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Priority Areas and Action Plan

1. **Industrial Relations**

The unfair” labour practices on the part of employers and workmen as detailed in the Punjab Industrial Relations Act (PIRA) will be translated into Urdu by the employers covered under the Act and properly displayed by them at the entrance of factories and workplaces.

Representativeness of workers’ representatives at the plant-establishment level will be ensured by making the continuity of registration of a union conditional with contesting referendum for determination of Collective Bargaining Agent (CBA) and getting at least 15 per cent of the votes.

Necessary amendments in the PIRA will be made to: i) allow Shop Steward (SS) and Workers Management Council (WMC) in establishments employing 20 or more workers, and ii) exclusion clauses to its application withdrawn to conform provisions to the ILO Conventions 87 and 98.

1. Unfair labour practices duly translated in Urdu will be displayed at work places by the employers within 90 days of the announcement of the Policy.
2. The process for necessary enactments in the PIRA will be completed within 180 days of the announcement of the Policy.
3. Training sessions for employees’ representatives and Employers/Managers HR to apprise them about unfair labour practices.

2. **Tri-partism**

Tri-partism will be institutionalized by holding Punjab Tri-partite Labour Conference (PTLC) on regular intervals with a follow up mechanism. In particular, Punjab Standing Labour Committee (PSLC) will be formed to: i) take up actions on the recommendations of PTLC, ii) arrange policy dialogue on work place related matters, issues and policies and programmes, and make preparation for the subsequent PTLCs.

1. Establishment of PSLC will be notified within 120 days of the announcement of the “Policy”.
2. First PTLC will be convened in the first quarter of 2016.
3. **Labour Law Reforms**

Over 70 labour laws will be simplified, consolidated and codified. The process will also look into the matter of: i) a uniform definition of workers and establishment, ii) rights and entitlements of contract workers, and iii) extending labour protection and welfare measures to those workers who, as yet, remain uncovered.

1. A tri-partite committee will be established within 120 days of the announcement of the Policy to carry forward the labour law reform work duly conforming to ratified Conventions.

4. **Dispute Settlement**

The policy recommends a maximum period of sixty days for the dispensation of appeals filed in the Labour Appellate Tribunals (LATs).

Necessary support will be provided for developing Alternate Dispute Resolution (ADR) mechanism. Exclusively meant for the work place related disputes, ADR is put in place on a pilot basis in at least two Districts.

5. **Elimination and Rehabilitation of Child and Bonded Labour**

More than 7,200 Non Formal Education Centers (NFECs) and about 6,000 adult literacy cum training centers will be established for the elimination of child and bonded labour especially from the brick kilns.

- The integrated project on “elimination of child and bonded labour in Punjab” has been put in operation in the fiscal year 2014-15.
- A province-wide survey of the child labour will be conducted to better understand the situation, assess the impact of various interventions and design additional programmes.
- Preparation of plan of action for elimination and rehabilitation of bonded labour.
- Establishment of provincial committee on elimination of child and bonded labour to be chaired by the Minister for Labour and Human Resources.

6. **Occupational Safety and Health**

The necessary capacity of the enforcement mechanism is built through training, equipments and recruitment of qualified personnel. Steps will be taken to ensure establishments put in place an OSH management system. A law that exclusively deals
with OSH will be formulated. The Centre for Improvement of Working Conditions and Environment (CIWCE) will be made a Centre of Excellence in OSHE.

- Punjab Occupational Safety and Health Council (POSGC) is established and made functional,
- Inspection machinery will be provided an OSH kit that will facilitate inspection on scientific basis and modern lines duly incorporating technological changes and chemical process, and
- CIWCE branches will established in each of the four regions – central, eastern, southern and northern - of the province to provide services and technical expertise to public and private sector establishments in the Punjab.

7. Labour Inspection

Labour inspection machinery is reinvigorated by: i) joint inspection by the labour-related institutions, ii) and besides bringing more enterprises within the inspection net and own account workers as well as micro enterprises in urban and rural areas are also brought into ambit of labour protection. Necessary facilitating measures for the reinvigoration are:

- Provision of necessary infrastructural support - proper offices, equipments and transport - to the labour inspection machinery,
- Establishing, in phases, field offices in Tehsils.
- Capacity building of the officials through short-term training courses within the province, country and overseas.

8. Workers Welfare and Social Security

The main recommendations of the Policy are: i) establishment of Punjab Social Security Authority (PSSA) that combines PESSI, EOBI after it being devolved to the provinces and WWB, ii) extending benefits to other segments of workforce, such as: contract workers, home-based workers, brick kiln workers, domestic workers, informal sector and agriculture, iii) rationalization of the range of benefits and protections provided by the PESSI and WWB as well as their expenditures, iv) adequate measures to ensure sustaining PESSI, and v) looking into the matter of efficient management of EOBI when it is devolved to the provinces in pursuant of the 18th Constitutional amendment.

