Relations Ordinance 1969, Section 3

"It shall not apply to any person employed in the Police or any of the Defence Service of Pakistan and any service or installations connected with or incidental to the Armed Forces of Pakistan including on Ordinance factory maintained by the central government; or to any person employed in the administration of the state other than those employed as workmen by the Railways, Posts, Telegraph and Telephone Departments."

Industrial Relations Ordinance 2002, Section 4

It shall apply to all persons employed in any establishment or group of establishments or industry except those employed (a) in the Police or any of the Defence Services of Pakistan; (b) in any installations or services exclusively connected with the Armed Forces of Pakistan including Ministry of Defence lines of the Railways; (c) by the Pakistan Security Printing Corporation or the Security Papers Limited or Pakistan Mint; (d) in the administration of the State other than those employed as workmen by the Railways, Post, Telegraph and Telephone Departments; (e) by an establishment or institution maintained for the treatment or care of sick, infirm, destitute and mentally unfit persons, excluding those run on commercial basis; (f) by an institution established for payment of employees' old age pensions or for workers' welfare; (g) as a member of the Watch and Ward, Security or Fire Service Staff of an oil refinery or of an establishment engaged in the production, transmission or distribution of natural gas or liquefied petroleum gas or petroleum products or of a seaport or an airport.

complaint was submitted by the Pakistan National Federation of Trade Unions (PNFTU), All Pakistan Federation of Trade Unions (APFTU) and the EOBI Employees' Federation of Pakistan to ILO against the Government of Pakistan in April 2003. The complaint was

supported by the International Confederation of Free Trade Unions (ICFTU) and the International Transport Workers' Federation (ITWF). The ILO Committee scrutinized the complaint and reached the conclusion that in most of its clauses, IRO 2002 is restrictive and goes against the universally accepted rights of workers¹⁷. The ILO Committee has requested the Government of Pakistan to amend this law in favour of workers. An Alternative draft bill, based on recommendations of the tri-partite conference held in 2001, prepared by WEBCOP (Workers & Employers Bilateral Council of Pakistan) and endorsed by all stakeholders has been submitted to the Labour Directorate awaiting further action. One of the problems the workers have with the new law is that the judiciary is given the power to award equitable compensation instead of reinstatement. There is no explanation why this step was taken. It simply means that the reinstatement of a dismissed worker may not be possible in the future. An active trade unionist may be illegally removed from service and the Court may settle the matter against cash. It is not mentioned what the criterion would be for adjudicating the amount of compensation if the worker is not reinstated. It is also not mentioned if the court can tackle matters related to reinstatement or compensation alone or if they would be able to deal with cases of award of minimum wages and other such matters. As the Labour Appellate Tribunals are abolished and the appeal against Labour court would be filed with the High court, it will increase the litigation cost of the trade unions.

4. Current Labour Policy of Pakistan

According to the latest labour policy, unveiled in 2002, the right of association was not extended to agriculture and informal workers, which comprise about 90 per cent of the work force. One of the recommendations of Pakistan Tripartite Labour Conference (PTLC), last convened in 2001, was extension of the coverage of labour laws to informal sector and home-based workers, but the new labour policy failed to do that.

The policy aims to regularize the contract system, following that, the number of workers employed on non-permanent basis will increase. The right to minimum wages, which is a core labour right, remains highly restricted. According to the minimum wage policy of 2001, the minimum wage is determined by the number of hours spent on a job. There is

no way of ensuring that home based workers are getting minimum wages working the same number of hours

5. State of Trade Unionism in Pakistan

The prevalent view in some quarters that trade unions are formed to undertake strikes is based on ignorance of law as well as facts. The positive role of trade unions in industrial relations has not been realized and reflected. Unions are meant to be democratic institutions working for the betterment of workers and indirectly for society as a whole. Trade unions are legal entities. The Constitution of Pakistan, ILO Conventions and UN Declarations all allow workers the right to form their associations and unions.

It is clear that a number of important issues confront the trade union movement; foremost among these is the structure of economic activity in the country. The fact that the informal sector extends well beyond family has an impact on the national economy. There is a trend among employers to redirect as much work as possible to sub-contractors and daily wage earners. This both limits the application of existing legal welfare provisions and makes it difficult to register unions, as non-permanent workers can simply be disowned by the employer.

