

Policy Statement on May Day

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PILER demands Serious State Commitment To Labour Laws and Rights;

‘Labour Issues Be Given the Same Priority As The 18th Amendment’ - PILER

‘The Country’s Progress and Future is Tied To the Well Being of its Labour Force’

Karachi, April 30, 2010: The Pakistan Institute of Labour Education and Research (PILER) has expressed concern over the deteriorating condition of labour in Pakistan, as the country marks Labour Day with the rest of the world on May 1, 2010. The Institute demanded that labour rights and issues be addressed on a priority basis since the very survival of democracy and continuity of a political representative system depends upon the well-being of a progressive labour force.

In a statement issued today, the PILER pointed that the condition of labourers, peasants and agriculture workers is not satisfactory. “Out of total 50 million labour force of the country, more than 4 million are unemployed. The ongoing power crisis alone has resulted in 400,000 job losses. 40% of non agricultural labour force is involved in the informal sector that deprives them of basic entitlements and excludes them from the ambit of standards of acceptable work conditions. Agriculture labour, which forms 44.7% of the total labour force and the informal sector workers of the country do not have rights to form trade unions or take part in the union activities.

The PILER demanded that the government should take up the resolution of labour issues and amendments, redraft and implementation in related labour laws the same way as it dealt with the 18th amendment. “It is a shame that the 50 million labour force of the country is being deprived of their fundamental rights, and protections to facilitate a tiny minority of feudals, industrialists and private traders. Rather than standing up for the citizens, the state has opted for patronising the forces that have consistently compromised country’s interests by law violation, tax evasion, and victimisation of labour. It is the labourers of Pakistan that run the country by actively participating in the economic activity, political movements and rights campaign. They have stood by the country through all difficult times, and their rights and entitlements are state’s primary responsibility. The government needs to take urgent steps to abolish bonded labour and child labour, redraft the IRA, the Finance Bill and other important labour laws to ensure they deliver on labour rights, expand and implement health and safety laws and social security measures and revise the minimum wage to meet the existing standards of work and living.”

The Institute observed that gender disparity in employment, entitlements and wages is another cause of concern. “Labour force participation rate of females is merely 14% which is very lowest in SAARC region. 73.8% of employed women work in the agricultural sector, which does not come under any effective employment law depriving a large majority of employed women of their basic rights. At 36%, Pakistan ranks the lowest among SAARC countries in terms of women’s engagement in economic activity.

One of the major issues with Pakistan is weaker legislation over labour issues and non implementation of existing labour laws and conventions that the country has ratified. Even as more than 100 labour laws exist in the country, there is no link and coordination among them pushing

labourers to suffer a wide range of problems. Pakistan's constitution carries solid provisions for labour entitlements and protections. These include Article 11 that prohibits all forms of slavery, forced labour and child labour; Article 17 that provides for a fundamental right to exercise freedom of association and the right to form unions; Article 18 that proscribes the right of citizens to enter upon any lawful profession or occupation and to conduct any lawful trade or business; and Article 25 that lays down the right to equality before the law and prohibition of discrimination on the grounds of sex alone. Pakistan has ratified 35 ILO Conventions, including eight core labour rights Conventions. These broadly include: the right to organize and engage in collective bargaining; the right to equality at work; the abolition of child labour and the abolition of forced labour. Pakistan is also a signatory to the International Covenant on Economic, Social and Cultural Rights that carries a number of provisions linked to labour rights and economic independence. However, the state itself has seldom upheld any of the conventions or constitutional provisions that it is obliged to follow.

The PILER noted that despite the presence of a solid tripartite system for consultation on labour issues, recommendations from the tripartite conferences are bypassed while the government unilaterally issues ordinances, notifications and bills to appease their international masters. "The Labour Protection Policy 2006 and Labour Inspection Policy are cases in point. The Finance Bill 2006 too seeks to affect the working and living conditions of the workers, ending their legal protection, causing increase in working hours, and creating space for further exploitation of female workers, compromising the constitutional articles and related ILO Conventions. The Punjab Industrial Policy 2003 bans the inspection of factories and mills violating ILO's Convention No. 81 on Labour Inspection Convention. Similarly, the recently-inserted Section 27-B in Banking Companies Ordinance bans trade union activities in banks and financial institutions. Despite rejection of appeal of newspaper owners in the Supreme Court against enforcement of Seventh Wage Award for salaries and allowances of journalists and newspaper employees, the award is still not implemented, which is deplorable and illegal.