- Appointment of a committee with effective involvement of academics and experts to work out modalities for operationalizing main recommendations.
The Policy further recommends gradual enhancement of minimum wage to Rs. 15000/- for the unskilled workers and extension of the coverage of the minimum wage notification to at least fifty more industries.

During the next four years, ten thousand flats will be provided to the eligible workers. The number of Workers Welfare schools will be increased from 50 to 70.

PESSI will focus on provision of following facilities:

- Medical care facilities to the overseas Pakistanis and their families in PESSI Hospitals at concessional rates.
- Nursing schools will be established by PESSI for the daughters of secured workers in Lahore, Faisalabad, Multan and Islamabad to train 200 nurses per years.
- PESSI will establish four new hospitals in Rahim Yar Khan, D.G. Khan, Khanewal and Jhang.

9. Gender Equality and Non-discrimination

The main recommendations of the Policy are: i) fixation of a quota of 33 per cent for women workers, duly elected or nominated by the registered federations, in all the tri-partite structures of labour-related institutions, such as: PESSI, WWB, minimum wage board, the proposed PTLC and PSLC as well as task forces, working groups and committees established by the labour department and its various institutions, ii) unions of workplaces demonstrating more than half of the female workers should have at least two-thirds of women in the executive bodies and not less than half as office bearers, iii) in other unions, at least one-tenth of women should be in the executive body and office bearers, iv) women-specific provisions in different labour laws are appropriately displayed in workplaces, v) at least a-tenth of women are made members of the DVCs, and vi) labour protection and particularly welfare mechanisms are extended to HBWs, domestic workers and brick kiln workers on priority basis.

- A tri-partite committee with adequate representation of women will be established to work out modalities for operationalizing main recommendations.

10. Enterprise Development

The main recommendations of the Policy are: i) development of procedures that facilitate enterprise relocation and shift in production pattern, ii) according recognition to the right
of employer to hire and fire but with the proviso that letter of appointments are institutionalized and due procedure is followed for “firing” including a prior consultation with shop steward and/or CBA as well as a notice served to the employee, iii) benefits to workers are exclusively linked with productivity but with proviso that a transparent mechanism is established to determine the productivity and otherwise of an enterprise, and iv) a code of conduct separately for employers and workers of an enterprise is worked out that duly incorporates the PIRA sections on unfair labour practices.

11. TVET Competence

The main short and medium term measures suggested for enhancing TVET competence in the province are: i) launch of short-duration skills development and upgradation programmes in each tehsil by TEVTA and PVTC, ii) fostering Public Private Partnership (PPP) to mobilize resources and comparative advantage of each other for making the system effective, efficient and sustainable, iii) extending support to TEVTA and PVTC in making centre/institute management committees (C/IMCs) effective with active participation of the private sector, iv) the LHRD will work closely with TEVTA and PVTC to give TVET institutions necessary flexibility to adapt to market needs especially in their evening programmes, v) private sector and industry is encouraged to establish training institutions that will be matched by incentives and rewards by the Government, vi) private sector is encouraged to initiate and expand On-the-Job Training (OJT) as well as apprenticeship; initiatives will be matched by incentives and rewards by the Government, and vii) an assessment of training needs of each District by industry, agriculture and services will be undertaken together with skill mapping.

- Well designed “Matric Vocational” streams in secondary education is introduced together with post primary education having gradual orientation on skills – life, vocational and business – as part of general education in the education institutions run under the administrative control of LHRD.

12. Employment Facilitation

An integrated, well coordinated and comprehensive Labour Market Information System (LMIS) will be developed in the province. This system will undertake employment counseling, vocational guidance, register unemployed, seek notifications from employers – both in public and private sector, and generate detailed and disaggregated labour market information with a capacity built for its analysis, preparation of reports and dissemination.

The LMIS - well integrated horizontally and vertically – with Districts as focal point will be developed by the LHRD in close cooperation with provincial departments, TEVTA, PVTC, employers’ and workers’ representatives, Chamber of Commerce and Industries (CC&Is) and other key stakeholders.
The defunct Employment Exchanges (EEs) of the province will be revived, their capacity built and functions modified as well as improved.

The placement bureaus and employment counseling and vocational guidance centers of other organizations – TEVTA, PVTC, Universities, etc. – will be brought onboard for greater synergies and better service delivery outcomes.

- The role and functions Labour Market Information and Resource Centre (LMIRC) of the LHRD will be redefined so as to make it a research arm and data bank of the LMIS in the province.

13. Managing Migration

The Policy recommends greater and effective tapping of overseas employment potential for the workforce from the Punjab. It suggests building a collaborative mechanism with the concerned federal government institutions as well as raising TVET competence that is in line with the demand in the labour hosting countries.

