

GSP Plus and Labour Standards in Pakistan

Interim Report 2016

**A Report by
Pakistan Workers Confederation**



Table of Contents

	Page No.
Acronyms	i
Foreword	ii
Review of PWC's Report Covering the Period 2014-15	1
Overview of European Commission GSP Plus Report Covering the Period 2014-15	4
Freedom of Association and Collective Bargaining (Conventions 87 & 98)	4
Forced Labour (Conventions 29 & 105)	5
Worst Form of Child Labour and Minimum Age for Work (Conventions 182 and 138)	5
Elimination of Discriminations (Conventions 111 and 180)	6
Explanations and Information requested by ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) from the Government of Pakistan	8
Labour Inspection Convention No. 81	8
Equal Wages for Equal Work Convention, 1951 (no.100)	8
Discrimination in Employments and Occupation Convention No. 111	9
Chapter 1: Provincial Devolution and Issues of Labour Governance	10
Punjab	10
Khyber Paktunkhawa	12
Balochistan	12
Sindh	13
Federal & Provincial Industrial Relations Acts	14
Legislation without Tripartite Consultations	17
Capacity Issues of Provincial Labour Departments	18
Performance of Labour Inspection	19
Export Processing Zones	21
The System for the Determination of Minimum Wages and its Performances	22
Workers Registration in EOBI	26
Social Security	28
Labour Judiciary in the aftermath of GSP Plus	29

	Page No.
Privatisation in Pakistan and its impact on Trade Unions	29
Exports of Manpower	33
Status after Previous Reports of Pakistan Workers' Confederation and European Commission on GSP Plus	36
Chapter No 2: Implementation of Labour Standards in the Three Districts of Punjab	38
State of Labour Inspection in Lahore, Faisalabad and Sialkot, for 2015 and 2016	39
Punjab Social Security	41
Result of a Rapid Survey to Assess the State of Labour of the Implementation of labour standards in Lahore, Faisalabad and Sialkot	43
Conclusion	47
References	48
Appendix 1: Survey Methodology and Duration	49
Appendix 2: Survey Form for Export Industry	50

List of Tables

	Page No.
Table 1.1: Labour laws enforced in Punjab	10
Table 1.2: Labour legislation in Khhyber Paktunkhwa	12
Table 1.3: Proposed labour laws in Balochistan	12
Table 1.4: Labour laws enacted in Sindh	13
Table 1.5: Comparative features of national and provincial industrial relations acts	14
Table 1.6: Important statistics of export processing zones	22
Table 1.7: Trends in officially announced minimum wages of unskilled workers, in nominal and real terms in (Pak Rupee).	23
Table 1.8: Trends in sectoral minimum wages by gender	24
Table 1.9: Summary of monthly basic expenditure of a worker's family (husband, wife, and three children)	25
Table 1.10: EOBI Statistics for Pakistan	26
Table 1.11: Pakistani migrant workers during 2011 to 2015	33
Table 1.12: Pakistani migrant workers by skill level	33
Table 1.13: Migrant workers by province	35
Table 2.1: Factories inspection report	40
Table 2.2: Situation of registration and pension with EOBI in district Lahore	40
Table 2.3: Situation of registration and pension with EOBI in district Faisalabad	40
Table 2.4: Situation of registration and pension with EOBI in district Sialkot	40
Table 2.5: Statistics of registration in Punjab employees Social Security Institution	41
Table 2.6: Number of man and women workers in export oriented industrial units, state of registrations with EOBI and social security	43

List of Boxes

	Page No.
Box 1.1: Laws relating to Forced and Child Labour in Punjab Province	11
Box 1.2: Why registration of a true representative trade unions of workers is extremely difficult: Obstructive condition of minimum 20 per cent	17
Box 1.3: Terrible Accident in Gaddani Ship Breaking Yard	21
Box 1.4: Impact of privatisation on PIA Employees	31
Privatisation of PTCL and its impact on workers	31
School Teachers stand against Privatisation	32
Plight of Lady Health Workers	32
Struggle of Nurses	33
Regularization of Temporary Workers of TEVTA	33
Struggle of Punjab Parks and Horticulture Authority's Employees	33
Box 1.5: Rights of Migrant Workers	36
Box 2.1: Some important projects of The Government of Punjab	42

List of Figures

Figure 1: Situation of in house and Outsourcing of Production	44
Figure 2: State of Minimum Wages and Social Benefits in Surveyed Units % of Units Answered getting Benefit	44
Figure 3: Situation of Trade Unions's in Factories % of units in which Respondent Answered Yes	45
Figure 4: Working Conditions's and Discrimination and discrimination face by women workers, % of units in Where Respondent Answered Yes	45
Figure 5: Labour Inspection % of units in Which Respondents Answered Yes	46

Acronyms

GSP	Generalised Preferential Scheme
PWC	Pakistan Workers Confederation
ILO	International Labour Organisation
US	United States
EC	European Commission
CACER	Committee of Application of Conventions and Recommendations
ICT	Islamabad Capital Territory
ESSI	Employees Social Security Institution
WEBCOP	Workers Employers Bilateral Council of Pakistan
EPZ	Export Processing Zone
CCI	Council of Common Interests
EOBI	Employees Old-age Benefit Institution
BOT	Board of Trustees
KAPCO	Kot Addo Power Company
WAPDA	Water and Power Development Authority
MW	Mega Watt
OGDC	Oil and Gas Development Corporation
PIA	Pakistan International Airlines
IMF	International Monetary Fund
UK	United Kingdom
GDP	Gross Domestic Product
LHW	Lady Health Workers
TEVTA	Technical Education and Vocational Training Institute

Foreword

The Pakistan Workers Confederation issued its first assessment report on the Compliance of International Labour Standards in the context of GSP Plus in December 2015, after completion of the first two years of the scheme. The European Commission has also issued its first report on GSP Plus, as part of its two-yearly monitoring reports to the European Parliament and Council in January 2016. It was also decided by PWC that in 2016 an interim report would be issued to examine the impacts of the earlier reports, specifically the key recommendations concerning the eight ILO Core Labour Conventions, so that all the relevant stakeholders, including government, employers, trade unions and federations are sensitized about the issues identified and raised. This would also impress upon the stakeholders about the resolve of the PWC to regularly monitor the state of implementation of GSP Plus conditions as well as sources of its inputs and information.

The last report of the PWC was well received by all the stakeholders in the country concerned with the GSP Plus processes. It contained valuable information on GSP Plus for workers, trade unions and federations, as well as to effectively advocate the need for respecting and implementing fundamental rights of workers.

We are pleased that our previous report was presented to the European Commission and placed in the European Parliamentary forum. Mr Zahoor Awan, President of the Confederation, presented it at various international forums. Further, it helped raising the attention of authorities towards taking effective measures to improve labour standards compliance in the country, as well as in facilitating dialogue between Pakistan Workers Confederation and national and international stakeholders, including high level EU delegations.

It was expected that Pakistan's exports to European countries would increase in comparison to previous year. However, for many reasons Pakistan's exports in 2016 only reached US \$ 20.802 billion as compared to US\$ 23,667 billion in the preceding fiscal year - a decline of 12 per cent. Although, it is possible that exports of some categories may have increased over this period, but the overall picture does not seem very encouraging. This should indeed be a matter of serious concerns for the government and other quarters to analyse and resolve on priority basis issues behind the worsening performance of export sectors.

During this period, the Government of Punjab took serious notice of the situation of child labour and forced labour in the province and undertook concrete practical measures for its elimination.

This report is divided into three parts. The first part gives a brief overview of the previous reports of PWC, EC and ILO CEACR 2016 Report. The second part examines developments in the area of labour legislations and governance reforms both at the national and provincial levels, as well as the performance of federal institutions and provincial labour departments including the situation of labour inspection system. The current policies that are adversely affecting labour welfare are also examined in this part using case studies from different sectors. It also looks at the negative impacts of privatisation of public sector enterprises on workers and trade unions, and conveys workers views on the risks of unilateral pursuit of privatisation policies. Part three focuses on assessing the status of fundamental rights of worker and collective bargaining through a survey of the export oriented industries in the three cities of Faisalabad, Lahore and Sialkot. Issues relating to the

registration of workers in social security and pension system of EOBI, as well as the system of labour inspection were highlighted in the section.

It is important to mention that due to the limited availability of time and resources, a detailed analysis of other provinces could not be carried out in this interim report. It is expected that the next two-yearly report would present a more comprehensive analysis of the issues facing workers, trade unions and the implementation of the eight ILO Core Labour Standards with respect to GSP Plus and its impact on workers, covering all the provinces.

PWC acknowledges the valuable assistance provided by the Pakistan Office of the Friedrich Ebert Stiftung (FES) for the preparation and publication of this report. In particular, we appreciate the technical support and advice extended by Mr Abdul Qadir, FES Programme Coordinator and Advisor, in undertaking this important task. The report is authored by Mr. Muhammad Yaqub, co-authored by Mr Shaukat Ali Chaudhary, while Chaudhary Naseem Iqbal, Malik Mukhtar Awan and Mr Saad Muhammad were part of the team and rendered valuable support.

Muhammad Zahoor Awan

President

Pakistan Workers Confederation

Review of PWC's Report Covering the Period 2014-15

Pakistan Workers Confederation (PWC) is the largest representative body of organised workforce in the country, which is comprised of 14 federations at the national and provincial levels. PWC takes satisfaction in issuing a status report of the implementation of labour standards and major challenges faced by working people in the country, both at international as well as national levels, in the context of the EU's Trade Preference GSP Plus scheme.

Pakistan was awarded GSP Plus status in January 2014 for ten years under which Pakistani exporters acquired the preferential facility to export more than 6,000 goods free of duty to the European markets. This provided a competitive edge to Pakistani investors over other export competitors for increasing prospects of their profits and earning additional foreign exchange. Continuation of GSP Plus status is conditional on the effective implementation of 27 international Conventions for achieving the underlying objectives of GSP Plus namely, good governance and sustainable development.

It is, therefore, the responsibility of the Government of Pakistan to ensure effective implementation of the 27 international Conventions. These include seven UN Human Rights Conventions, eight conventions pertaining to environmental protection, four on good governance and combating corruption, and the eight ILO's core labour conventions. The focus of the PWC 2015 report was confined to the eight ILO core labour standards. It is pertinent to mention that Pakistan has already ratified these 27 international and ILO conventions.

A GSP Plus Committee, formed by the PWC in 2015, initially published a booklet on the subject of GSP plus to widely disseminate the background information and highlighting the responsibilities of the state of Pakistan as well

as other concerned actors, and to create awareness amongst trade unions, federations and other concerned stakeholders. Along with this, a questionnaire was prepared in order to assess the ground realities in important industrial cities and zones through a survey in major industrial cities.

It is a matter of great satisfaction for the labour community that PWC's first report was well received and acknowledged by labour unions, civil society organisations, government representatives, industrialists and officials of labour departments. The concerned quarters were compelled to express their views on the report. The examination of various aspects of the report and its subsequent impact show that:

- It was the first and a unique report prepared by trade unions in last many decades that comprehensively analysed and identified challenges faced by Pakistan's workers in the context of dismal state of implementation of ILO's eight Core Conventions;
- The report established that workers, as an important stakeholder, are well aware of the situation, and also cognizant to the government's and employers' responsibilities with regard to the international commitments on labour standards, since the direct benefits of fulfilment of these conditions accrue to workers. They would, therefore, continue to remind the government and employers, of their responsibilities with regard to the implementation of core labour standards;
- The report had played an important role in creating awareness amongst concerned stakeholders, specifically labour unions, on GSP Plus and its relevance to the ILO's eight core labour

standards, and about their own rights as workers;

- The Confederation and other labour unions gained confidence and a sense of realization that, as an important stakeholder, they can also present their views at the forum of national and international organisations. This can increase pressure on government and employers to address the problems faced by workers;
- The report discussed each area of core standards separately by highlighting the poor state of their implementation, and pointed towards strong nexus between government decision makers and functionaries with employers to circumvent labour rights and legal entitlements. It puts forward solid recommendations for ensuring effective implementation of the basic labour standards;
- Details of obstacles and negative tactics used by employers to prevent workers in exercising rights to organise and collective bargaining were discussed to highlight underlying reasons that why new workers' unions are not coming up. Issues with respect to workers' legal entitlements such as lack of appointment/employment letters, registration with EOBI and social security, and widespread practice of hiring workers on temporary, daily wages, piece-rates or third party contractor through on jobs of permanent nature, and similar other tactics were pointed out. These ways and devices of employers are meant to divide workers' collective strength through discriminating them on the basis of permanent vs. precarious status of employment, so as to deprive them opportunities to organise and demand for legally entitled protections and benefits;
- Gender based discriminations at work places in terms of employment status,

wages and benefits have also been discussed in detail. Further, the report also reflects upon relegating workers belonging to religious minority communities mainly to inferior jobs, thus reinforcing their social exclusions;

- Issues of adverse effects of child labour and forced labour were also discussed in detail, and concrete suggestions were given for their complete elimination;
- Labour inspection was emphasised as the fundamental tool of labour governance and ensuring implementation of labour laws. System of labour inspection was discussed in detail and it was highlighted that strength of labour inspectors today is the same as it was in year 1972, while number of industrial and trade organisations had increased manifold. The equipment and training provided to labour inspectors and labour department officials are not sufficient to ensure effective labour inspection. The state of seriousness of the government is evident from the fact that in Punjab, there was in past a complete ban on labour inspection for 10 years and an unannounced ban in Sindh. That encouraged the industrialists to completely ignore the implementation of labour laws which led to loss of hundreds of lives of workers in numerous workplace accidents. Concrete proposals were given in the report for better labour inspection including establishment of a centralised autonomous and independent labour inspection department, and employing qualified professional labour inspectors with better salary package, proper training and necessary authority to conduct independent labour inspection at any time and place, and file their reports;
- The number of workers engaged in informal sectors of economic activities had increased substantially during last many decades. Today they account for

73 per cent of the total employed workforce. The report recommended for specific legislations to allow formation of trade unions on sectoral or general bases to provide informal workers opportunities to organise, and demand the application of labour laws and social protection;

- The report highlighted bad governance, poor administration, weak planning and unnecessary political interference, corruption and waste of resources in key institutions of social protections to workers, such as Employees Social Security Institutions (ESSI), EOBI and Workers Welfare Fund. These institutions are financed by the employers' and workers' contributions, but their ownership is completely vested in government's control which also selects itself representatives of workers and employers for the governing bodies of these institutions. Many grievances, complaints and problems of workers are related to these institutions, for which report offered proposals for improvement;
- The report discussed the system of labour judiciary and pointed towards the frequent and long pendency of cases as a major hindrance for justice to workers. It recommended having separate branch of labour judiciary, with appointments of permanent judges who are well versed in international and national labour laws, and abreast with new developments. In superior courts cases of workers should be decided on priority basis on minimum possible time;
- The report drew attentions towards assurances made by political parties with workers in their election manifestos as well as their continued indifferent attitude, so that workers can evaluate wide gaps between their promises and performance.

In the end, the report underlined the agenda and targets for period covering 2016-17 for the labour organisations, trade unions, federations and the confederation. Action plan was given on how different stakeholders can fulfil their respective responsibilities with regard to the compliance of GSP Plus.

The detailed report was published in Urdu so that all labour organisations too can benefit from it. However, a brief version of the report was published in English for the benefits of other national and international organisations, including of European Union representatives, in order to contribute towards effective monitoring of the implementation of Labour compliance related to GSP Plus.

In the end, the report drew its main conclusion that unless workers are allowed the full freedom to organise and conduct collective bargaining, it is impossible for them to get even minimum entitlements and benefits, and they remain entirely dependent upon the goodwill, rather at the mercy of employers. Hence without the effective implementation of ILO Conventions 87 and 98 - relating to rights of unionisation and collective bargaining - neither other fundamental labour standards can be realised nor can GSP Plus scheme achieve its desired objectives.

Overview of European Commission GSP Plus Report Covering the Period 2014-15

The European Commission issued its two-yearly report on the Generalised Scheme of Preferences, covering the period 2014 – 2015, to the European Parliament and Council in January 2016. The important aspects with regard to the state of implementation of eight ILO core labour standards in Pakistan are summarised below.

Following the 18th Amendments in the Constitution of Pakistan in 2010, the responsibility for implementation of the labour standards is in the domain of the provinces, while at the federal level, the Ministry of Overseas Pakistanis and Human Resource Development is responsible for reporting on the implementation. A total of 55 new laws have been drafted in all the four provinces, out of which 23 laws have been enacted, while the rest are in different stages of approval. The Labour Inspection Policy of 2006 has shown limited results, as the 340 labour inspectors across the country are inadequate for effective labour inspection and there have also been allegations of corruption and connivance with employers. A project to strengthen the labour inspection system and to technically train and equip labour inspectors has been launched by the ILO with the financial assistance of Netherlands Government. The technical and operational support of ILO has been provided under the Decent Work Programme for Pakistan (2010-15), which focuses on the following four main areas:

1. Revision of labour laws;
2. Emphasis on human resource development to increase employment opportunities;
3. Schemes for social protection covering informal sector;
4. Tripartite social dialogue.