This leads to a dichotomy in the labour force. Within the existing formal sector, unions have a certain degree of collective bargaining power and have been able to protect the wages and conditions of workers. Permanent workers also have a large degree of job security. Many traditional labour problems exist outside the formal sector. The use of child labour is common in the informal sector¹⁸ (The actual total number of working children in Pakistan is probably somewhere between 2 and 19 million¹⁹), working conditions are virtually non-regulated and terms of employment are generally oppressive. Union activity on the whole is remote from the realities facing the overwhelming majority of the labour force. If unions are to serve their purpose of defending the interests of the working class as a whole, they need to find ways of addressing the needs of workers in the informal sector.

6. Impact of globalization on Labour in Pakistan

Global trade and investment patterns are having a dramatic

TABLE 2: REGISTERED TRADE UNIONS WITH MEMBERSHIP²⁰

Year	Number of Unions	% Increase over previous decade	Membership	% Increase over previous decade
1970	2,522		735,620	
1980	6,551	160 %	869,128	18 %
1990	7,080	8 %	952,488	10%
2000	7,220	2%	1,009,897	6%

impact on employment relations and work arrangements around the world. The current state of privatization, foreign investment and the development of Free Trade Zones unrestrained by labour laws do not add up to an environment conducive for workers. Workers retrenched by privatization move into the informal economy when public enterprises are closed or the public sector is downsized. More and more people are also joining the informal economy to supplement formal sector incomes with informal earnings in response to inflation or cutbacks in public services. Another repercussion of globalization is that capital-intensive growth or what some observers call "jobless growth" is being pursued by both public and private sector. Furthermore,, "high tech" growth, tends to create more high-skill service sector jobs than lower-skill manufacturing jobs. In such contexts, those without the skills to compete for high-tech formal jobs find work or continue to work in the informal economy.

There may be differences on the precise measurement of

poverty but it is widely believed that the incidence of poverty in Pakistan has increased during the decade of 1990s. According to some studies, the caloric-based poverty has in fact doubled from 17.4% in 1987-88 to 32.6% in 1998-99²¹. During the period of 1995 - 2000, economic growth rate declined from the historical level of 6 per cent to 4 per cent and with population growth rate of almost 2.5 per cent and more, the increase in per capita incomes was insignificant. The poor performance on economic growth was accompanied by rising income inequality and high open unemployment rates. Although the growth rate has improved in the past 5 years (6.4 percent in 2003-4 and 8.4 percent in 2004-5), overall unemployment has gone up. According to the Pakistan Economic Survey of 2003-4, unemployment rate averaged at 5.7 per cent over 1995-2000, and in 2004, it was 8.3 percent.

7. State Institutions

At the federal level, the Ministry of Labor, Manpower and

TABLE 3: AVERAGE TRENDS IN UNEMPLOYMENT

Years	Unemployment
1980-90	3.5
1991-95	5.4
1996-00	6.0
1999-00	6.2
2000-01	6.7

Source: Pakistan Economic Survey (Various issues) SPDC estimates

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Overseas Pakistanis is responsible for labour and employment policy formulation, administration and implementation. Labor and employment are listed under the concurrent legislative list.

State Tripartite Institutional Arrangements

The State recognizes, at the theoretical level, that tripartism consultation among workers, employers and state machinery plays a crucial role in promoting harmonious industrial relations. According to the ILO "... tripartism is about embedding the right to organize and bargain within broader labour market institutions and hence making the space for a culture of collective bargaining"²².

The institutional arrangements for tripartism in place in Pakistan include:

Pakistan Tripartite Labour Conference - PTLC

This is the official government tripartite forum where representatives of all trade unions, employers association and government get together to discuss labour issues. The last PTLC was convened in 2001 by late minister for Labour Mr. Omar Asghar Khan after a gap of 13 years.

Labour Advisory Board

Labour Advisory Board is set up at the provincial level. Tripartite monitoring committees are also established at district level²³ to gauge the conditions at the micro level.

National Committee on the Rights of the Child

National Committee on the Rights of the Child was established in pursuance of Article 43 of the Child Right Convention. This committee prepared the national plan of action and is responsible for its periodic review.