14. Gradual Extension of Labour Protection

The Policy recommends extension, in phases, of labour protection and labour welfare measures to those in vulnerable employment, namely: i) home-based work, ii) domestic workers, and iii) agriculture.

- The home-based and brick kiln workers will be mainstreamed in the first phase.

15. Implementation Mechanism

The Policy recommends the following:

- Establishment of a Policy Planning and Implementation Cell (PPIC) in the LHRD with the responsibilities of: i) preparing an implementation plan of the Policy, ii) monitoring implementation of the Policy, iii) acting as a secretariat of the PLPC, and iv) making a review of the Policy yearly to propose changes and/or additions to be made in order to respond to changing environment.

- Establishment of Labour Protection Committees (LPCs) comprising of all responsible institutions and other key stakeholders in each District.

- Constitution of an inter-ministerial Punjab Labour Protection Council (PLPC) under the Chairpersonship of Minister for LHRD. Necessary backstopping will be provided by the proposed Policy Planning and Implementation Cell as well as LMIRC.
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<td>CBA</td>
<td>Collective Bargaining Agent</td>
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<td>CC&amp;I</td>
<td>Chamber of Commerce and Industry</td>
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<td>CEACR</td>
<td>Committee of Experts on Application of Convention and Recommendations</td>
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<td>CIWCE</td>
<td>Centre for Improvement of Working Conditions</td>
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<td>CLSs</td>
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<td>CEDAW</td>
<td>Convention on the Elimination of all Forms of Discrimination against Women</td>
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<td>CRC</td>
<td>Convention on the Rights of the Child</td>
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<td>DC</td>
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<td>DVC</td>
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<td>EE</td>
<td>Employment Exchanges</td>
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<td>EOBi</td>
<td>Employees Old Age Benefit Institution</td>
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<td>FGDs</td>
<td>Focused Group Discussion</td>
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<td>GCC</td>
<td>Guld Cooperation Council</td>
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<td>GSP</td>
<td>Generalized Scheme of Preferences</td>
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<td>HRD</td>
<td>Human Resource Development</td>
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<td>International Labour Organization</td>
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<td>International Labour Standards</td>
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<td>Independent Monitoring Association of Child Labour</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IRS</td>
<td>Industrial Relations System</td>
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<td>KCDR</td>
<td>Karachi Centre for Dispute Resolution</td>
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<td>LATs</td>
<td>Labour Appellate Tribunals</td>
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<td>LMIRC</td>
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<td>LPCs</td>
<td>Labour Protection Committees</td>
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<td>MOLMOP</td>
<td>Ministry of Labour, Manpower and Overseas Pakistanis</td>
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<td>NFE</td>
<td>Non Formal Education</td>
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<td>OJT</td>
<td>On-the-Job Training</td>
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<td>OSH</td>
<td>Occupational Safety Health</td>
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<td>Acronym</td>
<td>Description</td>
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<td>PBIT</td>
<td>Punjab Board of Investment and Trade</td>
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<td>PDWP</td>
<td>Pakistan Decent Work Programme</td>
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<td>PSIC</td>
<td>Punjab Small Industries Corporation</td>
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<td>PPIC</td>
<td>Policy Planning and Implementation Cell</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>PSIC</td>
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<td>Punjab Social Security Authority</td>
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<td>PTLC</td>
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<td>PVTC</td>
<td>Panjab Vocational Training Council</td>
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<td>SAARC</td>
<td>South Asian Association of Regional Cooperation</td>
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<td>Standing Labour Committee</td>
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<td>TEVTA</td>
<td>Technical Education and Vocational Training Authority</td>
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<td>TVET</td>
<td>Technical Vocational Education and Training</td>
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<td>UC</td>
<td>Union Council</td>
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<td>WDD</td>
<td>Women Development Department</td>
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<td>WEBCOP</td>
<td>Workers Employers Bilateral Council of Pakistan</td>
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<td>WG</td>
<td>Working Group</td>
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Chapter - 1

Introduction

Sustainable and beneficial development is critically linked with the availability of a “decent work”\(^1\) to the able and willing to work women and men. In fact, it is also considered as not only the route out of poverty but sustaining a benevolent and sustained socio-economic development. It is not only the employment *per se* that is important in initiating and sustaining development as well as pulling working men and women out of poverty but equally important are the conditions of employment afforded to the employed. Efforts aiming at generating productive employment are thus closely linked with a readily available and accessible “social protection” and, importantly, fundamental rights at work. However, a simultaneous focus also has to be placed on creating an enabling environment for industrial growth and diversification.

Social development and well-being of all, without any discrimination, has now come to be globally accepted as a “pre-requisite” to the progress of human society. This realization has been reinforced further in the wake of global transformation and market-led liberalization. Human capital base, educated and trained workforce together with improved Human Development Indicators (HDIs) is critical for competitiveness and global standards’ compliance.