The Important issues with regards to compliance with ILO basic labour conventions are discussed below:

Freedom of Association and Collective Bargaining (Conventions 87 & 98)

- The ILO Committee of Experts on Application of Conventions and Recommendations (CEACR) and trade unions have raised concerns on the different categories of workers and organisations that fall outside the applicability of these Conventions, and thus have been deprived of the right of collective bargaining. These include government employees and workers engaged in 'essential' services, agriculture, education, health, security and workers employed in special economic/free trade zones;
- There is a lack of legal framework for regulating collective bargaining and unionisation in the informal sector as the Federal and Provincial industrial relations laws only cover the formal sector;
- Trade unions have pointed out that many workers in the formal sector do not receive legally required appointment letters which makes them ineligible to join unions or register for social benefits;
- The process for formation of trade unions is complicated, as the provincial labour departments lack technical capacity for registration of trade unions;
- There is tendency for registration of fake trade unions through collusion between labour department and employers;

- Trade unions cannot be formed in the country's vast and growing informal sector due to lack of any legal framework and laws for regulating collective bargaining.

The Federal Government has restored the National Industrial Relations Commission. Tripartite consultative councils have been established in provinces and Islamabad Capital Territory (ICT) to deliberate on labour market issues. Similarly, Workers Welfare Fund and Minimum Wage Boards are working on tripartite basis, whereas the Workers Employers Bilateral Council of Pakistan (WEB-COP) is functional.

In Punjab, the condition of at least 50 workers for registration of trade union has been abolished. In Sindh, the scope of the Industrial Relations Act has been extended to workers in agriculture and fisheries. In Punjab Policy for Home Based Workers is under formulation. The first ever domestic workers union has been registered in the province.

Forced Labour (Conventions 29 & 105)

- According to the 2014 Modern Slavery Index, Pakistan is ranked at third place.
- Bonded labour is prevalent in different sectors of the economy, which includes agriculture, brick kilns, carpet weaving, fisheries, mining, etc. Brick kilns, operating in the suburbs of all major cities, work under debt bondage;
- Bonded labour is prevalent across all four provinces. While no reliable statistics exist, estimates indicate that there are over one million bonded labourers engaged in brick kilns, while over 1.8 million workers (including children & women) are in bonded labour in agricultural sector;
- The ILO's Committee of Experts has demanded that legislations for elimina-

tion of bonded labour should be formulated in all four provinces;

- In Khyber-Pakhtunkhwa (KP) the Bonded Labour (Abolition) Act 2015 has been enacted. In Punjab, a similar law is in the final stages of approval;
- In Balochistan and Sindh, formulation of policies similar to Punjab's Policy on Home Based Workers, which includes provisions for formation of trade union, can play an important role in reducing forced labour;
- In Punjab, the Chief Minister has declared elimination of child labour and forced labour as an important objective and in this regard the provincial labour department has launched a US\$ 50 million project for the elimination of child labour and forced labour from brick kilns;
- Balochistan has also developed a similar project and allocated Rs. 400,000 for this purpose and has requested the federal government and ILO for further assistance;

Worst Form of child labour and minimum age for work (Conventions 182 and 138)

- According to the 1996 Child Labour Survey, there were 3.3 million child workers across Pakistan;
- Child labour is prevalent in all four provinces of Pakistan, although there has been a declining trend;
- There are no reliable statistics available on the number of children engaged in worst forms of child labour, but it is spread throughout the country, especially in agriculture and brick kilns;
- The ILO's Committee of Experts has demanded that Pakistan should impose ban on employment of children less than

14 years of age, and children under 18 year of age with respect to hazardous work;

- The federal government has appointed a focal person to collect data and information with regards to child labour and forced labour, develop strategy for elimination of child labour, advocate the provincial governments to conduct survey and formulate legislations;
- At the federal level, the Employment of Children Act 1991 prohibits all form of child labour. The provinces are also in the process of enacting similar laws. The government of KP, in addition to legislation with regards to child labour, has also allocated funds for labour inspection so that the ban on child labour can be effectively monitored. A similar bill is awaiting cabinet's approval in Punjab while in Sindh and Balochistan this bill is under adjournment;

Elimination of Discrimination (Conventions 111 and 180)

- Considerable gender inequalities are present between men and women in the area of equal opportunity and treatment;
- Due to lack of better employment opportunities, women are compelled to work in the low productivity agricultural occupations. Women workers face the challenges of lack of education and getting equal pay for work of equal value;
- Due to the absence of any legal framework stipulating equal remunerations for men and women, there is significant level of discrimination in the private sector, which has also been pointed out by the ILO's Committee of Experts;
- There has been some progress in this regard and the federal government has developed a model law against discrimi-

nation in 2015 through tripartite consultations, which the provincial governments can adopt;

- The Secretariat of Federal Ombudsman, the PWC and the Employers Federation have held a number of seminars to raise awareness on this issue;
- All provinces have appointed a focal persons to coordinate with various department on gender issues;
- The Government of Punjab has developed a Policy for Home Based Workers and the first ever domestic workers union has been registered having 90 per cent woman membership;
- Establishment of a provincial Commission on the Status of Women, enactment of the Fair Representation of Women Act (2014) and setting up of day care centres in the workplace, are other new initiatives by the provincial government of Punjab;
- The Higher Education Commission is working for mainstreaming gender in the business and media curricula of the nine national universities;
- Nearly, 750 media journalists/editors have been trained on gender-sensitive reporting, non-discrimination and issues of women in the world of work. This can encourage the media in highlighting issues of discriminations and sexual harassment at workplaces through gender sensitive reporting;

Despite having made some progress, Pakistan continues to face a number of challenges relating to the protection of labour rights. These include pushing through outstanding legislations at provincial level and ensuring effective implementation of existing and new legislation, covering all areas of the eight core labour standards. Trade union membership

and collective bargaining coverage remain very low, with only a small share of labour being unionized in Pakistan. The unions continue to face challenges in registration and to freely carry on activities to promote the interests of their members, including strikes. In spite of being illegal, bonded labour continues to exist in the country, with millions of workers engaged in these practices according to Global Slavery Index. In addition, child work is prevalent across all provinces; with approximately 1.5 million children working alone in Khyber Pakhtunkhwa according to the Society for the Protection of the Rights of the Child (Islamabad). The gender gap is significant, necessitating continued efforts to strengthen rights of women workers. There is a need to consolidate the gains made in the first 2 years of GSP Plus implementation and effectively address the remaining shortcomings.

According to the some general impressions, the GSP Plus is an important incentive for all concerned stakeholders in the country for promoting adherence to ILO core labour standards. The government, employers and workers' organisations have all welcomed GSP Plus which can play important role in enhancing their mutual dialogue and cooperation.

Explanations and Information requested by the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) from the Government of Pakistan

The ILO Experts Committee (CEACR) requested certain explanations and information from the Government of Pakistan in 2016 with regards to the implementation of important labour conventions, which are briefly given below:

Labour Inspection Convention No. 81

- To explain the conditions under which the federal authority ensures mutual cooperation and coordination of labour inspection in the provinces, and what is the framework and priorities for labour inspection at federal level. Moreover, the role of other social partners also needs to be discussed and whether employers and workers have been taken in confidence with regards to labour inspection;
- What is the extent of laws adopted with regard to health and safety enabling the Sindh Government to continue implementing the agreed action plan? Government is asked about the number of private institutions and firms which issue certificates after inspection of institutions, the scope of their work and number of entities inspected for issuing certificates;
- About steps taken to ensure operation of labour inspections in the provinces. Moreover, number of instances of blocking labour inspectors have taken place and the punitive action and fines have been implemented against the responsible persons also needs to be informed.

Equal Wage for Equal Work Convention, 1951 (No. 100)

- About steps taken to implement the convention and explain the steps taken by the tripartite advisory committee;
- Government was asked to keep in view that the definition of salary in Khyber Pakhtunkhwa government's Payment of Wages Act is based on the principal of equal salary for equal work;
- To inform about the causes and elements leading to removal of gender discrimination in Payment of Wages Act by Government of Khyber Pakhtunkhwa and its subsequent impact. Steps taken with regards to legislation by other provincial governments to remove the discrimination and differential in wages of male and female workers need to be communicated. It also needs to be clarified if this principle of equal pay has been uniformly applied on government and private institutions;
- To inform that while taking decision with regard to minimum wage, Government of Khyber Pakhtunkhwa ensures that decisions are without any consideration of gender discrimination;
- To take appropriate steps to ensure that provinces, while legislating, recognize work of women workers and highlight to the Committee steps taken in this regard. The steps taken by the Women

Development Departments to implement these principles in government and private institutions also need to be explained.

Discrimination in Employments and Occupations Convention No. 111

- To ensure that legislation in the centre and provinces under the tripartite advisory committee does not contain any discrimination with respect to employment or occupations of the labour and recruitment in employment and occupations should be clear from any considerations of political affiliation, racial, linguistic or ethnic concerns. The Committee should be informed about the progress made in this regard;
- To inform about steps taken to protect female workers from sexual harassment at work place. Other provinces should enact legislation on the pattern of Punjab Act of 2010 regarding harassment of female workers at workplaces. Information should also be shared on the number and nature of such complaints that have been reported and how these were redressed, and what sanctions were imposed on those responsible. Further, how the Women Development Departments have promoted their general awareness campaigns in this regard;
- To inform about the situation of female participation in the labour market on the basis of statistics. Government should take steps to increase female labour force participation and information regarding adoption of Domestic Workers (Employment and Rights Bill 2013) should be conveyed to the Committee;
- To inform about the impact of quota earmarked for non-Muslim minorities for employment in the government at both federal and provincial levels. Government also inform about the facilities provided by the tripartite advisory committee at the federal level. The Committee should be informed about who is considered to belong to Scheduled Castes and non-Muslims;
- To report on the impact of prohibition of discrimination against Dalits' employment, the steps taken by federal and provincial governments with regard to encouraging participation of Dalits in labour market, and the role of tripartite advisory committee also needs to be elaborated upon;
- The Committee emphasizes upon the Government to take immediate steps to promote tolerance against minorities and Ahmadis, and inform the Committee about the progress made in this regard. Further, the Committee reiterates that it should be informed about the state of access of religious minorities to employment as explained in the Article 260(3) (b) of the Constitution.

Chapter 1: Provincial Devolution and Issues of Labour Governance

The Constitution of Pakistan guarantees the protection of fundamental human rights and rights of workers. Pakistan has ratified 36 ILO Conventions, of which 33 are in force including 8 Core Labour Conventions. The 18th Constitutional Amendments passed in 2010, devolved the responsibilities of labour legislations to the provinces while the jurisdiction of federal labour laws is limited to the federal capital and federally administrated tribal areas (FATA).

Punjab

The province of Punjab has enacted most labour laws, mainly adopting from the former federal labour laws. However, Punjab Industrial Relation Act (PIRA) 2010 was developed afresh. In addition, two new important laws for elimination of child labour and forced labour have been formulated and enacted. One of them is the Punjab Prohibition of Child Labour at Brick Kilns Ordinance, 2016.

Table 1.1: Labour laws enforced in Punjab

- Punjab Industrial Relation Act, 2010
- The Factories (Amendment) Act, 2012
- Industrial & Commercial Employment (Standing Orders) (Amendment), 2012
- The Employment (Record of Services) (Amendment) Act, 2011
- The Minimum Wages (Amendment), Act, 2012
- The Road Transport Workers (Amendment) Act, 2012
- The Employment of Children (Amendment) Act, 2011
- The Punjab Bonded Labour System (Abolition) (Amendment) Act, 2012

- The Punjab Maternity Benefits (Amendment) Act, 2012
- The Punjab Workmen's Compensation (Amendment) Act, 2013
- The Punjab Employees Social Security (Amendment) Act, 2013
- The Punjab Payment of Wages (Amendment) Act, 2014
- The Punjab Minimum Wages for Unskilled Workers (Amendment) Ordinance, 2013
- Employees' Cost of Living (Relief) (Amendment) Act 2013
- The Punjab Shop and Establishment (Amendment) Ordinance, 2014
- The Punjab Prohibition of Child Labour at Brick Kilns Ordinance, 2016
- The Restriction on Employment of Children Ordinance, 2016

All these laws have been adopted from the earlier similar federal labour legislations. The initial condition of a minimum of 50 workers required to form a trade union, as laid down in PIRA was done away with, and representation of women in the executive body of a trade union, equal to their share in employment of an establishment, has been added. One of these laws - Punjab Prohibition of Child Labour at Brick Kilns Ordinance, 2016 - prohibits forced labour of children but provides legal cover to the advance payment (*Peshgi*) made at the Brick Kiln (although according to the Supreme Court Order, there is prohibition on any form of "*Peshgi*"). In case under-age children were found working in brick-kilns, parents of those children, along with the employers, will be held responsible for violations and liable to punishment.

The Punjab Restriction on Employment of Children Ordinance 2016 has been enacted. Some of its provisions are positive, with the minimum age for employment has been increased from 14 years to 15. The provincial cabinet has approved the Policy for Home-Based Workers and Domestic Workers.

A draft of Occupational Safety and Health law has been prepared. However, it is regrettable to note that all these laws were formulated without due process of tripartite consultations and enacted through ordinances instead of presenting to provincial assembly.

Box 1.1 Laws relating to Forced and Child Labour in Punjab Province

The Government of Punjab has initiated an important project for elimination of child labour from brick kilns, under which all brick kilns in the province were surveyed to estimate numbers of working children. Initially, this project was limited to ten districts but later it was extended to the whole province. Under this US\$ 50 million project, children working in brick kilns were enrolled in nearby schools or arrangements were made for enrolling them in special non-formal registered schools. The expenses for books, uniforms and transportation to and from schools are supposed to be borne by the provincial government. Their parents are given monthly stipend of Rs. 1,000, while at the time of admission to school parents are paid Rs. 2000 per child. Additionally, arrangements for vocational trainings have been made for providing skills to children in the age group of 14–18 years.

Further, the government has also started survey of children working in petrol pumps, workshops and hotels to estimate the extent of child labour, and develop appropriate plans. However, the complete elimination of child labour is not possible without a comprehensive campaign and measures to tackle the problem. Presently, children are working in different sectors like carpet weaving, mining, agriculture, and as domestic workers. This challenge can only be met effectively when all children up to 16 years of age are provided with free and compulsory education, as laid down in Article 25A of the country's Constitution. This would necessitate increasing the education budget and establishing more vocational training institutions. Moreover, unemployment of adult needs to be addressed along with ensuring minimum living wages and registration of workers in social security and pensions schemes. Although, the intervention in the brick kiln sector is admirable, but on the whole, this is only a small step towards the complete elimination of child labour and, therefore, similar initiatives need to be extended to all sectors.

Following statistics related to children working in brick kilns were presented in the Punjab Assembly

- Upto 2016, a total of 124,000 children below the age of 15 years were working in brick kilns in Punjab.
- 787 brick kiln owners were arrested on charges of forcing children to work;
- 219 brick kilns were sealed on charges of using child labour;
- A total of 8,734 brick kilns were raided, where 772 children under 15 years of age were found to be working;
- A total of 62 workers welfare schools are working in 19 districts of Punjab. These include 6 schools in Lahore district, 7 in Sheikhupura, Gujranwala (8), Sahiwal (1), Gujrat (3), Sialkot (4), Faisalabad (6), Khushab (4), Multan (4), Muzaffargarh (2), DG Khan (2), Bahawalpur (3), Rahim Yar Khan (2), Rawalpindi (2), Jhelum (2), Khanewal (1), Kasur (2) and Sargodha (2).

Khyber Pakhtunkhwa

The province of Khyber Pakhtunkhwa enacted a number of labour laws through legislations by provincial assembly, the details of which are given below:

Table 1.2 Labour legislation in Khyber Pakhtunkhwa

- The KP Industrial Relations Act 2010
- The KP (I & CE) Standing Order Act 2013
- The KP Industrial Statistics Act 2013
- The KP Maternity Benefits Act 2013
- The KP Minimum Wage Act 2013
- The KP Payment of Wages Act 2013
- The KP Workers Compensation Act 2013
- The KP Factories Act 2013
- The KP Prohibition of Employment of Children Act 2015
- The KP Bonded Labour System (Abolition) Act 2015
- The KP Shops and Establishment Act 2015

The new labour laws in the province of KP were enacted through legislations by the provincial assembly and therefore are in better shape. Child labour and forced labour are combined in one Act and a labour inspection institution is established. In the minimum wage law, factories are included along with commercial and industrial establishments, while the child labour law has been strengthened. The scope of Workers Compensation Act has been extended to all industrial, trade and factories.