Minimum Wage Council

A Tripartite National Wages Council has been set up to systematically determine the minimum wages for different business activities, industries and occupations in different provinces, taking into account the realities and state of economic growth of the respective province.

National Steering Committee on Bonded Labour

This committee comprises stakeholders and civil society organizations along with the government to control and abolish bonded labour in Pakistan.

The State does include relevant stakeholders in tripartite consultations facilitated by it. However, the frequency of consultation is irregular and sporadic. Besides, these institutional arrangements are not legally empowered to play any role in the enforcement of recommendations that come out of consultations. The recommendations are generally over-ruled by different ministries. For instance, Pakistan Tripartite Labour Conference 2001 recommended deleting section 27-B in the Banking Companies Ordinance as it is in conflict with the ILO Convention 87. Section 27-B restricts a section of employees from joining trade unions. This recommendation was rejected by the Ministry of Finance. The recommendation to include agriculture sector under the ambit of labour laws was rejected by the Government of the Punjab, Agriculture Department²⁴.

Parliamentary Committees

There are standing committees on labour in the National Assembly, Senate as well as the four provincial assemblies. The objective of these committees is to oversee labour related legislation and performance of the executive regarding labour policy and implementation.

State Labour Welfare Institutions

In the 1960s, reacting to growing labour discontent, the State began to take measures relating to welfare of workers. Since then a number of schemes and institutions have been put in place but their scope, extent and effectiveness remain limited. Some of the important labour welfare institutions are listed below:

Social Security Institution was established under the Provincial Employees Social Security Ordinance, 1965, initially to provide medical and related facilities to workers in textile industry. In 1970 social security institutions were organized separately in the provinces and coverage gradually extended to several other sectors. It is financed through a levy of 7% of the wages of the workers up to Rs.3,000 (enhanced to Rs. 5,000) payable by the employer. According to the report of the Task Force on Labour Welfare, in 2001 the scheme covered only around 900,000 workers, less than 3 per cent of the total labour force in the organized sector²⁵.

The Workers' Welfare Fund was established in 1971 through an Ordinance, mainly to provide housing for

workers. All the money is collected by the Central Board of Revenue and remains static with the Finance Ministry, which does not administer the Fund according to the proclaimed mandate.

The Employees Old-age Benefits Institution (EOBI) was established in 1976 (under Employees' Old-age Benefits Act, 1976) as a federal institution with an aim to provide for old age pension and related benefits to registered worker. The EOBI is financed through a levy of 5% of the wages of the workers. The total number of registered employees was 2,133,950, while EOBI is distributing pensions and related benefits to 248,218 workers.

According to the report of the Task Force on Labour Welfare²⁷, none of the labour welfare programmes, initiated by the state, are self-targeted, nor the allocation criteria based on objective assessment of the needs of the workers.

Box 5
WORKERS EMPLOYERS BILATERAL COUNCIL OF PAKISTAN (WEBCOP)

The understanding of the need for social dialogue led to the formation of a bilateral institution of employers and workers for the first time in Pakistan in 2000. The WEBCOP representing the Employers' Federation of Pakistan, all major trade union federations and confederations, aims "...to meet the challenges of change to ensure industrial growth, employment, prosperity, joy and happiness with equal opportunity to all, respecting each other's needs..."²⁶. The initiative has been acknowledged by the Government, ILO and other stakeholders as an effective move.

The coverage of all welfare schemes is extremely limited. Poor governance, corruption and large overlay of administrative cost have rendered these institutions almost ineffective. The state machinery is well aware of the realities and has been instituting commissions and task forces, since late 1970s, to come up with recommendations for improvement. The valuable reports gather dust and never put into effect.

8. Women in Labour force and Gender Discrimination

Another vital issue is the limited contribution of women to the economy. Exclusion on the basis of gender manifests itself in diverse forms and at various levels. Women are generally excluded from the mainstream economic, social and political activities.

Pakistan's ranking in the UNDP's Gender-related Development Index, which covers such factors as life expectancy, education and income, was 135th out of 174 countries in 2000²⁸. In terms of the Gender Empowerment

Box 6
GENDER EQUALITY IN THE CONSTITUTION

Article 38 of the Constitution imparts the State's obligations aimed at achieving equality in the form of securing the well-being of the people, irrespective of sex, caste, creed or race.