The Industrial Relations System (IRS) provides enabling ground for a participatory work environment duly supported by regulatory framework and a mechanism that governs workplace relations. It also ensures a functioning bi- and tri-partism. The IRS is defined as “a mechanism that besides providing a platform for better interaction amongst employers and employees or their representatives by which standards and other terms and conditions of employment are negotiated, adjusted and enforced is also accompanied regulations as well as enforcement”.

Thus, harmonious industrial relations promote efficiency, productivity and decent work. Indeed, a participative and mutually respecting industrial relations advance cooperation, enhance productivity and promote trust thereby reducing antagonism and exploitation.

\(^1\) Decent work is defined by the ILO as comprising of: i) freedom, equity, security and rights. The four pillars are: employment creation and enterprise development, ii) social protection, iii) standards and rights at work, and iv) governance and social dialogue.
Whereas, employers’ and workers’ organizations are the key players in the IRS, an enabling environment is no doubt provided by the public policy and institutions.

The industrial relations need to be developed in such a manner that they promote harmony, peace, cooperation and collaboration amongst the two important players, namely: the employers and workers. Furthermore, it has to accompany well defined dispute settlement mechanism. Indeed, pursuit of a participatory approach for the whole process is critical. It is, for example, crucial in building consensus on employment protection, social security and nature and extent of labour market flexibility.

1. I Constitutional Provisions

The Constitution of Pakistan lays the foundation for a “rights- and commitment-based” approach. It declares the “State” responsible for enabling people to be engaged in employment, it also enshrines “just and humane conditions of work” together with developing a social security system that covers infirmity, sickness and unemployment. Its article-11 prohibits all forms of slavery, forced labour and child labour. Indeed, the Constitution precludes the possibility of any gender based discrimination. Its article-25 guarantees that: i) all citizens are equal before law and are entitled to equal protection of law, ii) there shall be no discrimination on the basis of sex alone, and iii) nothing in this article shall prevent the State from making any special provision for the protection of women and children. Furthermore, its article-34 provides that “steps shall be taken to ensure full participation of women in all spheres of national life”.

The article-37 provides for just and humane conditions of work, ensuring that children and women are not employed in vocations unsuited to their age or sex, and for maternity benefits paid to women in employment. It also lays down that the “State shall be responsible for eradication of illiteracy and provision of free and compulsory education up to secondary level within minimum possible time”.

Box-1

Fundamental Rights and Constitutional Stipulations

Chapter-IV of the Constitution stipulates the fundamental rights of the citizens. Article-17 concerns freedom of association and provides that “every citizen shall have the right to form associations or unions, subject to any reasonable restrictions imposed by law in the interest of morality or public order”. All laws inconsistent with fundamental rights are void. This is provided in article-8, sub-section (1) and (2) of the Constitution.
1. II International Labour Standards

The International Labour Standards (ILSs) of the International Labour Organization (ILO) are either in the form of a “Convention” or a “Recommendation”; they are international laws. While, the former on ratification creates legal obligations for a ratifying member state, the latter is not open for “ratification” and only provides guidance to: policy, legislation and practice. These instruments are adopted by the International Labour Conference (ILC). The ILSs deal with a number of subjects. Numbering 189 Conventions of which 75 are considered “up to date”, they can be broadly grouped in 21 areas, namely: i) freedom of association, ii) collective bargaining and industrial relations, iii) forced labour, iv) elimination of child labour and protection of children and young persons, v) equality of opportunity and treatment, vi) tripartite consultation, vii) employment policy and promotion, viii) vocational guidance and training, ix) wages, x) working time, xi) occupational safety and health, xii) migrant workers, xiii) indigenous and tribal peoples, xiv) labour administration and inspection, xv) employment security, xvi) social security, xvii) maternity protection, xviii) social policy, xix) seafarers, xix) fishers, xx) dock workers, and xxi) specific categories of workers.

Depending on the national legal system, a member-country ratifying the Convention is required to obtain the “consent” of the authority within whose competence of the matter lies - normally a parliament. Whereas, the ratifying country is to communicate the formal ratification of the Convention to the Director-General, it has also to take such steps that are necessary to make effective the “provisions” of the Convention.

It is important to note that while ratifying a Convention, a member-state agrees to make a detailed report to the ILO on the measures that it has taken with regard to the implementation of different provisions of Conventions.