However, KP's informal sector workers, including agricultural workers, home-based workers and domestic workers continue to remain outside the scope of labour laws. Legislation is also required for extending

provision of social security to these workers.

Balochistan

In Balochistan, all laws except the Balochistan Industrial Relations Act 2010, are in the drafting stage and have not undergone tripartite consultations.

Table 1.3 Proposed labour laws in Balochistan

- Employment Cost of Living Relief Bill
- Employment (Record of Service) Bill
- Prohibition of Employment of Children Bill
- Essential Personnel Bill
- Minimum Wages Bill
- Standing Orders Bill
- Industrial and Commercial Employment Bill
- Industrial Statistics Bill
- Workman Compensation Bill
- Workers' Children Education Bill
- Employees Cost of Living (Relief) Bill

The Industrial Relations Act lays down the establishment of Industrial Relations Commission at the provincial level.

The Balochistan Industrial Relations Bill (2014) includes regulations for the formation of trade unions and collective bargaining. This law has introduced concept of compulsory arbitration, which is against exercising the right to strike. In case of industrial disputes covering more than one province, the forum of Tripartite Conciliatory Body and Labour Ombudsman is introduced. The Workman Compensation Bill 2014 has increased the compensation for death and total disability up to Rupees six hundred thousand.

The Balochistan Factories Bill 2014 holds the

employer responsible for ensuring health and safety inspections in factory. The scope of workers covered under the Balochistan Payment of Wages Bill 2014 has been extended to educational institutions, hospital and home-based workers. The Balochistan Industrial and Commercial Employment (Standing Orders) is applicable to all industries and commercial establishments where 10 or more workers are employed. Establishments with 50 or more workers are eligible for gratuity, group insurance and group incentives schemes. The amount of gratuity has been increased from 40 days salary to 60 days salary.

A new concept of unemployment bonus has been introduced, which would have to be paid by owner in case of downsizing for a period of 1 to 5 years. For dismissal of workers time period for notice has been increased from one month to three months. The Balochistan Workers Children Education and Establishment of Education Institutions Act 2014 has been extended to all households where family earner would be required to pay education cess of Rs.100, and every employed worker would pay 5 % of salary as education cess. This is against the provision of the Constitution which guarantees the right to education for all school going children

Sindh

The province of Sindh has enacted ten new labour laws, all in the form of respective Act, passed by the provincial assembly.

Table 1.4: Labour laws enacted in Sindh

- The Sindh Industrial Relations Act, 2013
- The Sindh Workers Welfare Fund Act, 2014
- The Sindh Employees Old Age Benefit Act, 2014
- The Sindh Terms and Conditions of Employment (Standing Order) Act, 2014

- The Sindh Factories Act, 2015
- The Sindh Workers Compensation Act, 2015
- The Sindh Companies Profit (Workers Participation) Act, 2015
- The Sindh Shops and Establishment Act, 2015
- The Sindh Employees Social Security Act, 2016
- The Sindh Minimum Wages Act, 2016

The Sindh Companies Profit (Workers Participation) Act 2015 has increased the number of workers eligible to benefit from share in profit from 50 to 100. However, the categories of workers eligible to benefit from share in profit are linked with minimum wages announced by the government.

Sindh Workers Fund Act 2014: Sindh Government has repealed the Federal Workers Welfare Fund Act after enacting the Workers Welfare Fund Act 2014. This has resulted in confusion amongst the employers and workers as to whether they have to deposit their contributions with the Federal Government or the Provincial Government. In case of companies having their actual business in other provinces and only head-office in Sindh, dispute may arise in collection and distribution of this fund.

Another area of legal conflict with federal government concerns the distribution of EOBI funds, due to the enactment of the Sindh Employees Old Age Benefit Act 2014. Presently, these funds are with the Federal Government and most of workers organisations are in favour of keeping this Fund at the federal level. Due to this reason, this Act of the Government of Sindh cannot become enforceable. In spite of this Act, there is still no clarity with regards to the ownership of EOBI's assets as well as the administrative arrangements whether it will remain with the

federal government or the provincial governments. How will the pensions of workers migrating from one province to the other be managed? Matters relating to receipts of EOBI funds and its associated administrative issues can be a source of complications between the federal and provincial governments. In this scenario, the concerned stakeholders lack consensus or satisfaction in this regards.

The Sindh Industrial Relations Act 2013 extended the rights of organisations and collective bargaining extended to agriculture and fisheries sectors, and educational institutions. The Sindh Minimum Wages Act is applicable to all industrial and commercial organisations and factories in the province. The scope of the Sindh Terms of Employment (Standing Order) Act 2015 is expanded to cover industrials, commercial sectors and factories employing 10 or more workers who now have the opportunity to benefit from

bonus, gratuity and compulsory group insurance. In addition, private schools, educational institutions and hospitals having 20 or more employees have been included in the industrial and commercial institutions.

Federal & Provincial Industrial Relations Acts

The Industrial Relations laws determine regulations related to collective bargaining, formation of trade unions, federations and confederations. All forms of work place relations and disputes between employers & workers fall in the scope of the industrial relation laws. The right of strike and lockout is determined under these laws. There is a comprehensive system in place for resolution of individual and collective disputes and conflicts through labour courts and appellate tribunals. The main comparative features of national and four provincial industrial relations acts are highlighted below.

Table 1.5: Comparative features of national and provincial industrial relations acts

Title	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Federal Territories
Number of Outsiders in the Executive body of Union	20%	25%	25%	25%	25%
Condition for suspension of Union	If union does not apply for referendum within two months after registration, provided that a Collective Bargaining Agreement (CBA) does not previously exist.	There is no such condition in Sindh	If union does not apply for referendum after two months of registration, provided that a Collective Bargaining Agreement (CBA) does not exist.	If union does not apply for referendum within two months after registration, provided that a Collective Bargaining Agreement (CBA) does not previously exist.	If union does not apply for referendum within two months after registration, provided that a Collective Bargaining Agreement (CBA) does not previously exist.
Required percentage of vote in referendum	Union's registration is cancelled if obtains less than 15 % votes in two consecutive referendum	There is no such condition	Union's registration is cancelled if obtains less than 15 % votes in one referendum	Union's registration is cancelled if obtains less than 15 % votes in one referendum	Union's registration is cancelled if obtains less than 10 % votes in referendum

Title	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Federal Territories
Mandatory representation of women workers in the executive body of union	Representation of women workers in executive body in proportion of their share in employment	There is no such condition	There is no such condition	There is no such condition	Representation of women workers in executive body in proportion to their share in employment
Formation of union in agriculture and fisheries sectors	None	Formation of union in agriculture and fisheries permitted in Sindh	No	No	No
National Industrial Relations at provincial level	No	No	No	NIRC exists at provincial level	NIRC present at national level
Industries-wise union	No	No	No	Provincial NIRC can register industry-wise union	No
Registration of Federation	Two or more registered unions can form a federation	Two or more registered unions can form a federation	Two or more registered unions can form a federation	Two or more registered unions can form a federation	Two or more registered unions can form a federation
Registration of Confederation	Two or more registered federation can form a confederation	No mention of confederation	Two or more registered federation can form a confederation	Two or more registered federation can form a confederation	Four registered unions belonging to two or more provinces can form federation or confederation
Registration of third union	20 % of total workers	20 % of total workers	20 % of total workers	20 % of total workers	20 % of total workers

The ILO, the labour movement including PWC and also the EC report 2016 have all criticised that under the prevailing industrial relations laws, employees of the following institutions are excluded from the rights of organisation and collective bargaining. Unfortunately, these exclusions are same across all provincial and federal industrial relations laws:

- Police, defense services of Pakistan and Ordinance Factory under federal government;
- Workers in the administration of state, except Railways and Pakistan Post;
- Security staff under Grade 5 of Pakistan International Airlines and security staff of airlines, as notified by the government;
- Pakistan Security Printing Corporation and Security Papers Limited;
- All those institutions involved in treating sick, mentally disabled, etc. except those institutions working on commercial basis;
- Watch and ward security and fire services staff working in oil refineries and airports;
- Staff involved in production of natural gas and liquid petroleum gas, its logistics, distribution and security;
- Institutions providing services in education, except institutions working on commercial basis.

It is indeed regrettable that even new laws continue to carry exclusions, restrictions and ambiguities in definitions to distinguish between workers' and employers' categories. Constitutionally and in terms of ILO standards, employees of all establishments, with the exception of those employed in police, defense services and those with the hire/fire authority, have the right to form and joint trade unions. Thus it is obligatory on part of the state to restore the constitutional rights of freedom to organise by reforming all industrial relations laws according to the provisions of ILO Conventions 87 and 98. Further,

- Twenty per cent membership of all employed workers' is mandatory for the registration of a third union in all provincial and federal laws. Therefore, if the existing two unions were fake or formed at the behest of employers (pocket unions), registration of a truly representative workers' trade union is nearly impossible;
- The magnitude of representation of females in union's executive body in proportion equal to their share in total employment is mandatory in federal and Punjab, while it is not mandatory in the other provinces;
- In the province of Sindh, there is no condition for trade unions to apply for

the referendum within two months' period after its registration, while this condition is provided in Islamabad Capital Territory and other provinces, provided that there is no existing Collective Bargaining Agreement (CBA);

- In Punjab registration of a union securing less than 15 per cent votes in two consecutive referenda is cancelled. While in other three provinces, a union obtaining less than 15 per cent votes in the first referendum is cancelled, and in the federal territories a union is cancelled for obtaining less than 10 per cent votes;
- Only in Sindh province, the workers of agriculture and fisheries sectors have the right to form trade unions. In their present formulations, industrial relations laws and other labour laws are not applicable to informal sectors of economy like home-based workers, domestic workers and workers in other sectors;
- The definition of establishment in Sindh Industrial Relations Act is relatively more comprehensive and includes office, factory, society, firm, undertaking, company, shop, premises or enterprise; which employs workman directly or through a contractor.

Box 1.2: Why registration of a true representative trade unions of workers is extremely difficult: Obstructive condition of minimum 20 per cent

There is no limit specified in industrial relations laws with respect to the formation of first and second trade union in a defined workplace. A group of any number of workers can initiate the process for forming a union and can apply for registration with the office of the Registrar of Trade Unions, after electing their office bearers. As there is no limit on number of workers, it is not easy for the employers to prevent formation of trade union by using coercive measures because workers in small group are usually more determined and organised. On the other hand, the condition of minimum of twenty per cent workers required for the formation of a third trade union makes it extremely difficult for workers to form a third trade union as it is difficult to convince and bring together such a large number of workers to form a third trade union, especially in the present scenario of high unemployment where workers face immediate dismissals and other coercive pressures from employers, if they attempt to register their unions. Employers in most cases have misused the law by taking advantage of this condition and, in connivance with the labour departments, get registered the first two fake unions in their establishments. It is then easier for employers to prevent formation of the third trade union as they can create divide between large number of workers by threatening or rewarding some workers to give statement against the proposed union. The PWC in its earlier report has highlighted this issue but the situation continues to persist. Due to these malpractices formation of true representative unions is practically impossible.

Legislations without Tripartite Consultations

The new legislations drafted and enacted by provinces in the post 18th Amendment period had been done unilaterally by the labour departments, without consulting other concerned stakeholders. ILO Convention 144, already ratified, lays down that tripartite consultations are mandatory with respect to labour legislations. That is why these existing laws have many flaws and short comings. For instance, the ban on formation of unions for up to fifty workers as was previously specified in the Punjab Industrial Relation Act was totally unnecessary and against the provisions of the Constitution of Pakistan and ILO Conventions. As a result, the government of Punjab had to face criticism and eventually repealed this provision. Similarly, there exists room for improvement in labour laws across all provinces without hurting the interests of any particular member of concerned stakeholders of industrial partners. The governments' tendency to unilaterally formulate and impose laws has led to complications in their effective implementation.

In the post 18th Amendments' period the competence of labour laws are devolved to

the provinces which give leverage to employers to malevolently cause troubles to unions and their federations by opening branch offices in other provinces, not for business, but twisting the law such that registration of trade unions become an inter-provincial or federal issue and falls into the jurisdictions of the National Industrial Relation Commission (NIRC). This forces workers to approach NIRC at the federal capital level to register their representative union instead in the province where the firm is actually located. This results in burdening unions for their administration and escalating their travel expenses to the federal capital, as well costing time and resources. It is also seen that employers are getting registered two fake unions at NIRC by using the forged trans-provincial locations of their businesses, thus effectively blockading the possibilities for the formation of representative unions.

The province of Sindh has passed the EOBI and Worker Welfare Fund law. But these institutions are presently working under the administrative control of the Federal Ministry of Overseas Pakistani and Human Resources Development. The governments of Punjab and Sindh have filed an appeal with the Supreme Court of Pakistan for devolving

these institutions to the provinces which is under Court's proceedings. It would be more prudent and effective for all four provinces to take this issue to the Council of Common Interests for reaching a final decision on this matter. However, the provincial assemblies of KP and Balochistan have already passed unanimous resolutions calling for retention of EOBI and WWF at the federal level. Similarly, most of the workers' organisations are also in favour of having control of these two institutions at the federal level so that workers all over the country can uniformly benefit from these institutions, especially workers from smaller provinces where collected funds are insufficient for these two schemes to service. Nevertheless, the final decision with regards to the future of these two institutions needs to be reached at the earliest, so that the prevailing uncertainty can come to an end.

In the context of the 18th Amendment, there exists consensus among all stakeholders including provincial and federal governments on implementing the recommendations of Justice (retired) Shafique ur Rehman Commission Report for consolidating all labour laws into the following six main laws:

1. Laws coming under industrial relations
2. Laws relating to setting of minimum wages
3. Laws relating to employment conditions
4. Laws relating to workers occupational safety and health
5. Laws relating to human resource development
6. Laws relating to welfare and social security

Further, labour laws need to be transformed into clear and comprehensible language, with constant research and evolution, besides ensuring compulsory and meaningful consultations with the representative tripartite stakeholders' forum for legal and implementation reforms.

Capacity Issues of Provincial Labour Departments

Harmonious relations between the workers and employers are critical for smooth functioning of industrial activities. To ensure smooth industrial relations it is important that the existing labour laws are fully implemented which is the responsibility of the provincial labour departments. It is the labour departments' duties to ensure basic rights of the workers, such as exercising their rights of forming trade union and conducting collective bargaining, fulfilments of legal employment contracts, maintaining service record of workers, implementation of minimum wages, ensuring compliance with working hours and conditions, regulating occupational safety and health, provisions of paid leaves to workers, protection of woman workers and preventing child labour. The effective implementation of stipulated conditionalities of GSP Plus is directly dependent on the level of capabilities, capacities and performance delivery of provincial labour departments.

Practically, due to blind pursuance of investor-friendly policies and in the name of providing facilitative environment for investment, the importance and performance of labour departments have continuously declined, even when compared to other departments. Due to the long period of prohibition of labour inspections and its recent resumption, albeit with many conditions, the functioning of labour departments has become deteriorated. It is a cause for serious concern that the current strength of labour department is the same as it was in 1972. Over this period, industrial activities in the country have expanded manifolds, new industrial estates were established and distances have increased due to growth of cities. This necessitates increase in the strength of the labour inspectors and provisions of adequate facilities including transportations to the inspectors, so that violation of labour laws can be checked effectively and violators are made accountable. Representa-

tive workers' unions at work places can also play an important role in ensuring protections of worker's rights through collective measures. However, as workers organisations are not allowed freedom to exist and function due to government policies, it is extremely difficult to ensure proper implementation of labour laws.

The workers' organisations have always advocated for autonomous, effective and well-functioning labour departments with increased staff furnished with modern equipment's to enable them to properly perform their duties. The present situation of work-places are characterized by poor design, construction of factories, absence of necessary safety measures and equipment to deal with emergency situations, thus resulted in increasing frequency of large-scale industrial accidents, such as fire and other serious incidents, ending up in the loss of precious lives of hundreds of workers.

During the former President Musharraf's government, the system of local governments was established where the organisational structure of labour departments were overhauled at provincial and district levels, and delegated under the authority of District *Nazim* (Mayor). However, after the abolition of local government system, the oversight of District Nazims has been abolished and the old commissionerate system and the old organisational structure of labour departments are restored.

An analysis of the annual budget of the labour department of Punjab reveals that nearly Rs. 600 million was allocated in FY 2014-15, which is entirely inadequate for effective performance of its laid down functions.