Measurement, which measures gender inequality in economic and political participation and decision-making, Pakistan's ranking is at the bottom - 100th out of 102 countries measured²⁹. Because women often work as unpaid family members, their participation in economic activity is not recognized. This can be gauged from the fact that in 2004, female labour force participation in Pakistan is at 11.2 per cent in comparison with 46.7 per cent in Malaysia and 57.6 per cent in Bangladesh in 2000 (see tables below). The labour force participation rate is a measure of the proportion of an economy's working-age population that is economically active.

Women workers are concentrated in the informal sector, both in rural and urban economy. In the rural economy, 73.1 per cent of women are employed in the informal sector in farming, livestock husbandry and off-farm activities. In the urban informal sector, 60.7 percent³⁰ of women work in diverse sectors, mostly as home-based, piece-rate or casual workers on exploitative wages, or are employed as domestic workers on extremely low remuneration. In the formal sector, women are mostly found in low-paid, low-skill, lower-level jobs, with little or no job security and fewer

TABLE 4: PAKISTAN: LABOUR FORCE PARTICIPATION RATE

	2001-02	2003-04
Female	9.9	11.2
Male	48.0	48.7
Total	29.6	30.4

Source: Labour Force Survey 2003-04

TABLE 5: MALAYSIA: LABOUR FORCE PARTICIPATION RATE

	1995	1996	2000
Female	48.9	44.7	46.7
Male	83.2	82.8	83.3
Total	66.1	64.3	65.5

Source: <http://www.ilo.org/>

TABLE 6: BANGLADESH: LABOUR FORCE PARTICIPATION RATE

	1995	1996	2000
Female	67.8	57.2	57.6
Male	88.9	89.8	89.2
Total	78.6	73.7	73.8

Source: <http://www.ilo.org/>

benefits. Women are paid less than men for work of equal value and generally hired on contract basis. Sexual harassment at the workplace is prevalent³¹.

The trade unions in the formal sector are male-dominated in terms of both membership and leadership. A PILER survey³² (1991) of 15 trade union federations revealed only one had a woman as president. Women are excluded from plant level unions as well. Out of 301,104 members of 7382 registered trade unions in 2001, the number of female members was 4,487 a mere - 1.49 percent³³. In the informal sector women workers are not organized, as is the case

with male community-based labour organizations found in various sectors in urban areas.

9. Potential Areas of Legislation to Address the Issues of Labour in Pakistan

The country's existing labour code - comprising well over a hundred Ordinances, Acts, Rules, Regulations and Statutes related to industrial and commercial establishments, spanning over a century - is beset with a number of problems. Most of the legislative pieces are not in tune with

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changing realities and the existing conditions on the ground. For instance, we have yet to include informal sector casual employees in the ambit of labour laws despite the fact that more and more people have started entering the informal sector after the government adopted the first Structural Adjustment Programme in 1988. Most of the laws are passed through Ordinances or introduced by autocratic regimes without the people's/parliamentarians' consultation (the ordinances issued during the period when there is no parliament are promulgated without the consent of parliamentarians through special indemnity; only those ordinances that are issued when there is a sitting parliament have to be passed by the parliament within a 4 months period). Definitions used in different laws lack uniformity. More often than not, scope of law is not precisely defined and date of enforcement is often left open for the administration to decide. The government, instead of the legislators, is given the authority to grant exemption to establishments from the provisions of an Act. The need to address the anomalies and consolidation of the laws has been identified time and again. The recent labour policy announces consolidation of all labour laws into six laws, however in four years time, only one law IRO 2002 was promulgated.

10. The Way Ahead

Though basic institutional and legal frameworks for securing human and labour rights exist, structural flaws in the social, political and economic systems of the country exclude the vast majority of workers from attaining fundamental rights through various barriers. Little or no access to land, declining availability of water and a shrinking natural resource base deprive agricultural workers from a decent living and at times trap them in debt bondage. The urban informal sector workers face decreasing wages and deteriorating work conditions. Women workers are victims of double-edged discrimination in exploitative labour markets.