**Detailed reports are automatically requested every three years on the twelve ILSs, regarded as fundamental Conventions, namely: i) 87 and 98 on freedom of association, ii) 29 and 105 on abolition of forced labour, iii) 100 and 111 on equal treatment and opportunities, iv) 138 and 182 on minimum age and worst forms of child labour, as well as the “governance conventions”, v) 122 on employment policy, v) 81 and 129 on labour inspection, and vi) 144 on tripartite consultation.**

**Furthermore, the Committee of Experts on Application of Convention and Recommendations (CEACR) may request detailed reports outside the normal reporting cycle.**
1. III Standards’ Compliance

This Policy is cognizant of the standards’ compliance that has emerged as critical for the manufacturers and supply chain participants to retain and enhance their respective shares in the “sourcing” of MNCs and market access in the industrialized countries. The standards’ compliance are also linked for concessional access to EU and US markets – under Generalized Scheme of Preferences (GSP) as well as accessing resources from multilateral donors. The EU GSP + granted to Pakistan in December 2013 and became effective on 1st January 2014, for example, is contingent upon compliance to 27 global standards in the area of: labour, human rights, environment and governance.

Our responsiveness to global standards is reflected by the ratification of a number of Conventions. Pakistan has ratified 34 ILO Conventions - 33 of them in force. Conventions 87 and 98 were ratified in the very early period of independence. Freedom of association and protection of the right to organize Convention, 1948 (C-87) was ratified in 1951 and the right to organize and collective bargaining convention, 1949 (C-98) was ratified in 1952. These ratifications by the newly independent State did transmit the resolve of the leadership for just and humane conditions for working women and men duly ensuring them fundamental rights at work.

All the ILO Fundamental Conventions also known as Core Labour Standards (CLSs) have been ratified by Pakistan. Pakistan has also ratified: i) UN Convention on the Rights of the Child (CRC), ii) UN Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), iii) UN Anti-slavery Convention, iv) International Covenant on Economic, Social and Cultural Rights, and v) International Covenant on Civil and Political Rights.

The acknowledgement by the international community of standards’ compliance is demonstrated by the grant of GSP+ by the EU.
Chapter - 2

Labour Policy Context

The Punjab Labour policy is in response to a number of factors. Firstly, to demonstrate that there is responsive governance towards fundamental human rights, a humane; participative and mutually respecting work environment, and labour protection mechanisms in place. Secondly, it is to make an effective response to the additional responsibilities entrusted to the province(s) through the 18th Constitutional amendment of 2010. This amendment touching upon 98 articles and two schedules of the Constitution also deleted the “concurrent” legislative list that had 47 entries inclusive of six related to employment and labour - areas.

The labour-related entries, in the now defunct concurrent list, bearing numbers 26, 27, 28, 30, 31 and 45, were respectively dealing with: labour welfare, labour conditions, provident fund, employers’ liability, workers’ compensation, health insurance including invalidity pension, old age pension; trade unions - industrial and labour disputes; establishing and carrying out labour (employment) exchanges, employment information bureaus and training establishments; regulation of labour and safety in mines, factories and oil fields; unemployment insurance; and inquiries and statistics for any issue in this list. These entries were linked with over 70 labour laws in vogue in the country. The labour laws in the country can be broadly grouped into six categories: i) industrial relations, ii) employment and service conditions, iii) occupational safety and health, iv) technical vocational education and training, v) old age benefits, pension, and social security and labour welfare, and vi) wages and remunerations.

Thirdly, it is the need to provide an enabling environment for the industry to grow and diversify with a particular focus on productivity and competitiveness. Currently, the province boasts of 60 per cent of Pakistan’s industrial production. It has many large industrial concentrations; textiles, leather and light engineering goods are of particular importance\(^2\). The province has more than 48 thousand industrial units. The small and cottage industries, in abundance, are over 39 thousand\(^3\). It also boasts of numerous Small and Medium Enterprises (SMEs) clusters. Specializing in specific products, these clusters are spread over Lahore, Sialkot, Faisalabad, Sargodha, Multan and Rahim Yar Khan. The

\(^2\) Other manufacturing industries include heavy machinery, electrical appliances, cement, vehicles, auto parts, I.T, metals, sugar mill and cement plants, agriculture machinery, bicycles and rickshaws, floor coverings, and processed foods.

\(^3\) Source: SMEDA
products of these clusters range from “low-tech” cutlery products, raw vegetables and fruits, handloom textiles, traditional carved furniture, and sports and surgical goods to “hi-tech” auto parts, value added food stuff and juices, modern textiles, mechanized balls, composite material sports goods, modern aesthetic design furniture and many more.

The province has about 29 per cent of the land area, 57 percent of the cultivated and 69 per cent of the total cropped area of Pakistan. It has a major share in the agricultural economy of the country by producing about: i) 83 per cent of cotton, ii) 80 per cent of wheat, iii) 97 per cent of fine aromatic rice, iv) 63 per cent of sugarcane, and v) 51 per cent of maize. The province also accounts for the production of: 66 per cent of mangoes, more than 95 per cent citrus, 82 per cent of guava and 34 per cent of dates. Service sector in the province is also vibrant.

Agriculture is the backbone of the provincial economy and source of livelihood for more than two-fifths of the workforce and their families.