Most importantly, the country practically has no Industrial Relations Law since the interim act, IRA 2008, expires on April 30, 2010. The IRA 2008, like earlier Industrial Relations Acts had followed an extremely exclusionary pattern keeping 70% of the labour force out of the ambit of the law. This again is a violation of Article 17 of the Constitution that provides for a fundamental right to exercise the freedom of association and the right to form associations or unions. It also violates ILO's Conventions 87 and 98 pertaining to Freedom of Association and Protection of the Right to Organise, and Right to Organise and Collective Bargaining respectively. Among other features, the IRA 2008 demonstrates a restricted scope in terms of definitions - mining, extraction, exploration, processing, provisions, harvesting, print or electronic media are not recognised as industries, leaving these setups vulnerable to exploitation. It practically lends support for anti-labour practices by way of light penalties and easy loopholes for those responsible. The government has consistently ignored labour bodies' recommendations for a rights-based, participatory and inclusionary order. On the eve of the expiration of the IRA 2008, the government is yet to announce a new bill for industrial relations, as per its pledge.

The practice of bonded labour is another glaring violation of human rights and the constitution that prohibits forced slavery. While there are no official figures on bonded labour, credible studies point to the presence of 1.7 million persons in bonded sharecropping. Besides agriculture, brick kilns, bangle industry, carpet, and many other sectors of economy also employ bonded labourers. Only 50,000 plus of these have been freed due to the rigorous efforts of the social sector. At the same time, none of the perpetrators of the heinous act have either been nabbed or tried by the courts. Furthermore, the rehabilitation of bonded labour continues to be a hindrance in the civil society's efforts to eradicate this criminal practice. The Bonded Labour System (Abolition) Act 1992 has practically failed to rescue the situation due to loopholes and gaps in implementation. Moreover, the

ILO Conventions No. 29 and 105 also speak about abolition of forced labour, but all those laws and conventions have not provided desirable results, due to the lack of commitment by the state to uphold labour rights.

In February last year, the haaris of Sindh carried out a march for 12 days to reach Karachi to demand amendments in the Sindh Land and Tenancy Act. Though the government had promised to initiate the desired amendments, it never followed up on its pledge.

Health and safety of workers is another cause of concern for labour rights bodies. In Pakistan, the existing laws offer very limited range of rights to health and safety, and these too are applicable only on those labourers, who are working in organized industrial or commercial establishments. About 90% of workforce is working on contract, daily-wage basis or in small and cottage industries or as home-based workers, a large majority of them stay out of the purview of health and safety laws. These laws are also not applicable on agriculture workers and fishermen. Installation of old and dated machineries, compromises on health and safety standards in the construction and the mining sectors, use of chemicals and pesticides in the agricultural sector, lack of awareness regarding health and safety measures, and an extremely limited sphere of these laws that do not even extend to public sectors such as the WAPDA, railways, fire-fighting institutions, local government etc. are key factors endangering the lives of workers in Pakistan. In 2009 and during the first four months of the year 2010 alone, there have been six deaths in the sanitation sector, 28 deaths and 25 injuries reported in the construction sector alone.

Lack of implementation of minimum wages is another issue that seriously obstructs the well-being of labour in Pakistan. With food inflation on a steep rise, now standing at an astonishing 24%, and regular hikes in the fuel and utility prices, the purchasing power of a large majority of the population has seriously eroded. Poverty continues to be on a steep rise, with an estimated 38% of population (65 million out of 170 million) living below the poverty line. The figure of Rs 6,000 as minimum wage is an unrealistic proposition in the backdrop of escalating cost of living. As unemployment rises due to sluggish economic activity, people are unable to take a strong stand on minimum wages, compromising their basic right to earn a living.

According to Article 38 (c) it is the responsibility of the state to provide social security to every employee and worker through social insurance or using other resources. The ILO Convention 102 too has fixed minimum standards of the social security. Pakistan has two systems and around eight schemes covering social security which includes Zakat and Bait-ul-Maal, Provincial Employees Social Security Scheme, Employees Old age Benefit Institutions, Workers Welfare Fund, Public Sector Benevolent Fund and Group Insurance among others. However, these do not cover a large portion of manpower, including those involved in the agriculture sector, the informal sector employees, temporary employees of formal sector and contract workers, employees of the organizations which employ 10 or less than 10 workers, small industries and factories, self employed, home-based workers, temporary or piece-basis workers or daily wage earners and immigrant workers.

According to recent estimates, about 10 million children are engaged in child labour. Even though Pakistan's Constitution and ILO Conventions prohibit child labour, hundreds of thousands of children in Pakistan are forced to work as a labourer in many sectors due to rising poverty, inflation, and unemployment in the country. The government of Pakistan has ratified the ILO Convention No. 182, which deals the Worst Forms of Child Labour, but it has not signed on Convention No. 138 pertaining to fixing minimum age limit for child labour. Many local and international donors have initiated different programmes for abolition of child labour in Pakistan, but there has been no progress, as the state continues to turn a blind eye to the issue.