Performance of Labour Inspection

The earlier report of PWC included an in-depth examination of different aspects of the labour inspection system and gave

concrete recommendations for improving and strengthening this system. A summary of the analyses and recommendations are produced below:

The tripartite constituents including, workers, employers and the government are well aware of the importance of an effective labour inspection system for the proper implementation of labour laws. The existence of an effective labour inspection system can ensure that

- the building of any workplace or factory is safe and built according to the required specifications, with minimum risks of any unexpected accidents;
- in case of emergency situation there are available safe exits and necessary equipment for fire-fighting;
- the working conditions are suitable for workers' health and occupational safety;
- if a boiler is installed, its regular inspections have been carried out and its fitness certificate is obtained and available;
- basic rights of workers including payment of minimum wages, written work contracts, compliance with legally defined working hours and conditions is ensured ;
- availability of canteen, fair price shops and other required facilities;
- protection of woman workers and fulfilment of all their rights, and;
- proper arrangements for preventing recruitment for employment of child workers;

All of these above mentioned measures are necessary for the compliance with GSP Plus, and therefore it is necessary to make labour inspection system truly effective. However, the existing low strength of labour inspectors

is a major constraint in this regard. Another important cause for concern is the lack of importance given to labour inspection by the employers and government. In the past there was a ban imposed on labour inspection in Punjab, despite Pakistan's ratification of ILO Convention 81, which stayed in place for ten years. The province of Sindh also followed Punjab's example and during this period all labour organisations strongly protested this illegal ban. Eventually, the ban was removed when number of industrial accidents took place in which hundreds of workers lost their lives.

However, even in the third year of implementation of GSP Plus, there has been no significant change in the system of labour inspection. A project on labour inspection with the support of Government of Netherlands has been initiated by the Government of Pakistan and ILO, under which the training of labour inspectors is underway. However, until now, no practical progress has been made and improvement in the system of labour inspection is not visible.

In the earlier report of PWC, the following recommendations were given with regards to the strengthening of labour inspection which are not yet given any considerations:

- The establishment of an independent labour inspection authority, which is not placed as sub-branch of any other department;
- Induction of suitably qualified and skilled persons having expertise in their work area as labour inspectors;
- Comprehensive training of labour inspectors and institutionalized mechanisms for their capacity building;
- Freedom of labour inspectors to carry out inspections of any establishment on regular basis without advance notice;
- All information collected during inspection should be reported on the department's website, so that its verification can be carried out on basis of the existing ground realities;
- Constitution of tripartite inspection committees can be considered if all stakeholders reach agreement on this, so that the results of inspection cannot be questioned;
- The number of labour inspectors should be increased according to the requirements so that they are able to adequately cover all industrial and commercial establishments and other institutions, and regularly issue their monthly, quarterly, half yearly and annual reports;
- Labour inspectors should have attractive pay packages and other facilities including transportation to enable them to honestly perform their duties;
- Trade unions should also be informed about labour inspection along with employers, and their meaningful participation should be ensured;
- A federal authority should issue an annual country-wide report on inspection so that all national and international stakeholders can be kept informed;
- The undue and ill-intended interference in carrying out labour inspection duties through collusion between employers, authorities and political elements should be brought to an end;
- Due to rapidly changing technology, literature on new safety and health equipment as well as techniques should be disseminated to all stakeholders;
- The coverage of labour inspection needs to be extended to informal sectors;
- ILO Convention 81 is out-dated due to changing nature of production processes. Therefore, Pakistan needs to ratify the newer Conventions No. 155 and 186.

Box 1.3: Terrible Accident in Gaddani Ship Breaking Yard

A horrible accident occurred in the world's third largest ship breaking yard of Gaddani, Bolochistan on May 1, 2016. This accident occurred when an oil tanker that was being dismantled, caught fire and took three days to put off. As a result of this fire, eighteen workers were burnt alive, while sixty were severely injured.

This occurrence of this accident is a testament to the fact that there is no enforcement of labour laws in the Gaddani Ship Breaking Yard. Workers are hired through a contractor and do not have the right to form trade union, and are neither registered with EOBI and social security. The workers also do not have access to safety equipment to keep themselves safe from work related accidents/injuries. No labour inspection conducted here to assess the state of working conditions. There is a need to hold all the concerned parties accountable for their role in this calamity.

It is pertinent to point out that in the Gaddani Ship Breaking yard up to 20,000 workers are present when work is at its peak. Even in normal circumstances 3,000-5,000 workers are present. The lack of protection of basic rights to such a large number of workers is itself a tragedy.

Export Processing Zones

The government has established in the past export processing zones across the country where the investors were given various incentives and facilities for enhancing exports. These zones are controlled by an autonomous organisation- the Export Processing Zones Authority - working under the control of the Ministry of Industries and Production. The firms or establishments working in these zones pay no tax on electricity and gas. There is no limit on investment as well as no restriction on import of required machinery in the zones. There is no applicability of labour laws in these zones as only the designated authority has the powers to implement certain labour provisions. In these zones, factories manufacture garments, sports goods, chemicals, electric equipment, leather, plastic, food processing and toy making.

In the aftermath of GSP Plus Status, there has been no change in the policy with regards to lack of applicability of labour laws. Workers in these zones continue to be deprived of their rights laid down in the labour laws including the freedom of association. The situation of minimum wages and provision of other entitled facilities continues to be uncertain. Under the provisions of Export Processing Zone Authority Ordinance 1980 and Export

Processing Zone (Control Employment) Act 1982, the industrial relation laws are not applicable to these zones, thus the freedom of organisation into unions and collective bargaining are legally prohibited. In addition, these zones fall outside the jurisdictions of following labour laws:

- Workmen Compensation Act 1923
- Factories Act 1934
- Payment of Wages Act 1936
- Minimum Wages Ordinance 1961
- Provincial Employees Social Security Ordinance 1965
- West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance 1968
- West Pakistan Shops and Establishments Ordinance 1969
- Employees Old Age Benefit Act 1976

According to the Ministry of Industries and Production, there are a total of 301 industries operating across these zones, employing around 40,000 workers, 70 per cent of whom are women.

Table 1.6: Important statistics of export processing zones

Export processing zone	Export (million dollar)	Areas (Acres)
Karachi	386.998	365
Saindak	88.935	1284
Dadar	0.000 ^a	1500
Risalpur	1.110	92
Sialkot	0.660	238
Tawaraiqi	3.092	220
Gujranwala	0.055	113
Gawadar	0.000 ^a	1000
Total Units in the Country		301
Numbers of Workers		40,000 (approximate)
Women Workers		70% (approximate)

Source: Annual Reports of Ministry of Industries and Production

2013-14 and 2014-15

a: Production has not started due to on-going development work

In Karachi high quality garments, chemicals, toys, plastic and engineering goods are produced. In Sialkot, surgical instruments, sports goods and leather products are manufactured. In Risalpur, factories for trading and warehouses, furniture and engineering goods are present. In Gujranwala, light engineering goods and consumer durables are produced.

In order to ensure the compliance of GSP Plus conditions, the government should bring all industries operating in these zones under the jurisdiction of national labour laws for enforcing core labour standards.

The System for the Determination of Minimum Wages and its Performances:

Setting and implementing minimum wages are meant for protecting workers from exploitation of low wages, poverty, unemployment and economic down turns. Minimum Wage Boards are present in all four provinces and Islamabad Capital Territory for fixing the minimum wages of unskilled workers.

The provincial governments nominate the chairman and an independent member in the Minimum Wage Board who cannot belong to workers' or employers' organisations. They are required to have expertise on labour laws and prevalent economic conditions. The Government of Punjab has also made the Director General of Labour Welfare a member of this board. In addition, one member each is taken from the employers and workers organisations. In this regard recognized employers' and workers' organisations can also give their nominations. For determination of minimum wages of workers in different industrial sectors, one representative each from the employers' and workers' organisations belonging to a particular industrial sector are also included in the Minimum Wage Boards.

The minimum wages are expected to be set according to the amount of labour rendered in terms of hourly, daily, weekly or monthly basis. Similarly, the remunerations for workers working on contract basis or on piece rate basis is determined, so that they do not get paid less than the minimum wages. On the basis of this wage, the overtime payment for workers is also determined. Transportation expenses, social security, bonus, gratuity and provident funds, etc., are not considered part of the minimum wage. The minimum wage is supposed to be based on the costs of living in the prevailing economic conditions and inflation. The board members are expected to discuss and set the minimum wage keeping in view these two aspects. The wage boards forward their recommendation to the provincial governments and the respective provincial governments announce the minimum wages through notification. The establishments not paying the minimum wages are liable for legal actions. An employer who refuses to pay the minimum wage for the first time is liable to face imprisonment for six month and a fine Rs.20,000. If the violation continues for a second time, employers can face imprisonment for six month and a fine of up to Rs 50,000. This punishment can be challenged in a labour court whose decision is final. The board can also send labour inspec-

tors to factories and institutions to collect information and inspect all records. The workers of coal and other mining industries have their own separate wage boards, which is based on tripartite constituents. Newspaper industry has their own wage award and their minimum wage board is appointed by the federal government which give recommendations on basis of tripartite consultations.

It is a very well-known fact that workers are not paid legally entitled minimum wages in private institutions and factories, and they are forced to work up to 12 hours without being paid for overtime work. The employers keep dual/triple ledgers for wage payment records. Sometimes, the workers are made to sign on fake amount of wages a different amount from what is actually paid. Although, the workers have the right to lodge a complaint for non-payment of minimum wages, they face threats of losing their jobs if they actually do so. In many institutions where the workers do not have written contracts, they are afraid to take their cases to labour courts. Moreover, getting justice from courts is an expensive and prolonged proposition which workers cannot individually afford.

The concerned government departments are fully aware of those organisations that do not pay minimum wages but they continue to refrain from taking actions against violators. Instead, the officials of these departments misuse the situation for obtaining bribery and for their own vested interests. Consequently, workers are deprived of their right to obtain statutory minimum wages. Skilled and experienced workers are, in numerous instances, paid minimum wages of unskilled workers which is another unjust treatment.

Over the past many years, the setting of minimum wages has become a political ploy for ruling political parties. Instead of Minimum Wage Boards, the head of the federal government announces a symbolic addition of Rupees 1,000 at the time of the Federal Budget or May Day. The Minimum Wage

Boards simply rubberstamps the decision of the government.

In order to improve the working of Minimum Wage Board, there is a need to ensure nominations from the representative employers and workers organisations, instead of arbitrary selection by the governments. The Boards should prepare their recommendations by developing standards for suitably measuring the minimum living expenses of an average household family. As the minimum wage is determined only once a year, it is important to carry out an in-depth examination of necessary research by the Board and which should also make the basis for fixing every year's minimum wage transparent and public.

According to the Federal Budget and Pakistan Bureau of Statistics, over the period 2008 to 2016, there has been an average annual increase of 6 per cent in the officially notified minimum wages.

Table 1.7: Trends in officially announced minimum wages of unskilled workers, in nominal and real terms (Pak Rupees).

Years	Nominal wages	Real Wages
2008	4,600	
2009	6,000	5,128
2010	7,000	5,435
2011	7,000	4,779
2012	8,000	4,921
2013	10,000	5,727
2014	12,000	6,328
2015	13,000	6,541
2016	14,000	6,828
Increase in minimum wages since 2008	8,000	2,226 6 % Annual

Source: Federal Budget and Pakistan Bureau of Statistics 2008 to 2016

These are the monthly wages of an unskilled worker for statutory working-hours (8 hours) and -days in a month. However there exist large gaps between the announced and

implemented wages, as well as severe wage discriminations with women workers, as can be seen in the table 1.8.

Table 1.8: Trends in sectoral minimum wages by gender

Important sectors of Economy	Female workers' wages as per cent of male workers' wages		Average wages 2014-15 (Pak Rs.)	
	2008-09	2014-15	Male Workers	Woman Workers
Agriculture Sector	59	70	9,041	6,344
Manufacturing	39	38	14,465	5,434
Construction	79	89	12,040	10,705
Whole sale & retail trade	96	100	10,710	10,740
Finance & Insurance	89	62	38,806	24,114
Public Administration & Defense	67	92	25,946	23,935
Education Sector	75	62	28,408	17,644
Health Sector	75	78	24,604	19,161
Other Services	50	80	9,589	7,670
Domestic Services	37	48	10,601	5,078

Source: Labour Force Surveys 2009-2015

The majority of skilled workers are employed in agriculture and industry. The average wages in these two sectors are less than the average wages in other sectors, and even lower than the officially announced minimum wages. Official statistics indicate that the wages of two third of the workforce are below the officially announced minimum wages. Moreover, there are large gender disparities in wages across different sectors, which is a cause of serious concern. In manufacturing, especially in the textile and garments sector, the wages of woman workers are on average, 38 per cent to those of male workers.

The PWC stresses upon the need to undertake structural reforms in the system of wage determination and implementation. Minimum wages should fulfil the concept of catering the minimum living expenditures of an average-sized family. Table 1.8 below gives estimates of minimum living expenditures necessary for a worker's family comprising of husband, wife and three children based on official statistics covering the period from 1970. According to these figures a typical family of 5 members requires Rupees 40,500 per month for basic living.

Table 1.9: Summary of monthly basic expenditures of a worker's family (husband, wife, and three children)
(Pak Rs.)

Period	Food	Household effects	Transport	House Rent	Miscellaneous	Winter & Summer Clothing	Shoes	Bed etc.	Total monthly Expenditure
January 1970	142.00	20.75	5.00	-	17.72	18.95	8.00	2.64	215.06
January 1990	1,018.00	560.00	130.00	700.00	225.60	271.66	87.50	35.25	3,028.01
January 2000	3,763.60	3,047.50	800.00	900.00	764.40	629.16	172.50	222.87	10,300.03
January 2012	9,964.48	4,400.00	977.50	1,500.00	980.00	895.85	200.00	192.70	19,110.53
January 2014	11,767.80	7,750.00	1200.00	3,500.00	1,750.00	1,268.74	262.50	237.75	27,736.79
January 2016	11,938.88	11,600.00	1800.00	6,500.00	2,282.00	1,495.00	358.33	241.66	36,215.87
January	13 724 00	12 100 00	2 000 00	7 500 00	2 625 00	1 496 00	383 00	691 00	40 519 00

Note: The table was prepared by Pakistan Workers Federation, using publications from Pakistan Bureau of Statistics.

Workers' Registration in EOBI

EOBI is responsible for the payment of old age pensions after the retirement of a worker in private sectors, and death grants to a worker's widow and family in case a worker dies during job. All the rules and regulations in this regards are specified in its governing Ordinance. The increase in EOBI registration over the period is a natural and inevitable process, because of increase in registrations of workers in new factories, as well as increasing the coverage of unregistered workers in existing factories. The staffs of EOBI are also given targets from time to time

to increase the registration. However, the potential number of workers that can be registered is far higher than the existing registration figures. Since the minimum number of employees for EOBI registration has been brought down to five workers, a large number of establishments have become legally liable for registration with EOBI. But due to the prevailing policies of the administration of EOBI, not all eligible employees are being immediately registered. Instead, a status quo is maintained in connivance with the employers of unregistered or under-registered firms. The EOBI statistics for fiscal year 2014-15 are given below

Table 1.10: EOBI Statistics for Pakistan

Punjab			
Title	2014	2015	Addition
Number of registered workers	3,064,048	3,272,133	208,085
Contribution to department (Pak Rs. million)	6,414,064	6,700,332	286,268
Funds to pensioners on basis of age (Pak Rs. million)	4,701,610	5,011,258	309,648
Funds to disabled pensioners (Pak Rs. million)	92,719	99,705	6,986
Survivors pension (Pak Rs. million)	2,707,168	2,901,072	193,904
Sindh			
Number of registered workers	2,270,412	2,418,691	148,279
Contribution to department (Pak Rs. million)	4,535,540	4,617,731	82,191
Funds to pensioners on basis of age (Pak Rs. million)	3,059,286	3,330,749	27,163
Funds to disabled pensioners (Pak Rs. million)	72,583	77,007	4,424
Survivors pension (Pak Rs. million)	1,646,377	1,759,166	112,789
Khyber Pakhtunkhwa			
Number of registered workers	362,588	380,004	17,416
Contribution to department (Pak Rs. million)	644,408	659,954	15,546
Funds to pensioners on basis of age (Pak Rs. million)	1,113,528	1,160,291	46,763
Funds to disabled pensioners (Pak Rs. million)	30,831	32,245	1,414
Survivors pension (Pak Rs. million)	698,858	347,561	- 351,297 less

Balochistan			
Number of registered workers	108,427	113,262	4,835
Contribution to department (Pak Rs. million)	212,848	200,235	12,613
Funds to pensioners on basis of age (Pak Rs. million)	130,363	139,959	9,596
Funds to disabled pensioners (Pak Rs. million)	2,375	2,931	556
Survivors pension (Pak Rs. million)	81,679	88,427	6,748
Federally Administered Areas			
Number of registered workers	267,746	294,382	26,636
Contribution to department (Pak Rs. million)	930,637	930,426	211
Funds to pensioners on basis of age (Pak Rs. million)	299,336	358,052	58,716
Funds to disabled pensioners (Pak Rs. million)	4,51	5,027	4,576
Survivors pension (Pak Rs. million)	89,262	99,850	10,588

Source: EOBI

- These figures indicate that EOBI's registration is increasing but only gradually, and is not being accelerated and extended to cover all eligible workers. This increase seems to be the result of mutual understanding between employers and EOBI staff. With the scope of this scheme having been extended to establishments employing 5 or more workers, there is bound to be a large increase in the registration of eligible workers;
- It is strongly recommended that all eligible workers should be covered, and gradually the scheme's scope should be extended to workers of informal sectors of economy such as home-based and domestic workers, and those employed in the agricultural sector, so that all these presently uncovered workers can also benefit from this scheme.