Lastly, it is the better generation of productive employment under decent work conditions. The province has: i) an estimated population of 97.58 million, ii) a working age population - 15 years and above - of 58.95 million, and iii) a labour force of 34.36 million. About a-third of the population is between the ages of 15 and 35. The workforce of the province is increasing annually by a million and quarter. This implies that the province is “well poised” to reap a demographic dividend provided new entrants to the labour market and youth are appropriately educated and skilled to enhance their employability, and the work environments carry necessary protections and safeguards.


Source: Punjab Employment Trends 2013

Chapter - 3

Policy Coherence

A favorable investment climate is closely linked with: i) mutually reinforcing policies, strategies and programmes, ii) supporting infrastructure, iii) regulatory mechanisms, and iv) enforcement. Creation of decent work opportunities for the unemployed and the new entrants to the labour market as well as improving working conditions of employed is contingent upon a level playing field and enabling environment that foster economic activities, businesses and trade. The responsibilities for these lie with a number of federal and provincial government ministries, departments and organizations. Whereas, overall macro-economic management, fiscal discipline and foreign relations including global standards’ compliance reporting rests with the federal government, a number of areas lie under the domain of the provincial government.

The Industries, Commerce and Investment Department (ICID), for example, is given a prominent role to promote industrial development, trade and investment in the province. The main focus of activity is promotion of trade and investment in the province. Some of the industry, trade, investment and HRD institutions placed under the ICID are: i) Punjab Small Industries Corporation (PSIC), ii) Punjab Board of Investment and Trade (PBIT), iii) Punjab Industrial Estate Development Management Company (PIEDMC), and iv) Technical Education and Vocational Training Authority (TEVTA). This department also has a WTO Cell.

The Women Development Department (WDD) is making endeavors for women empowerment. This is reflected by: i) 15 per cent quota of women in public service employment in Basic Scale (BS) 1-15, ii) at least one woman member in selection committees for recruitment, iii) automatic admissibility of 90 days maternity leave on making leave application to immediate supervisor, iv) 33 per cent representation of women in all boards of statutory organisations public sector companies and committees as well as special purpose task forces and committees, and v) women entrepreneurship financing scheme of the Punjab Bank.

The salient features of the Punjab youth policy 2012, among others, include: i) establishment of an online job bank, ii) establishment of youth venture capital, iii) all universities to set up job placement offices, iv) skills development through IT and special stipends for Technical Education and Vocational Training (TVET), v) and local crafts-based loans.

The Human Rights and Minorities Affairs Department (HRMAD) protects and safeguards the fundamental human rights without any distinction of creed, race or
religion and formulates policies to foster equality, unity, peace and harmony among all citizens with compassion and care for the oppressed segments of the society.

The Labour and Human Resource Department (LHRD) is responsible for promoting the welfare and protecting the rights of labour force and workmen. It is entrusted with the task of: i) promoting healthy labour management and industrial relations, ii) protecting the rights of workmen and labour force, iii) workers’ housing, iv) health and safety, v) social protection, and vi) prevention of child and bonded labour keeping in view the national and international standards.

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*The labour policy makes efforts to build synergies with the strategies, policies, programmes and efforts of all these department and organizations attached with them. Though a major challenge, the Government will make an effective response through consensus building, and collaborative and participative arrangements.*
Chapter - 4

Punjab Labour Policy

The Punjab Labour Policy (PLP) aims at streamlining and strengthening the system that protects and promotes workers’ protection and, in phases, builds a comprehensive social protection system that provides necessary securities and safety nets to workers and their families. The Policy also develops a mechanism that promotes industrial peace, harmony and a conducive environment for growth of the industry. It is built by taking cognizance of policies, strategies and programmes of different departments and provincial entities. It also draws benefits of: i) earlier national labour policies of 1955, 1959, 1969, 1972, 2002, and 2010, and ii) Pakistan Decent Work Programme (PDWP) 1 and 2.

The phase-1 of PDWP - 2006-9 had a focus on four areas, namely: i) promote and realise standards and fundamental principles and rights at work, ii) create greater opportunities for men and women to secure decent employment and income, iii) enhance the coverage and effectiveness of social protection for all, and iv) strengthen tri-partism and social dialogue. The phase-2 of PDWP - 2010-2015 has a focus on: i) labour law reform, ii) employment generation through human resource development, with a focus on employable skills, iii) social protection expansion, including in the informal economy, and iv) tri-partism and social dialogue promotion.

The Policy has immensely benefitted from stakeholders’ consultations, Focused Group Discussion (FGDs) and meetings with the concerned provincial government departments and entities, in particular, Punjab Employees Social Security Institution (PESSI), Directorate General Labour (DGL) and Centre for Improvement of Working Conditions and Environment (CIWCE).

The draft of this Policy was presented to the tri-partite stakeholders’ consultation that was also attended by the members of academia and civil society. It was organized by the LHRD on 8th April 2014. Earlier, in a widely participated preparatory conference that also discussed seven thematic topics of the South Asia Labour Conference (SALC), a draft version of the Policy was presented. This Policy benefited from these events.