Pakistan is a signatory to the ILO Declaration on Fundamental Principles and Rights at Work, and has ratified seven out of eight Conventions that form core labour standards, thus pledging itself to 'respect, promote and realize in good faith the principles and rights relating to it'. Pakistan has not ratified the Convention on Equal

Remuneration. However, by virtue of being a member of the ILO, Pakistan is obligated to follow the conventions that form the core labour standards. Yet, the national labour laws, including some provisions of IRO 2002, are in conflict with the international core labour standards. There exist wide discrepancies between the national legislation and the provisions of ILO Conventions on freedom of association and collective bargaining. The labour legislation must be harmonized with international laws in consultation with all relevant stake-holders. Existing inadequacies in the colonial legislative text, pointed out by legal and labour relations experts, should be removed; terms should be defined uniformly; out-dated rates, benefits, levies, scope, and coverage should be synchronized with present day economic and social realities.

Revision of labour laws must be followed by developing procedural rules and regulations to facilitate implementation. Implementation of laws needs to be ensured through monitoring of mechanisms through capable and well-equipped labour administration, and violation of laws settled through labour judiciary. The need is to remove anomalies in existing legislative and administrative systems and devise policies that are inclusive of all workers without any discrimination either on the basis of gender, sector or specially created categories.

Universal application of laws should be ensured by making the language of the laws simpler and all inclusive and no section of the workforce should be neglected by the legislations. Advocates of labour rights contend that all laws that restrict formation of union in factories employing less than ten workers should be repealed and replaced with laws that do not leave out any section of the workforce and embargoes on the sectoral unions need to be lifted to improve the process of collective bargaining. Contrary to this perspective, representatives of the business community are of the view that such reforms would be detrimental to the business sector, and consequently to the workers. In order to resolve such issues, the government needs to facilitate tripartite dialogues involving all relevant stakeholders.

Social Protection and Social Security

Creation of decent work is crucially linked with social

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protection as it facilitates reintegration of excluded groups into the labour markets and provides economic security. Adequate access to healthcare, education, skill development and safety at the work place are other components of a dynamic social protection system.

In Pakistan, the State has failed to evolve a comprehensive social protection system, while economic transformation in the last two decades has eroded traditional, indigenous community support systems that took care of periodic, or life-long, social and economic insecurities of individuals in the past. There is urgent need to reform and build on the existing institutional mechanisms for social protection, enhancing their impact, effectiveness and equity.

The existing social security institutions, both in the formal sector (i.e. EOBI, Social Security Institutions, Workers' Welfare Fund and other schemes) and in the informal sector (i.e., *Zakat* system, *Baitul Maal*), are afflicted with poor governance.. Analysts have recommended forming an autonomous umbrella body, National Labour Welfare Authority to set basic fiscal, administrative and legislative frameworks, and coordinate and monitor the functioning of the social security institutions. The Authority should include representation of state institutions, academia, civil society and labour institutions. On the other hand, there is a concern that the proposed umbrella body will add another layer of bureaucracy to the system without enhancing its performance. The alternate suggestion is to strengthen and stream line the existing organizations.

In addition to reforming and consolidating the state-led social security institutions, social protection networks in the private, informal sector need to be identified and mapped. Various self-help and solidarity mechanisms exist in private enterprises, self-employed and occupational groups, and voluntary organizations. These loosely-knit and informal social security mechanisms can be strengthened through capacity building, fiscal incentives and technical support.

Basic legislation such as IRO, Standing Order Ordinance, Factories Act 1934, Shops and Establishment Act 1968, ESSI 1965, EOBI 1976 and Workers' Welfare Fund that are dealing with the core issues of conditions of employment, working conditions, right of association and collective

bargaining, labour judiciary and protection and welfare of the workers need to reinforce the support to the workers belonging to all sections of the workforce.

Collective power of workers is necessary to ensure both opportunities for decent livelihoods and the ability to take advantage of such opportunities. In an increasingly privatized economy, trade unions can be instrumental in protecting the rights of workers and promoting better living standards. It is clear that a number of important issues need to be confronted in order to promote better employment opportunities and conditions in Pakistan. Amongst these is revision of labour laws, followed by developing procedural rules and regulations to facilitate implementation.

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House No. 7, 9th Avenue, F-8/1, Islamabad
Tel: (+92-51) 111 123 345 Fax: (+92-51) 226 3078
E-mail: info@pildat.org URL: www.pildat.org