In this regard, the previous report of PWC proposed the following recommendation with respect to EOBI and social security.

- This institution has not been performing as per its statutory framework after the 18th Constitutional Amendments. The governments of Punjab and Sindh are in

favour of devolving EOBI to their respective provinces. The Government of Sindh has even formulated a new provincial legislation in this regard. Due to the uncertainty and court cases, the collection of the contributions by the EOBI is still frozen at the year 2012 level of minimum wage (6 per cent of Rupees 8,000), instead of calculating and collecting at the current minimum wages (Rupees.14,000). This is a direct loss and damage to a vital system of workers social welfare. It is critically important that provincial and federal governments should soon reach a final agreement through the forum of Council of Common Interests (CCI) on EOBI's future by taking cognizance of workers' views and suggestions. The institution is presently suffering from heavy financial losses. There is room for increasing registration of eligible workers in EOBI, but no attention is being paid in this regard. This Institution should ensure the registration of all eligible workers, and also that workers actually receive their EOBI registration cards;

- This Institution is financed by the contributions from employers and workers

while the government is only administering this institution. With a view to giving greater voice to workers' and employers' concerns it is recommended that the representation of employers and workers should be enhanced to 40 per cent each in the EOBI's Board of Trustees (BOT), while government representation should be reduced to 20 per cent. The chairmanship of the BOT should rotate between employers and workers. The employers and workers should nominate the members of BOT instead of government which mostly appoints its political supporters to reward them, and in return they use them for their unfair means which lead to corruption in the Institution;

- While all parties and governments have strongly emphasized the role of workers' in the country's economy but they have provided inadequate funds for matching grant in EOBI and ignored the long-term benefits to the workers. There is a large monetary difference in the pensions received by employees in the government and semi government institutions with workers of private sectors who receive pension through EOBI. Even then the sustainability of EOBI funds is at risks, and this is a cause of serious concern for workers and trade unions in the country;
- The Supreme Court needs to take final decision on the EOBI's corruption cases and punish the guilty regardless of their influence and political affiliations;
- Appointments of staff should be made on merit basis in the Institution;
- Institution's investment should be transparent and in safe projects;
- The Institution's audit report should be shared with all the registered labour and employers' federations, so that all the stakeholders are kept informed of the financial matters of the institution;
- The EOBI coverage needs to be extended to informal sectors and self-employed workers to enhance the social welfare benefits and facilities of this Institution;
- There is a need to establish a complaint cell where all the eligible workers can challenge their non-registration issues, so that their queries can be resolved quickly.

Social Security

The important recommendations with regards to streamlining the functioning of the provincial Employees Social Security Institutions (ESSI) are outlined below:

- It is essential to register all the eligible workers from industrial and commercial establishments, and ensure that workers are provided and received registration cards which are necessary for getting benefits from ESSI. Since without ESSI's registration cards, workers are not entitled to avail other legally entitled labour welfare benefits, such as marriage grants, death grants, enrolment of children in schools, plots and flats in workers housing colonies. Thus causes irrecoverable losses to workers and their families;
- If all eligible workers get registered, the income of ESSIs will enhance manifold. Thus number of dispensaries, hospitals and other facilities can be increased;
- There is a need to ensure that fake or low quality medicines are not supplied and provided in the social security hospitals and dispensaries;
- There should be a mechanism for penalizing staff of the ESSI who, in collusion with employers, evade registration of eligible workers in ESSI for their own corrupt interests. This will reduce corruption, improve the public image of the ESSIs, and the eligible workers will

not be deprived of their legal benefits;

- The proportion of the representation of employers and workers in the governing body should be increased to 40 per cent each, while government representation should be reduced to 20 per cent. The Chairman must be either from the employers' and workers' organisations on rotating basis.
- The workers' and employers' federations should have the right to nominate their representatives in the governing body of ESSIs, instead of the governments appointing its political favourites for personnel rewarding;
- The coverage of social security needs to be extended to informal sector so that home-based, domestic and agriculture workers can get registration. There is required to constitute tripartite committees to develop recommendations in this regard. Self-employed workers should also have the right to get registration in social security;
- There is a need to establish a complaint cell where all the eligible workers can challenge their non-registration in social security, and to address and resolve their queries quickly.

Labour Judiciary in the aftermath of GSP Plus

The earlier report of PWC discussed in detail issues of labour judiciary and highlighted the hurdles which workers have to face to get justice. The Report gave the following recommendations in this regard:

- There is a need to appoint a separate labour judiciary cadre with judges who have expertise in labour laws, and are well aware of the trends and changes in international laws. They must have good understanding of the changes in production process;
- The judges of labour judiciary should

not be appointed by the provincial government, but should be appointed by the provincial high courts and Supreme Court or Federal Law Division, so that they would be able to work independently of government influence;

- These judges should be exclusively reserved to serve in labour judiciary for their entire service so that the system of industrial relations in the country can benefit from their experience;
- The emoluments and other facilities of these judges should be equivalent to judges in other branches of judiciary;
- There must be fixed a maximum period for resolutions of the labour-related cases;
- The number of labour courts should be increased.

It is regrettable, that the situation of labour judiciary continues to be dismal after three years of GSP Plus, with numerous cases pending for many years. Workers hesitate to file cases in labour courts as it is an expensive and lengthy process. There is needed to bring reforms in the labour judiciary system for instilling honour and fear of accountability for usurping workers fundamental rights and violating laws, and striking social balance between politico-financially influential employers and working people of the country.

Privatisation in Pakistan and its Impact on Trade Unions

The privatisation policies and programmes, involving banks, industries and other entities, which were nationalized in 1970s, was initiated in 1989-90 under the influence of the then emerging New World Order. A new institution, the Privatisation Commission was established by the government to process transactions with legal backing. Yet the privatisation process in Pakistan has always been marked by controversies, nepotism and lack

of transparency. The initial arguments for privatisation put forward by the government was that only the sick industrial units would be privatised, but in actual practice the profit making entities were privatised first. It was later stressed that this would bring new investments into existing industries leading to their expansion, productivity would improve due to transfer of new technology, additional employment opportunities would be generated, and there would be a reduction in prices for consumers due to higher competitions. However, practically most of the privatised entities closed down, with assets and machineries of some of the entities along with their lands were sold out separately. Improvements in some units were seen but employment opportunities shrunk instead of increasing. This was because the older and more experienced workers who were well versed and trained in protecting jobs and labour rights were removed through golden handshake schemes, and were replaced by less experienced workers hired through contractors or on temporary low wages basis, with little or no legal or fringe benefits. Consequently, the number of workers employed in factories fell significantly resulting in excessive work burden on fewer remaining workers. The prices of essential items have seen persistently increasing trends instead of falling as the owners of privatised units used their monopoly powers to fixating prices for entire sectors. Such monopolistic practices are present today in cement, sugar and ghee industries. Competition Commission of Pakistan had imposed heavy fines on such industries.

The government also stressed that the 90 per cent of the proceeds of the divestment of public entities would be used for repayment of foreign loans and 10 per cent would be used for poverty alleviation. However it is evident the burden of domestic and foreign debt has increased enormously, as evident by per capita debts on each citizen of the country.

With regards to the lack of transparency and nepotism in the privatisation process, it is

important to point out that still a number of cases are pending in courts for many years waiting for final verdicts. Evidences with regards to the previous privatisation proceeds require serious attention. For instance, profit of Muslim Commercial Bank just after privatisation was higher than the amount for which its two- third shares were sold. KAPCO, which was the largest thermal power generation plant, sold electricity to WAPDA at twice the rate after privatisation, and thus able to recover its investment for purchasing in just two years. An amount of Rs. 21 billion was injected by the government in United Bank before its privatisation, whereas it was able to receive only Rs. 12.4 billion from the sale of 51 per cent of its shares. Similarly, the amount paid by the government to settle the liabilities of Karachi Electric Supply Company (KESC) was much higher than the amount received through sale of its 73 per cent shares. In addition, this entity has consistently received 700 MWs of electricity from WAPDA, and is a defaulter of WAPDA to the tune of billions of rupees. According to a survey, the performance of only twenty per cent of units improved after privatisation, while 44 per cent showed no improvements, and 35 per cent units deteriorated further.

- After privatisation labour unions either ceased to exist or became non-functional in the privatised units;
- Many privatised units were closed downs or their production was largely halted, resulting in unemployment and wastage of productive capacities;
- The new owners removed skilled workers earning higher wages with experience in protecting labour and trade union rights. This resulted in reduction in employment opportunities and a higher work burden on workforce;
- These temporary workers stayed away from trade union activities and could not be integrated into trade unions;
- In banks and financial institutions, trade union activities were curtailed by the

imposition of Section 27-B in banking laws, and prohibiting trade union activation in working hours;

The government is now again determined to privatise important entities including WAPDA, Pakistan Steel, OGDC, PIA, Pakistan State Oil, State Life Insurance Corporation, etc. It is important to analyse the effects of the privatisations carried out earlier before embarking on the new privatisation programmes.

It is pertinent to mention that the presence of a professional and technically sound management is imperative for proper functioning and governance of any public or private entity.

However, if the recruitment of staff and management in organisations is done on the basis of political favouritism, without any accountability to check corruption, then no organisation can become successful and profitable. Had the private sector been efficient so many factories would not have shut down, and the heavy investments in them would not have been wasted? It is also important to keep in view that bank loans worth billions of rupees owned by the private sectors were written off which, apart from political rewards, shows the limitations of capacities and capabilities of the country's private sector for productively operating important sectors of economy.

Box 1.4: Impact of Privatisation on PIA Employees

In 2015, the Government of Pakistan initiated the process of privatising Pakistan International Airlines (PIA) under pressure of the IMF. It was decided that 87 per cent of PIA's shares would be retained by the government, while the remaining 13 per cent would be offered to the private sector. When the government started implementing the decision to convert PIA from a corporation to a limited company, all the workers' and officers' associations launched a series of strong protests. When the government and PIA management tried to suppress this movement by force, two workers lost their lives as a result of police firing. In addition, dozens of employees were hurt and injured due to the torture of police and para-military forces. As a result the protests spread throughout the country, and a number of other unions also joined the protests. In view of this situation, the government imposed "essential service law" on PIA employees, thereby putting a ban on their right to protest, and dozens of employees were issued show cause notices for taking part in the protests. Under the essential service law, the employees on strike in an organisation are liable to be dismissed from employment and may also receive one year imprisonment. Moreover, the decision of dismissal of the employees cannot be appealed in any forum and the legally guaranteed right to collective bargaining is also suspended.

The Government of Pakistan is in open violation of ILO Conventions 87 and 98 by imposition of this law, and also contravenes local labour laws. After the imposition of this law, workers are even deprived of the right to obtain better facilities, and complications also arise with respect to the implementation of the previously negotiated terms and conditions with the management.

Privatisation of PTCL and its impact on workers

Before privatisation in 2004-05, the profit of PTCL was Rs. 29.7 billion and it had strength of 72,000 employees. The trade unions were strong, fully functional and played an important role in the promotion of labour rights movement in the country. The experienced workers with expertise in protecting and promoting trade union rights were the first to be removed by the new private owners. Due to the golden handshake s and voluntary separation scheme, 55,000 employees were removed, leaving behind a total of 17,000 employees who now have higher workloads.

In November 2016, another voluntary separation scheme was initiated with a view to removing the remaining experienced workers. About 5,000 workers were threatened with transfers to other geographical locations in the country. New workers are hired on contract and temporary daily wage basis for lower wages. A total of 313 active trade union workers were dismissed over the last five years who have not yet received justice. The pensions of 40,000 workers including of widows had been stopped for the last 4 years despite the legal protection. The workers have won many cases in courts against the administrations' decisions, but the management has so far not implemented the court decisions. Although the union has been weakened considerably, it continues with its struggle.

School Teachers stand against Privatisation

Public Urdu-medium schools are the largest network for providing education in Pakistan. Almost eight hundred thousand teachers, including a large number of female teachers, are employed in these government schools. There is multiple education systems present in Pakistan. The children of rich and elite families get education from highly expensive schools being operated on Cambridge UK style, while middle-class children obtain education from English medium schools. Only children of workers and the poor are enrolled in government schools. The education system of Pakistan has remained neglected from the beginning and only less than two per cent of GDP is spent on education. This is the reason why literacy level in Pakistan is still below 60 per cent. Female literacy is only 45 per cent with just 18 per cent females having schooling of 10 years and above. 25 million children are out of schools as Pakistan is ranked at 160th in the world in education indicators. Government run schools lack basic facilities like boundary walls, class rooms, furniture, drinking water and toilets. In backward areas, the influential land-owners and land grabbers illegally captured public schools for their own private use, for keeping their cattle or for storage purposes.

The government is now contemplating privatising public educational institutions and doing away with its responsibility for provision of education. If these relatively cheaper public educational institutions are handed over to the private sector in the name of improving quality, it may adversely affect the educational outcomes in the country as 85 per cent of all children are enrolled in these schools.

There are 28 teachers associations across the country, 17 of which are officially registered which have always been struggling against low salaries, inadequate facilities and for provision of better incentives. The decision of Punjab government to privatise government schools resulted in large scale protests by teachers across the province, with Punjab teachers' union called for protests on 14 May, 2016. A large number of teachers from different parts of the province including female teachers reached the provincial capital. After negotiations with the government, it was agreed that only those schools would be privatised that have less than 20 students and no teacher would be removed from job.

It is pertinent to mention that the teachers union in Sindh had been struggling against the decision of the provincial government to declare the union illegal. Eventually, the union succeeded in getting the High Court to declare this decision illegal and restored the activities of the teachers union of 150,000 members, and also reinstated 150 dismissed teachers.

Plight of Lady Health Workers

Lady Health Workers (LHW) programme was launched by the People's Party Government in 1994. The purpose of this programme was to recruit and train large number of lady health workers to provide basic health care services for woman and children, from villages and far flung areas, at their doorsteps. These lady health workers provide assistance during pregnancy, child birth, and give advice on family planning and prevention of communicable diseases.

This experiment proved to be a success and these LHWs played an effective role in providing medicines and health services to poor households. Each LHW on average covers 100 households or 1,000 individuals and is required to visit these households at least once in a month. They provide free medicine and first aid in emergency situations. In 2000, there were 40,000 LHW, while in 2008, the number had increased to 90,000. Presently their strength has reached 110,000 and total target is 150,000.

These LHWs have organised into associations and have struggled against low wages, late payment of salaries, regularisations of their services, reimbursement of travel expenses, and against incidents of harassment. They have fought legal battles for better working conditions in the Supreme Court. After three years of struggle, their services were regularized, with appointment in suitable pay scales.

In a society where women still don't have much public role, the large-scale participation of lady health workers in the struggle for protection and promotion of their rights at all relevant public forums proved that working women of Pakistan are prepared to lead for securing their rights.

Struggle of Nurses

It is a well-known fact that the present numbers of doctors and nurses in Pakistan are critically inadequate to cover the entire population. According to Economic Survey of Pakistan for 2015-16, the total number of registered nurses is 94,800 and the number of trained health care workers is 15,325. The duty of nurses is a demanding job. A nurse, on the average, has to take care of 50 patients in a hospital, whereas the rules of Nursing Council stipulate that this ratio should be 1 to 10 for general wards and 1 to 2 for emergency and special situation.

The Government dismissed 2,800 nurses in 2016 against which nurses of government hospital and young doctors, hospital workers association, various other trade unions and civil society organisations protested. In view of the large scale protests, the government had to re-appoint the dismissed nurses on a three year contract basis. In addition, the government has committed to regularizing these nurses after a period of three years along with pay adjustments.