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8 Note: The word “policy” in this document, denotes the Punjab Labour Policy.
It was also a privilege that the draft of the Policy was also shared with the delegates of the SALC that was held on 24-26 April 2014 in Lahore. Its attendance of over 500 also included more than seventy guests from SAARC countries that included ministers and secretaries of the ministries of labour, employment and migration, representatives of employers’ and workers’ organizations from the SAARC countries including from Pakistan, experts of ILO, representatives of UN agencies as well as civil society, academics, and senior federal and provincial governments’ officials. This Policy acknowledges the interest shown and extremely useful feedback received.

4.1 Vision, Mission, Goal and Objective

Vision

Productive and remunerative employment opportunities in conditions of freedom, equity, security and rights fully protected.

Mission

Promote welfare and protect the rights of labour force and workmen through enforcement of labour laws and Government policies.

Goal

Making effective contribution towards building and sustaining a solid foundation for sustained industry, decent employment and economic growth in conditions of equity and social justice in the province.

Objectives

This Policy aims in the fulfillment of the objectives of: i) improved working conditions duly demonstrating decent wages, minimum wage, accepted working hours, and health and safety measures, ii) employment creation with a stress on gender equality, enhancing employability through appropriately skilled and educated, and eradication of child and bonded labour, iii) social safety nets for the employed and their family members that include health insurance, pension, workmen’s compensation, education and training, and maternity benefits, iv) a functioning bi- and tri-partism with unions undertaking collective bargaining but with a focus on enterprise growth and productivity, v) dispute settlement mechanisms that also incorporate alternate dispute resolution, vi) a level playing field and partnership based work relation and promoting “fair (labour) practices”, and vii) coherence with policies, strategies and programmes related to: a) industry, b) trade, c) investment/FDIs, d) youth, e) women empowerment, and f) TVET.
4. II Policy Framework

The major thrust of the Policy is to protect and promote workers’ rights and welfare through creation of environment that are conducive for enterprise growth and productivity. This is to be facilitated through legislations and regulations with a focus on enforcements. The framework developed is comprised of six inter-related groups, namely:

1. Conducive industrial relations as reflected in fostering bi and tri-partism, the right to organise and collectively bargaining, a dispute settlement mechanism and workers’ participation in management,
2. Labour laws, regulations and enforcement as reflected in the reinvigorated labour inspection system, elimination of child and bonded labour, Occupational Safety and Health (OSH), and codified, simplified and classified labour laws,
3. Workers’ welfare in the form of a readily accessible health care, pension, maternity benefits and other welfare measures,
4. Enabling environment in the form of enterprise development, raising TVET competence, On-the-Job Training (OJT), employment facilitation and creation, Labour Market Information System (LMIS), and managing emigration,
5. Equality and non-discrimination, and
6. Gradual extension of labour protection and welfare to home-based workers, brick kiln workers, domestic workers, informal economy and agriculture sector, Table-1 and Diagram-1.

Table - 1 Labour Policy Framework

<table>
<thead>
<tr>
<th>Sr.#</th>
<th>Different Groups</th>
<th>Elements of Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Conducive Industrial Relations</td>
<td>• Fostering bi &amp; tri-partism,</td>
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<tr>
<td></td>
<td></td>
<td>• Right to organise and collectively bargaining,</td>
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<tr>
<td></td>
<td></td>
<td>• A dispute settlement mechanism,</td>
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<tr>
<td></td>
<td></td>
<td>• Workers’ participation in management,</td>
</tr>
<tr>
<td>2.</td>
<td>Labour Laws, Enforcement and Workers’ Protection</td>
<td>• Codified, simplified and classified labour laws,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Elimination of child labour and bonded labour,</td>
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<td></td>
<td></td>
<td>• OSH,</td>
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<tr>
<td></td>
<td></td>
<td>• Reinvigorated labour inspection system.</td>
</tr>
<tr>
<td>3.</td>
<td>Workers’ Social Security and Welfare</td>
<td>• Health care,</td>
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<tr>
<td></td>
<td></td>
<td>• Maternity benefits,</td>
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<tr>
<td></td>
<td></td>
<td>• Pension,</td>
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<tr>
<td></td>
<td></td>
<td>• Other welfare measures.</td>
</tr>
<tr>
<td>4.</td>
<td>Equality and Non-Discrimination</td>
<td>• Equality</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Non-discrimination</td>
</tr>
<tr>
<td>5.</td>
<td>Enabling Environment</td>
<td>• Enterprise development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Raising TVET competence,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• On-the-Job Training (OJT),</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employment facilitation and creation,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Labour Market Information System (LMIS),</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Managing Migration.</td>
</tr>
<tr>
<td>6.</td>
<td>Gradual Extension of Labour Protection and Welfare</td>
<td>• Home-based workers,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Domestic workers,</td>
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<tr>
<td></td>
<td></td>
<td>• Agriculture sector,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Informal sector.</td>
</tr>
</tbody>
</table>
Diagram – 1
Major Areas of the Policy
4.II.i Conducive Industrial Relations