Regularization of Temporary Workers of TEVTA

Technical and Vocational Training Authority (TEVTA) is responsible for implementing technical training programmes, where both men and women receive technical training to improve their skills to secure better employment opportunities. TEVTA was established in 1999, with strength of 10,000 employees. In 2004, 4,200 more employees were hired on contract basis, although the nature of their work was similar to that of the permanent staff but their salaries were half in comparison to the permanent employees. The union gave call for strike across the provinces to get these contract employees regularised, and a sit-in protest was held in front of the Chief Minister House Lahore. The authorities, then, gave commitment to regularize these employees after the formal approval of the board of directors in March 2013. However, the decision was not implemented until next three years. The union started mobilizing workers and the authority reacted by dismissing and suspending union officials. Due to continuous struggle, eventually, those 4,200 contract employees were regularised, while suspended and dismissed workers were reinstated. Their past employment experience was not included in the length of their respective service records, for which the union is making continuous effort. Further, the management is now in the process of hiring additional 1,400 employees, this time on permanent basis.

All this indicates that unless workers do not fight for their rights they are hired on temporary positions for paying low wages, and they remain vulnerable to exploitation.

Struggle of Punjab Parks and Horticulture Authority's Employees

Punjab Parks and Horticulture Authority (PHA) is an important institution of Lahore, which is responsible for planting trees in public parks, roads, maintenance of green belts and planting flora and flowers. A trade union is functional in the organisation. In 1998, there were 4,700 employees out of which only 600 were permanent. As a result of union's protests 2,000 temporary workers were appointed as permanent in 2007. Presently, the total number of employees stands at 7,500 out of which 4,500 are permanent and 3,000 are contract workers, for whose regularization the union is continuing its struggle.

The government and public institutions need to take lead in ensuring decent work conditions and demonstrate exemplary models for private sectors to learn and follow. Instead, the public sector too frequently indulges in recruiting workers on temporary basis with precarious conditions and low wages without any legal entitlements against permanent posts. Only after the struggle and protests by representative trade unions, these workers get the security of their employment status and implementation of labour laws. This clearly manifests that even in public sector practices of temporary employment are used to refrain newly recruited workforce from union membership, so that they can be forced to work, not according to the legal working conditions and strict public services, but entirely at the will of their supervisors.

These few cases amply demonstrate that unless workers collectively struggle and protests, their exploitative working conditions remain unchanged, years after years.

Export of Manpower

Pakistan is the sixth most populous country in the world with a population of 195 million, growing at the rate of 1.89 per cent per annum. According to the Labour Force Survey 2014-15, the total labour force of the country is 61.04 million, out of which 57.42 million are employed while 3.6 million are unemployed. Pakistan is attractive for labour importing countries and offers opportunities for importing skilled and unskilled from various sectors. Prior to the 1970s, most of

the overseas workers from Pakistan went to Britain, followed by Europe, America and Canada. Later it has been sending workers to fifty countries, especially the Middle East and Gulf States in different sectors and professions. The overseas workers are important sources for country's economic progress in terms of earning of foreign exchange. In 2015, workers' remittances reached the record level of US\$ 18.7 billion, showing growth of 18.2 per cent over the previous year.

Table 1.11: Pakistani migrant workers during 2011 to 2015

Countries	2011	2012	2013	2014	2015
UAE	156,353	182,630	273,234	350,522	326,986
Bahrain	10,641	10,530	9,600	9,226	9,029
Malaysia	2,092	1,309	2,031	20,577	20,216
Amman	53,525	69,407	47,797	39,793	17,988
Qatar	5,121	7,320	8,119	10,042	12,741
Saudi Arabia	222,247	358,560	270,502	312,489	522,750
UK	308	183	158	250	260

Over 1.6 million Pakistani went for overseas employment during the period 2011- 2015 to Saudi Arabia, which is half of the total flow of emigrant workers. During the same period 1.3 million workers (38.2%) went for employment to the United Arab Emirates. Oman is the third largest importer of Pakistani manpower, with 0.26 million (7.6%).

The figures in the table 1.12 indicate that nearly half of the workers going for overseas employment are illiterate and unskilled, and only 1.76 per cent workers are employed in white collar jobs. Drivers are the predominant type among the skilled workers, followed by construction workers, carpenters and tailors.

Table 1.12: Pakistani migrant workers by skill level

Years	Highly qualified	Highly skilled	Skilled	Semi-skilled	Unskilled	Total
2011	6,974	3,018	171,672	73,247	201,982	456,893
2012	9,298	4,202	261,531	104,240	259,316	63,8587
2013	12,057	5,032	263,138	102,963	239,524	62,2714
2014	14,647	6,216	287,649	120,204	323,750	752,466
2015	17,484	7,853	397,317	151,636	372,281	946,571
Total	60,460	26,321	1,381,307	552,290	1,396,853	3,417,231

Table 1.13: Migrant workers by province

Countries	Islamabad	Punjab	Sindh	KP	Baloch istan	AJK	Northern Areas	Tribal areas	Total
2010	1,168	189,379	31,814	98,222	3,130	22,535	458	16,198	362,904
2011	1,790	226,917	40,171	130,119	5,262	33,133	732	18,769	456,893
2012	4,190	337,884	46,607	176,349	5,122	38,833	780	29,022	638,587
2013	7,119	326,012	55,608	150,418	9,293	40,038	1,190	33,046	622,714
2014	8,943	383,533	89,703	167,424	7,258	52,120	2,073	41,412	752,466
2015	9,028	478,646	116,935	220,993	7,686	64,586	2,899	45,798	946,571

The workers' remittances amounted to US\$ 18.72 billion in 2014-15 while during the period July to March of FY 2015-16 this figure was US\$ 16.03 billion. In addition to the Bureau of Immigration, a number of other registered agencies along with their agents and sub-agents are also involved in sending workers for overseas employment. According to the officially prescribed fees, the overseas workers have to pay Rs. 2,125 (US\$ 201) to Rs. 31,524 (US\$ 301) as fee to overseas employment promoters but they actually end up paying higher amounts around Rs. 45,575 (US\$435) to Rs. 48,524 (US\$ 463). These fees vary for different countries.

At many occasions, workers misuse these channels for illegal emigration by using fake identities and suffer fatalities during travel. At times, the overseas employment promoters sell work permits from a foreign employer to sub agents, who then exploit workers. As most of the prospective workers are illiterate and unskilled, the work agreement signed with them in Pakistan is usually not adhered to in the destination countries, and they are made to work on low- paid jobs different from their contracts. Thus workers are forced to work under exploitative conditions and not able to return. The workers who enter other countries through trafficking and other illegal means have to keep their identity secret, making them most vulnerable to exploitation as they are unable to report any abuses to authorities.

Instead of sending illiterate and unskilled workers, it is important to send semi-skilled and skilled workers abroad by equipping them with requisite technical skills for productive and better paid jobs. There is a need to establish institutions which can formally register, train and facilitate those who aspire for overseas employment. According to the report "Labour Migration from Pakistan" in 2011, the largest numbers of deported workers, about one hundred thousand, were from Pakistan. Over the last three years, the number of Pakistanis deported from different countries stood at two hundred fifty thousand. Most of these workers belonged to the Punjab's districts of Gujarat, Jhelum, Bahawalpur and Mandi Bahaudin. PWC can play its role in the guidance, registration and training of these workers if it is provided with adequate resources. In addition, PWC with the assistance of other international labour federations, can help the overseas workers with necessary legal aid. These overseas workers are important assets for the country. They help in earning precious foreign exchange and reducing unemployment. The government needs to take effective measures to eliminate human trafficking, so that emigrant workers do not face exploitations, imprisonment or deportations in host countries. It's also a matter of country's reputation.

Box:1.5 Rights of Migrant Workers

The ILO Convention No.97 (1949) lays down the following rights of the migrant workers :

1. Each Migrant worker regardless of nationality race, religion or sex is entitled to similar treatment as applicable to the nationals of the destination country.
2. All facilities, including work hours, over time, paid leaves, minimum age for employment, issues related to woman and young workers will be regulated by the concerned national authority
3. Migrant worker have the right to organise and engage in collective bargaining
4. Migrant workers are entitled to receive facilities with respect to injuries, maternity, sickness, disability, old age, death, unemployment and family responsibilities, and all other facilities similar to those of nationals of the destination country.
5. Will have accommodation facilities
6. The other ILO Convention No. 143 (1975) is related to those migrant workers who are transported through illegal means, smuggling or human trafficking who are most vulnerable to exploitation

Situation after previous reports of Pakistan Workers' Confederation and European Commission on GSP Plus

There has been very limited progress made on the issues highlighted in the PWC's previous report as well as the European Commission's report.

- Workers continue to face extreme resistance and hurdle in registering their unions;
- Chamber of Commerce in the province of Khyber Pakhtunkhwa got united and pooled their resources to thwart the efforts of workers to form labour union in Dynea Chemical Industries in Gadoon industrial zone;
- In Lahore, all workers and office bearers of Friends Pharma, Munawwar Pharma, BM Pharma, Ruby Dying and Transfo were dismissed from employment after rejection of the application of registration of their unions in labour department;
- Lahore Chamber of Commerce in a resolution demanded from the Labour Department to seek prior approval of the Chamber before registering a labour union. Clearly this demonstrates the hostile and malicious attitude of employers towards workers' rights of unionisation;
- In private sector, written employment contracts are not provided to workers. Eligible workers are not registered with EOBI and Social Security causing irrecoverable loss to workers;
- Implementations of minimum wages are vastly ignored, and legal pay for overtime work is not paid in most organisations;
- No serious attempt by the national and provincial governments to address serious challenges of occupational safety and health risks at work places. Resultantly, unhealthy environment and accidents involving fires and boiler explosions continue to cause diseases, injuries and deaths to workers. Occupational safety and health law is still at draft stage in Punjab province, and its enactment is pending since long. In the absence of such critical legislations, problems of labour inspection remain unaddressed;
- Discriminations against women workers and their wage gaps continue to prevail

with no progress on legislative levels. Both men and women continue to be hired under contractor and daily wage basis, with high vulnerability of job insecurities. In case of labour inspection the employers instruct workers on how to respond to the queries of labour inspectors, and threaten with dismissal from service in case of non- obedience;

- Although arrangements of schooling for children working in brick kilns across ten districts of Punjab were made, child labour continues to prevail in other sectors. Child labour can only be eliminated completely once there is strict enforcement of compulsory education laws and provision of decent work opportunities for adults;
- With respect to bonded labour, the advance payment (*Peshgi*) has been given legal cover in Punjab, although according to the Supreme Court Order, there is prohibition on any form of "*Peshgi*". However, the practice of bonded labour still exists in brick kilns and agriculture sectors. Media reports on release of bonded workers through judicial process appear frequently;
- This assessment underlines the need for sincere and concerted efforts on part of the government and trade unions for effective implementation of labour standards. What is most important is that until the employers' and governments' attitudes towards trade unions remain agnostic and malevolent, there are little possibilities for bringing meaningful improvements;
- There is now urgent need for the government authorities, labour departments and employers to address and resolve critical issues highlighted in the PWC and EC reports to ensure the continuity of the GSP Plus status to Pakistan.

Chapter No 2: Implementation of Labour Standards in the Three Districts of Punjab

Pakistan Workers Confederation has carried out a rapid survey to assess the implementation of labour standards in three districts of Punjab, Faisalabad, Lahore and Sialkot, where a large number of export oriented industries are located. This chapter presents and discusses the results of the survey on the state of labour standards and implementation of labour laws in these three districts.

Lahore: The district of Lahore is the provincial headquarter and an important centre of political and cultural activities. Industries are also spread all over the district, for instance, in Shahdara, Multan Road, Ferozpur Road, Gulberg, Badami Bagh, Mughal pura, Kot Lakhpat, Band road. In addition, there are hundreds of factories based in new industrial estates like Quaid Azam industrial estate, Sundar Estate and Lahore Raiwind Road. The total number of registered factories in the district is 2,510 whereas the registered trade unions are 210. In district Lahore there are large number of textile, garments and leather apparel factories. Among the registered unions, 22 belong to 11 textile and garments units indicating 2 unions in each unit. There are numerous unregistered factories in which the situation of labour laws is uncertain.

Most of these factories do not issue formal written employment contract letters to their workers, nor are they registered with the Institutions of social security and EOBI. Workers are forced to work overtime for up to 12 hours without any legal compensation. Registration of unions is very difficult without the willingness of the provincial governments and Chambers of Commerce and Industry. In 2016, the registrations of at least five unions were rejected by the labour department, and as the consequence, the workers who attempted to form and register unions were fired from their jobs. Some employers, as a

pre-emptive measure, have already got registered two bogus unions in their establishments so that a representative union cannot be registered due to the registration conditions for the third union in an establishment. Historically, the trade union movement in the district, which used to be strong but now weakened due to privatisation or closures of many large public sector units. The implementation of labour laws is very weak. The strength of labour department is the same as it was 1972 while the district has expanded manifold. It is not possible for the department to properly carry out labour inspections, even if it intends to do so. There are also a large number of brick kilns in the district. It is the labour department's duty to remove child labour from these kilns and enrolling these children in schools. The department has been carrying out a survey of children working in petrol stations, restaurant and motor workshops for its campaign against child labour.

There exist agriculture sector and large-scale informal sector activities in the district which are outside the scope of the application of labour laws. Draft policies for home-based and domestic workers have been submitted to the provincial cabinet, and further legislation in this regard is pending, though for unusually long time. District Lahore is also the headquarters of the two large federal departments, Railways and Water and Power Development Authority (WAPDA). The trade unions of these two departments affect the trade union movement of the district.

Faisalabad is an important industrial city of Punjab where a large number of workers are employed in different industrial or commercial entities and power looms. Faisalabad is an important centre for textile and garments. The total number of registered factories is 1,113, of which 582 factories are in textile,

garments and hosiery sectors. In addition, there are a large number of small and medium unregistered units. The total number of registered trade unions in the district is 113, which include two registered unions in each of the 22 textile mills. There are two registered unions in hosiery sector, two in garments and three are in power looms. The remaining trade unions are present in sectors of sugar and brick kilns, etc. The presence of 2 registered trade unions in each of the 22 textile mills indicates the possibility that these unions may have been formed and registered by employers, although it is difficult to confirm. Nevertheless, the number of true representative trade unions is very small as in the rest of the Punjab. The office bearers of trade unions are fired from their jobs as there is no immediate job security to them, which is why workers refrain from forming unions. In all establishments, most employees are hired on casual, daily wages or through independent contractors, and these workers avoid to join unions. Majority of workers are not issued appointment letters and a small minority is registered with social security and EOBI. In textile, especially the garment sector, a large proportion of woman workers are employed who face workplace discriminations. Most establishments do not pay minimum wages to their workers.

There is a large informal sector such as home-based, domestic as well as agriculture sectors, where larger number of woman workers is also employed. These unorganised workers are not covered by labour laws and social security. These workers can be organised only through sectoral or general unions, though there are no such provisions exists in labour laws. The Labour Qaumi Movement is an unregistered workers' organisation in the district, yet it is very active with workers of power looms and brick kilns sectors. It has made notable efforts for the implementation of minimum wages, and to get workers of these sectors registered with social security and EOBI. A large number of transport sector

workers are also present in Faisalabad who faces issues of excessive working hours and low wages.

The employers in Faisalabad often protest the heightened rates of electricity and gas charges due to which their domestic as well as international competitiveness suffer adversely.

Sialkot is an important export centre of Pakistan which includes a large number of small, medium and large scale factories engaged in the manufacturing of textile, sports goods, tanneries, leather garments, surgical instruments, embroidery and high quality cutlery products. According to the district labour department, there are 658 registered industrial units, which comprise mainly of small units. There are only 5 large units employing between 400 to 1,200 workers. The number of registered trade unions is 69, which includes two unions each in some factories, indicating that these unions may have been formed at the behest of respective employer. Only a small number of representative and independent trade unions exist. Unregistered industrial units in the district are quite large where working conditions, wages and facilities are not well known. Similarly, the situation of workers of export processing zones in the district is also not very clear because labour laws are not applicable there. The strength of the district labour department is also low and it is not possible for them to properly inspect all establishments.

State of Labour Inspection in Lahore, Faisalabad and Sialkot, for 2015 and 2016

The overview of inspections carried out in the three districts of Lahore, Faisalabad and Sialkot by the respective labour authorities during the years 2015 and 2016 are given below:

Table 2.1 Factories inspection report

Name of District	Number of Inspections	Number of Challans	Fine (in Rupees)
2015			
Lahore	1,017	3,555	214,900
Faisalabad	720	846	145,000
Sialkot	540	104	12,500
2016			
Lahore	1,527	5,079	307,000
Faisalabad	836	991	235,000
Sialkot	680	124	17,500

Source: Labour Department, Punjab

The review of above statistics shows that between 2015 and 2016, in Lahore there are 510, in Faisalabad 116 and in Sialkot 140 more labour inspections were carried out.

Table 2.2 Situation of registration and pension with EOBI in district Lahore

	2014-15	2015-16	Increase
Contribution (million Rupees)	1,960	2,436	4,790
Registered workers (numbers)	388,709	433,919	45,210
Pensioners (numbers)	51,569	55,182	3,613
Grant cases (million Rupees)	1,757	2,190	433
Total amount paid as pension (million Rupees)	283.62	303.5	19.8
Total amount paid as grants (million Rupees)	35.14	43.8	8.6

Source: EOBI Punjab

Table 2.3 Situation of registration and pension with EOBI in district Faisalabad

Title	2014-15	2015-16	Increase
Contribution (million Rupees)	1030	1,127	970
Registered workers (numbers)	298,833	305,797	69,640
Pensioners (numbers)	35,521	37,568	2,047
Grant cases (million Rupees)	188	360	4,720
Total amount paid as pension (million Rupees)	1,717.29	2,364.63	647.3
Total amount paid as grants (million Rupees)	5.9	7.34	1.4

Source: EOBI Punjab

Table 2.4 Situation of registration and pension with EOBI in district Sialkot

Title	2014-15	2015-16	Increase
Contribution (million Rupees)	257.81	295.97	38.1
Registered workers (numbers)	72,928	75,149	2,221
Pensioners (numbers)	6,861	7,394	5,330
Grant cases (million Rupees)	451	486	35
Total amount paid as pension (million Rupees)	37.73	40.67	2.9
Total amount paid as grants (million Rupees)	9.02	9.72	0.7

Source: EOBI Punjab

These statistics indicate that 45,210 additional workers were registered in Lahore, 6,964 additional were registered in Faisalabad and 2,221 additional workers were registered in Sialkot.

Punjab Social Security

Punjab is the largest province with the majority of Pakistan's workers. Punjab Employees Social Security Institution (PESSI) is an important institution for providing medical assistance to workers and their families. The number of registered workers and establishments in social security are bound to increase due to opening of new factories and industries. However, many formal sector workers hired as temporary or through contractors,

remain deprived from the coverage of social security facilities, despite being legally entitled. As social security is applicable to all organisations employing at least 5 workers, the number of registered workers in the social security could be increased substantially if a concerted effort by the Institution to register all eligible workers is carried out. This would result in manifold increase in the income and its services.

Nevertheless, the statistics of PESSI show an encouraging increase in the number of registered workers in the post GSP Plus period (December 2013-August 2016). However, there is large space for further improvement in this regard.

Table 2.5 Statistics of registration in Punjab Employees Social Security Institution

Statistics	Before GSP Plus December 2013	August 2016	(Addition)
Social Security Target monthly (Rs.)	632,152,223	1,043,075,000	410,922,777
Number of Registered Establishments	58,859	68,413	9,556
Number of Registered Workers	867,082	965,112	98,030
Number of Registered Dependents	5,202,492	5,790,672	588,180

Source: Social Security Department

These statistics indicate increasing trends of social security coverage in the province, yet

large number of eligible workers continues to remain unregistered.

Box 2.1: Some important projects of the Government of Punjab

Project of Empowerment of home based workers

Target district: Lahore, Gujranwala, Multan

Support: UN Women

A project has been initiated in 2014 with the support of UN Women to empower home based workers across the three districts of Lahore, Gujranwala and Multan of the province of Punjab. The objectives for the first phase of the project include:

- 1: Collection of statistics on 12,000 home based workers;
- 2: To increase the technical skills of home based workers in these districts;
- 3: To give awareness to domestic workers on issues they face;
- 4: Development of mechanism for addressing the complaints and grievance of domestic workers;

Second Phase:

- 1: To issue registration cards to at least 12,000 home based workers on the basis of a special form;
- 2: To register at least 3,000 of these home based workers with social security;
- 3: To enhance the skills of at least 600 workers in these districts through enrolment in government technical training institutions;
- 4: To establish a cell and devising procedures for complaint handlings related to enforcement of minimum wages and other rights for these workers.

2: Resource Centre for Migrant Workers

A resource centre has been established in the Industrial Relation Institute for migrant workers with the support of ILO, which will be functional during the period of September 2015 to June 2017. It has following functions:

- 1: Training of staff for guidance of migrant workers;
- 2: Preparation of useful written information material for migrant workers;
- 3: Awareness raising programme for migrant worker before proceeding to overseas employment;

3: Child Labour Programme of UNICEF

UNICEF child labour programme is being implemented over the period May 2013 -September 2017 with the support of ILO, under which a child labour survey is being conducted.

4: A Project to Strengthen Labour Inspection

This project is meant for undertaking necessary reforms in the labour inspection system and is being implemented with the support of ILO.

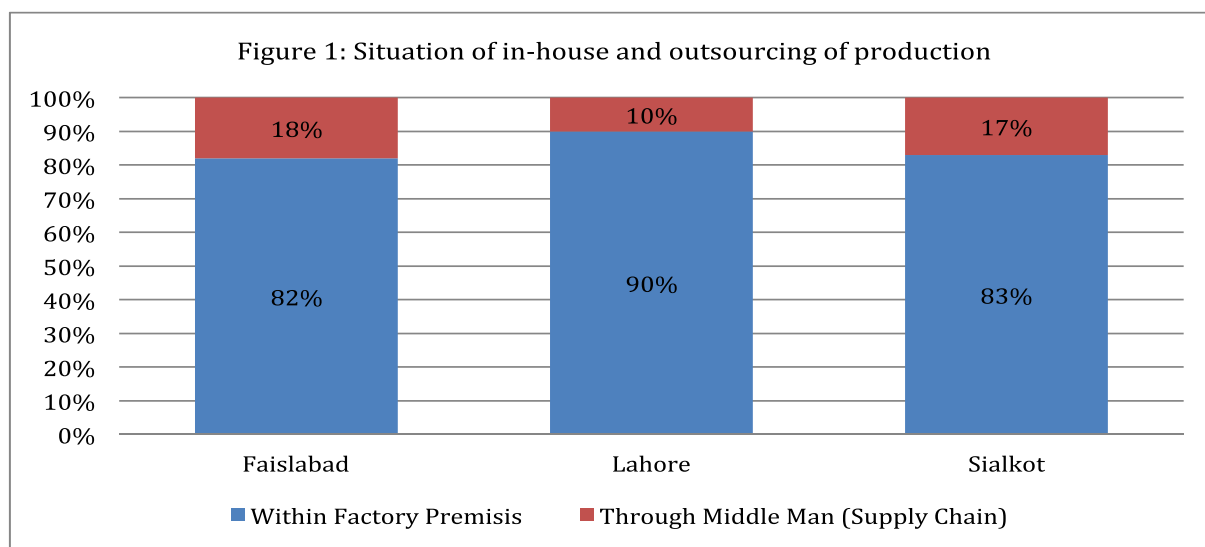
Results of a Rapid Survey to Assess the State of the Implementation of Labour Standards in Lahore, Faisalabad and Sialkot:

As highlighted earlier, due to the constraints of time and resources, the survey focussed only on export oriented industries located in the three cities of Punjab: The results of the survey are discussed below:

Table 2.6: Number of man and women workers in export oriented industrial units, state of registrations with EOBI and social security

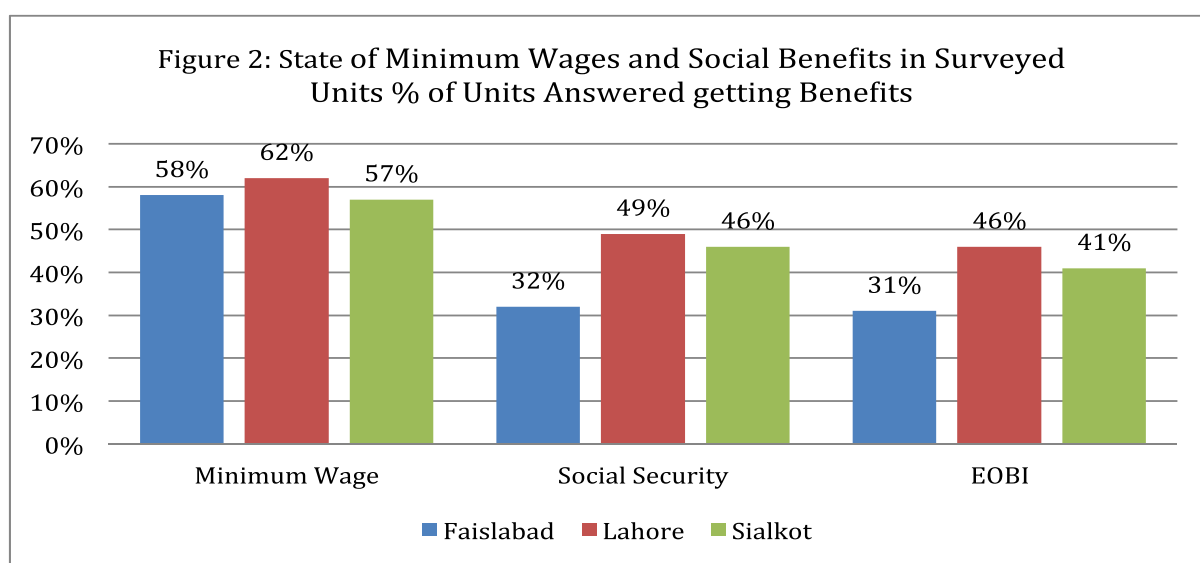
Sub- sectors	Industrial units No.	Male workers No.	Female workers No.	Total Workers in Surveyed Units No	Registration in Social Security No	Registration in EOBI No.
Lahore						
Garments	19	30,706	13,132	43,838	18,372	17,568
Knitwear	2	3,506	624	4,130	1,823	1,785
Leather Articles	28	46,116	2,141	48,257	26,127	24,999
Woollen Articles	1	1,147	112	1,259	345	290
Total	50	81,475	16,009	97,484	46,667	44,642
Faisalabad						
Garments	20	15,784	3,410	19,194	5,048	4,743
Fabrics/Textile	26	20,062	1,235	21,297	7,573	6,115
Hosiery	4	1,632	390	2,022	640	572
Total	50	35,478	5,035	40,513	13,261	12,430
Sialkot						
Sports goods	27	31,189	6,562	37,751	18,576	16,541
Surgical goods	13	3,353	228	3,581	1,186	1,056
Leather Articles	10	4,461	1,337	5,798	1,873	1,426
Total	50	39,009	8,127	47,130	21,635	19,023
Net Total	150	155,962	29,171	185,127	81,563	76,095

- In Lahore 50 factories were surveyed which include 19 garments factories, 2 knitwear, 28 textile/fabrics factories and one woollen factory;
- A total of 97,484 workers were employed, of which 81,475 (83.6 per cent) were male and 16,009 (16.4 per cent) were female workers. In these factories, 46,667 workers were registered in social security and 44,642 were registered with EOBI;
- In Faisalabad, the survey covered 20 garment factories, 26 fabrics/textile, and 4 hosiery factories. The total number of employed workers was 40,513, with 35,478 (88 per cent) male and 5,035 (12 per cent) female workers. 13,261 workers were registered with social security and 12,430 workers were registered with EOBI;
- In Sialkot the survey included 27 sports goods manufacturers, 13 surgical instruments and 10 leather goods factories. The total number of workers employed in these factories were 47,130 out of which 39,009 (83%) were male and 8,127 (17%) were female workers. 21,635 (44%) were receiving social security and 19,023 (41%) were registered with EOBI.



When examined from production sourcing, 82 % of units manufacture in-house whereas 18 % is produced by outsourced contractors.

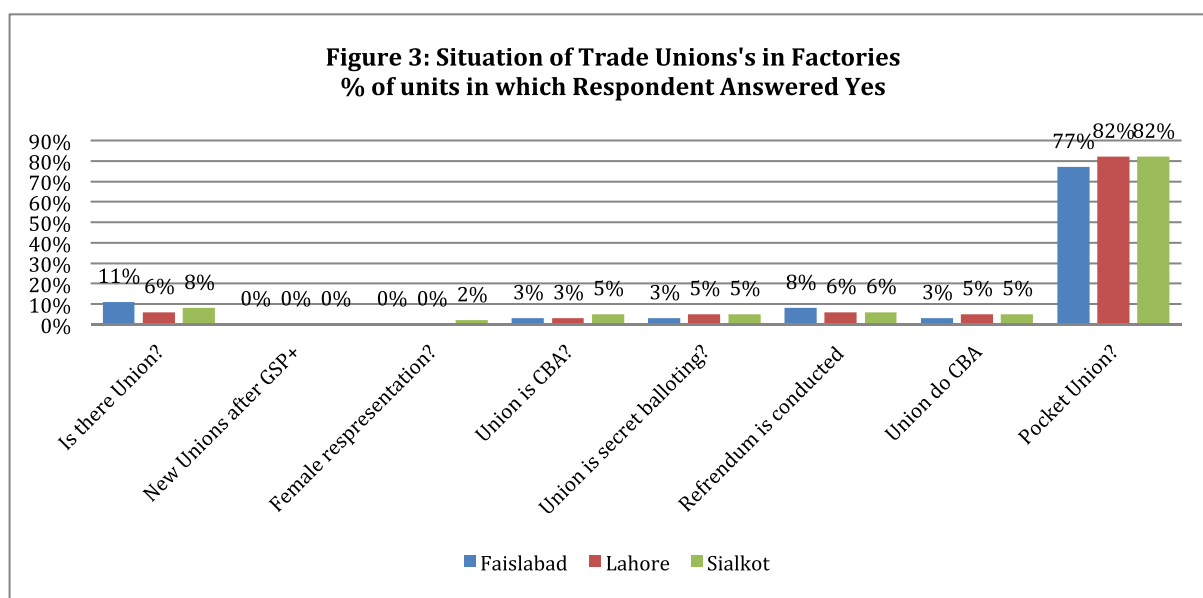
In Lahore 90% of products are produced and in Sialkot this ratio is 83%.



- When assessed from the implementation of minimum wages, it was observed that only 58% units in Faisalabad, 62% in Lahore and 57% in Sialkot pay the minimum wages;
- The proportion of units covered under social security are: 32% in Faisalabad, 49% in Lahore and 46% in Sialkot;
- The units registered in EOBI are: is 31% in Faisalabad, 46% in Lahore and 41% in Sialkot. Thus less than 50 % of workers in these three districts are covered by social security and EOBI, which is a cause of serious concern;
- An analysis in terms of registered trade unions reveals that 11% establishments in Faisalabad, 6% in Lahore and 8% in Sialkot have registered trade unions. No new trade unions were registered after the country acquired GSP Plus status. Only 2 % of woman workers in district Sialkot have representation in trade union;

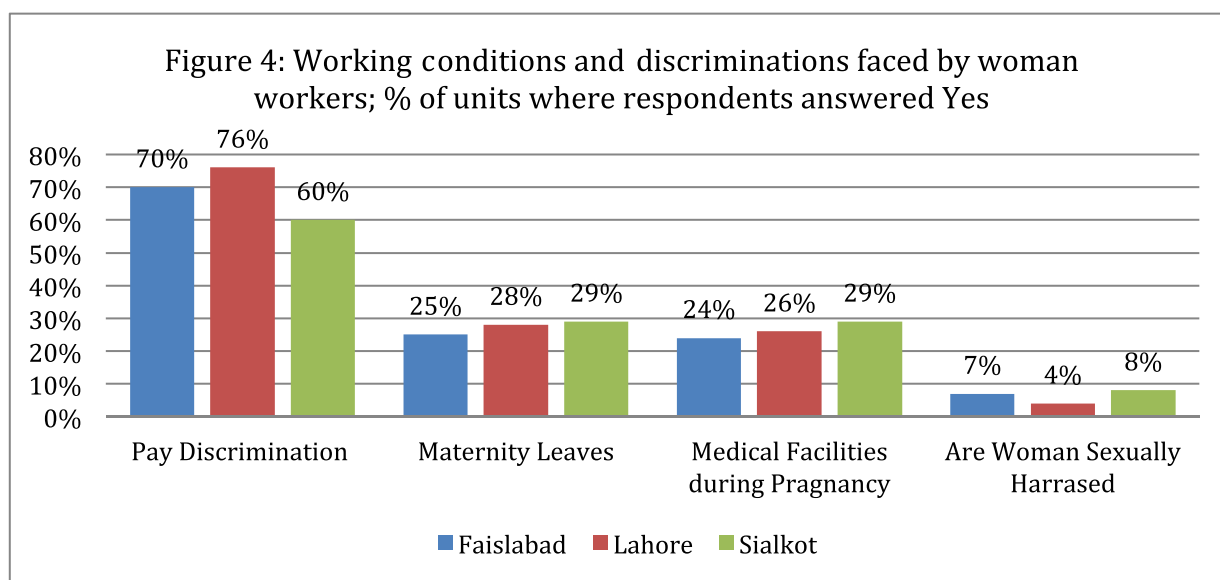
- Secret balloting is held in 3% of registered unions in Faisalabad, 3% in Lahore and 5% in Sialkot. Similarly, referendum is conducted in 8% factories in Faisalabad, 5% in Lahore, and 6% in Sialkot. A formal agreement between employers and CBA is reached

by only 3% of trade unions in Faisalabad, 3% in Lahore and 5% in Sialkot. Overall, the survey results indicate that the proportion of registered trade unions is alarmingly low with the number of truly representative unions being much smaller;

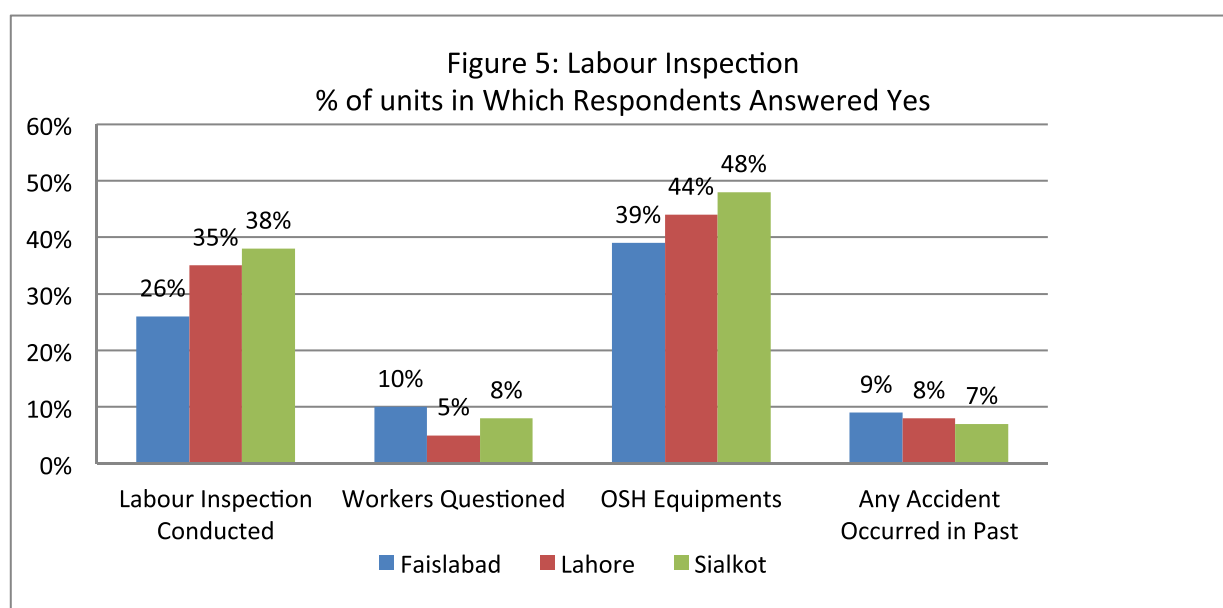


- Respondents in 77% units in Faisalabad, 65% in Lahore and 82% in Sialkot replied that their unions were formed are pocket union, registered at the behest of employers;
- When asked if there was difference in

the wages of women and men workers as well as other aspects of gender discrimination, 70% of women workers in Faisalabad replied in the affirmative, while this response was 76% in Lahore and 60% in Sialkot.



- The survey result showed that only 25% of establishment in Faisalabad, 28% in Lahore and 29% in Sialkot granted maternity leaves to their female employees;
- Women workers in 7% establishments in Faisalabad, 4% in Lahore and 8% in Sialkot reported incidents of sexual harassment;
- The survey results show that 26% establishments in Faisalabad, 35% in Lahore and 38% in Sialkot had a labour inspection. During inspection, in 10% units of Faisalabad, 5% of Lahore and 8% of Sialkot were questioned by the labour inspectors. Employers pressure and job insecurity forced workers dissuade workers to respond to questions on labour inspections;



- In terms of availability of appropriate safety equipment, 39% of surveyed factories in Faisalabad, 44% in Lahore and 48% in Sialkot indicated having health and safety related equipment. Only few factories found to keep the modern health and safety equipment;
- With regards to work related accidents, 9% of establishment in Faisalabad, 8% in Lahore and 7% in Sialkot had instances of work related accidents

The situation discussed above once again reinforced the PWC's claim that unless truly representative trade unions are allowed to form and function; even the basic and routine labour laws are not implemented. For fulfilling their obligations to implement fundamental labour standards, the country's employers and government need to first and foremost

allow workers' to exercise their rights to organise and bargain collectively in freedom, and respecting the representative union as the real stakeholders to negotiate working condition, and settle workplace demands and disputes. Employers and government must realise that violations of workers' rights cannot be kept concealed for long from national and international observers, and they alone will be liable for all adverse consequences, which can harm the interests of all relevant stakeholders in the country. Hence it is imperative on all three stakeholders to urgently prepare and implement strategy to cope with the challenge of poor state of implementation of fundamental labour standards in order to ensure the continuation of the benefits under GSP Plus status.

Conclusion

Since 2014 Pakistan has been availing the facility of the European Union's GSP Plus scheme. Workers, employers and the government are well aware of their responsibilities for the continuation of this facility.

The Pakistan Workers Confederation and other labour organisations in the country fully favour the continuity of the GSP plus scheme and available opportunities for the country's economy and industrial activities to flourish. However, it is also a mandatory responsibility of labour organisations to identify problems being faced by their members and working poor of Pakistan. Concerned stakeholders of the country cannot emerge successful in accomplishing their commitments with the international communities without resolving workers' burning issues of fundamental significance. In this and earlier reports, we have stressed that effective and satisfactory resolutions of these issues require truly representative trade unions. Unfortunately, adverse attitude of our employers and the government authorities continue to be the biggest hurdle towards the formation and registration of representative workers' union. Employers have not shown willingness to accept representative unions. This is evident by a small number of registered trade unions across the country and provinces, which also includes significant presence of fake unions. It is a well-known fact to all that labour inspection for monitoring the effective implementation of labour laws is not possible due to the existing constraints of resources, number of labour inspectors and capacity of the provincial labour departments.

It should be a matter of governments' priorities how strong and effective they want to make the labour department. Indeed, it is mainly the governments' and employers' responsibility to address the existing issues related to workers.

We restate here some of these core challenges. They relate to providing decent and productive employment opportunity to our workforce; extent of social security as well as old-age pension and benefits coverage; system of minimum living

wages and checking violations of the implementation of notified wages; unhealthy and unsafe working conditions; excessive working hours and questions of how it has allowed employers to force workers to work up to 12 hours without consent and legal compensations for overtime. What is the state of child labour and forced labour in the country, and are the national and provincial governments serious enough to completely eliminate these menaces any time soon? Why export processing zones continue to be exempted from the application of labour laws? Why large-scale gender discriminations in wages and entitlements are allowed to continue at work places, and what measure can be taken to reduce and eliminate these gaps? For how long the large informal sector will be kept out of the application scope of labour laws? Same is the fate of workers in agriculture, home-based and domestic work where large share of women workers are engaged. Whether we like or not, these problems will continue to raise their ugly heads, and affected workers will continue to register their protests.

It would be self-deception to think that these issues can be kept concealed from the relevant stakeholders and international community. Due to widespread diffusion of information technologies it is not difficult to reach to, and discover ground realities. In order to take stock of the implementation efforts of the eight ILO core standards during the last 3 years, national and provincial tripartite conferences can prove to be the best forum to assess the progress, identify challenges and develop effective collective strategies.

The country's exporters have earned substantially from the European trade preference facility as evident from the GSP Plus utilisation rates during 2014-15. But they are not prepared to justly share these gains with workers. It is, then, natural to question that if employers and government authorities are not willing to implement the abiding conditionalities of GSP plus, then why do they want to continue benefitting from the preferential status?

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Appendix 1: Survey Methodology and Durations

The survey mostly covered factories in Lahore, Faisalabad and Sialkot which exported their products to the European Union and other countries. The survey questionnaire was formulated through discussions with factory workers. The process of obtaining data and information on the survey questionnaires was spread over one and half month (1st October to 25th November 2016).

In Lahore, Faisalabad and Sialkot, the local leadership of affiliated federations of PWC, including Pakistan Workers Federation, Muttahida Labour Federation, Pakistan Mazdoor Mahaz and All Pakistan Trade Union Federation provided their support in completion of this survey. The survey was conducted by distributing and giving instructions for filling out the questionnaires to workers of the identified factories. It was observed that the workers in factories that had trade union were generally more aware of the issues as compared to workers in factories not having a trade union. It was also felt that workers were afraid to respond. It was also found that the workers did not have all the information about the factory they were working which made it difficult to get the required information. It was almost impossible to get any information from women workers. The leadership of PWC also met with the management of local chambers of commerce, officials of labour departments, social security and EOBI.

Appendix 2: Survey Form for Export Industry

1. Part 1-Information about establishment

1. Name of factory/establishment with full address
2. Type of products manufactured
3. Is the factory/establishment is the member of any chamber or association?
4. Marketing of products (i) Full export (ii) Partial export
5. Source of raw material (i) Only local (ii) Imported raw material
6. The average annual quantity of exported products up to December 2015
7. Expected average annual quantity of exported products up to December 2016
8. The average annual earning of exported products up to December 2015
9. Expected average annual earning of exported products up to December 2016
10. Majority of products exported to which market
(a) European Union (b) Other countries
11. Is complete production of goods carried out within the factory?
☐ Yes ☐ No
12. Is some part obtained from another place?
☐ Yes ☐ No
13. Under what terms & conditions is production carried out outside?
14. Is this work done through a middle man
☐ Yes ☐ No
15. Any facilities provided to outside workers (a) Social Security
(b) EOBI (c) Minimum Wage (d) Service record etc.;
16. Total number of worker
(a) Permanent (b) Daily wages (c) Piece rate
(d) Contract (e) Contract by establishment
(f) Contract by third party (g) Number of male workers
(h) Number of female workers (i) Number of child workers

2. Condition of Employment, Wages, Working Hours

17. Issuance of appointment letters to workers
18. Number of registered workers in social security December 2015
19. Number of registered workers in social security December 2016
20. Number of registered workers in EOBI December 2015
21. Number of registered workers in EOBI December 2016
22. Notable facilities to workers upto December 2015
23. Additional facilities to workers upto December 2016
24. Number of registered unions in establishment December 2015
25. Number of registered unions in establishment December 2016
26. Normal working hours in factory
27. Working hours of female workers
28. Does the establishment give over time? If yes
(a) single (b) double
29. Do unskilled workers get minimum wage? Yes No
30. Is there difference between wages of skilled and unskilled workers?
☐ Yes ☐ No

31. Are women workers represented in registered union? ☐ Yes ☐ No
32. Is secret balloting held in case of single union? ☐ Yes ☐ No
33. Is referendum held in case of single union? ☐ Yes ☐ No
34. Does union give demand notice? ☐ Yes ☐ No
35. Is there written agreement with management/owners? ☐ Yes ☐ No
36. Is union backed by owners or is truly representative of workers?
37. Are workers paid dues after retirement? Yes No
38. What is included in these dues? (a), gratuity
(b), amount of paid leave (c), other compensation.

3. Special Information regarding Women workers including Discrimination

39. Are men and women workers receiving equal wages? ☐ Yes ☐ No
40. If there is difference than how much?
41. Are female workers allowed maternity leaves? ☐ Yes ☐ No
42. How many days of leaves for maternity leaves?
43. Is their available medical emergency assistance for women during their pregnancy? ☐ Yes ☐ No
44. Have women workers ever been sexually harassed? ☐ Yes ☐ No
45. In case of incidences of sexual harassment took place, were there any reports filed? ☐ Yes ☐ No
46. Is the 5% profit distributed? ☐ Yes ☐ No
47. Do workers receive entitled marriage and death grants? ☐ Yes ☐ No
48. Which workers/labourers are entitled for death and marriage grants?
49. Do the children of workers get admission in workers welfare school? ☐ Yes ☐ No
50. Do the workers receive group insurance benefits in case of death of workers? ☐ Yes ☐ No
51. Is there occupational and safety measures in the factory? ☐ Yes ☐ No
52. Has there ever been serious incident in the factory? ☐ Yes ☐ No
53. Are the injured workers paid their respective compensation?
☐ Yes ☐ No
54. Is there ever been a thorough inspection in the establishment?
☐ Yes ☐ No
55. If there even has been an inspection, have the workers been questioned? ☐ Yes ☐ No
56. Has there been an International Audit? ☐ Yes ☐ No
57. Number of registered establishments in a district in December 2015.....
58. Number of registered establishments in a district in December 2016...
59. Special information about the factory/establishment.....

About Pakistan Workers Confederation

Neo-liberal policies of liberalisation of financial and trade flows pushed for structural adjustments programmes, privatisation of states' assets, dismantling and de-regulations of labour markets and creation of supply chains. Growing power of capital produced grave implications, especially for developing countries' capacities to deliver on promises of economic and social security, threatened social cohesion in societies by increasing inequalities and political upheavals, and weakened the foundation of labour movements and unions to protect the livelihood of workers. This resulted in rise in unemployment, informal employment, cheap and precarious forms of labour without adequate protection for jobs and wages, weakened social security and deterioration of occupational safety and health at work places. The increasing casualisation of employment rendered it very difficult for trade unions to retain membership and organize new workers. To respond to these grave challenges, Pakistan's trade unions adopted strategies of alliance building. By putting aside their political and ideological differences, all six important trade union federations of the country decided to unite workers of Pakistan at a common strong platform and founded Pakistan Workers Confederation (PWC) on 19th March 1995.

The PWC objectives are to organise workers in unions,

strive for removing the obstacles in the way of right to organise and collective actions, eliminate discriminations, struggle for reforming and implementing labour laws according to international labour standards, living wages, expanding social security coverage, and campaign to eradicate forced labour and child labour. It sought to strengthen the voices of workers at the national level and enlarge trade union agenda by joining hands with progressives forces of intelligentsia, civil society, human and women right activists to establish social justice, ensure economic and political rights, oppose privatisation of national assets, alleviate poverty and enhance welfare of society, and representation of working class in legislatures and policy making institutions.

Despite internal and external challenges, the membership of PWC has grown stronger since its inception by extending membership to national, regional and sector-wise federations and workers organisations, along with establishing active national and provincial chapters. Its founding member federations include: **Pakistan Workers Federation**, **Muttahida Labour Federation**, **Port Workers Federation**, **All Pakistan Trade Union Federation**, **Pakistan Mazdoor Mahaz**, **Watan Dost Mazdoor Federation**, **Pakistan Trade Union Federation (Sindh)**, **Sindh Sugar Mill Workers Federation**.

The Generalised Scheme of Preferences (GSP) Plus agreement between the European Union and Pakistan allowing preferential access of Pakistani export goods to EU markets for ten years, has been in place since January 2014. The agreement has opened favourable opportunities for growth of Pakistani export sectors and better managing internal challenges of Pakistan's economy. The principal objective is that additional economic benefits through increased trade support Pakistan in improving governance and sustainable development. The preferential facility stipulates the effective implementation of 27 international human rights, labour and environmental conventions to retain the benefits of GSP Plus. It includes the effective implementation of eight fundamental labour standards of International Labour Organisation whose effective compliance and implementation will positively strengthen labour governance in the country, and benefit more than 60 million working people of Pakistan in the long term.

ILO labour standards are the outcomes of tripartite consultations and thus demand active partnership of the stakeholders. Pakistan Workers Confederation decided to actively participate in the monitoring and implementation of the GSP Plus process and chose to put forward its suggestions for improving the compliance of labour standards. As a German Foundation committed to the values of Social Democracy, Friedrich-Ebert-Stiftung provides platforms for debating a large variety of policy challenges all over the globe. FES believes that democratic governance needs to be combined with a strong emphasis on addressing questions of social justice, and hence trade unions are crucial stakeholders in ensuring much-needed and more socially inclusive development paths. We in FES sincerely hope that the analyses and proposals for the way forward presented in this report will make a genuine contribution to further the dialogue on different levels and support developing the required measures in achieving the objectives of GSP Plus.

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