Fostering Tri-partism

The ILO tripartite consultation Convention, 1976 (C-144) – ratified by Pakistan in 1984 - stipulates that each ratifying member country undertakes to operate procedures which ensure effective tri-partite consultations article-2 (1), table-2 with respect to matters pertaining to ILS (reporting on ratified and unratified conventions; submission of adopted instruments to the national competent authority; denunciation; ratification) which the accompanying Recommendation No. 152 expands to the activities of the ILO. It is also worth mentioning that that this Convention specifies the term “representative organizations” as the most representative organizations of employers and workers enjoying the right of freedom of association, article-1. Furthermore, this Convention also stipulates that: i) representation of employers and workers on an equal footing on any bodies through which consultations are undertaken, article-3, and ii) consultations are undertaken at appropriate intervals fixed by agreement, but at least once a year, article-5 (2).

Table-2

Important Areas of ILO Convention Related to Tripartite Consultations

<table>
<thead>
<tr>
<th>Sr #</th>
<th>Major Areas</th>
<th>Convention</th>
<th>Articles of the Convention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tripartite consultations with most representative organizations</td>
<td>Tripartite Consultation (International Labour Standards) Convention, 1976 (C-144)</td>
<td>Article-1: In this Convention the term representative organizations means the most representative organizations of employers and workers enjoying the right of freedom of association.</td>
</tr>
<tr>
<td>2</td>
<td>Tripartite consultations</td>
<td>C-144</td>
<td>Article-2: (1). Each Member of the International Labour Organization which ratifies this Convention undertakes to operate procedures which ensure effective consultations, with respect to the matters concerning the activities of the International Labour Organization set out in Article 5, paragraph 1, below, between representatives of the government, of employers and of workers.</td>
</tr>
</tbody>
</table>
Inheriting the traditions of “tripartism” from British India, the first Pakistan Tripartite Labour Conference (PTLC) was convened in the early 1950s. The PTLC is considered to be an important forum between employers and workers to consult on all matters of national importance, as well as on all labour-related legislative and policy issues.

The National Labour Commission (NLC) was formed in 1978 and had a tripartite composition. It was assigned the task of studying labour, employment and industrial relations laws in the country with a view to simplifying them, removing anomalies and bringing them in conformity with the socio-economic needs of the country.

The formation of a Standing Labour Committee (SLC) at the national level in the year 1981 and a tripartite working group in 1982 followed the NLC. Both these bodies were tripartite in character and issues of national importance concerning workers and employers were referred to these bodies in order to arrive at a consensus through mutual consultation. The SLC and the Working Group (WG) were “oft and on” consulted by the Federal on amendments to labour laws or on the need for new legislations in the area of labour relations and labour welfare. The SLC, an executive body of the PTLC, considers and examines all matters referred to it by the Conference or the Government and makes its recommendations.

These mechanisms notwithstanding, the fact remains that, as yet, no proper system of social and policy dialogue has been established in the country. The Government of Punjab will make endeavours to tackle this lacuna by institutionalising tri- and bi-partism, and holding provincial TLCs on regular intervals with a follow up mechanism. In particular, provincial SLC will be formed to take up actions on the recommendations of Provincial TLC, arranging policy dialogue on work place related matters, issues, policies and programmes, and make preparation for the subsequent provincial TLCs. Furthermore, efforts will be made to make tri-partite structures of various labour related organisations more effective.

Employers’ and workers’ organisations will be encouraged to establish their provincial bodies whereby they are provided a platform at the provincial TLCs as well as other tri-partite assemblage.
Freedom of Association and Right to Organize

A participatory and mutually respecting work environment is critical for rights based and humane working conditions and environment. The clause-1 of article-3 of the ILO Convention-87 stipulates that workers’ and employers’ organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmes, its clause-2 asks public authorities to refrain from any interference which would restrict this right or impede the lawful exercise thereof. Furthermore, its article-8 (2) stipulates that the law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this convention, table-3.

Besides employers’ organizations, unions also have an important role to play. Their role is seen as comprising of: i) employees compensation in the form of decent wages, ii) improving working conditions, iii) harmonious relations between employers and employees by promoting industrial peace, iv) ensuring partnership based working environment, v) contributing to enterprise development and productivity, vi) securing services for workers with a primary focus on medical, legal, education, and vii) dispute settlement through conciliation, arbitration and adjudication in case negotiations fail.

Actions will be taken for enacting necessary amendments to make it conforming to the provisions of the C-87. Moreover, appropriate administrative measures will be taken to ensure compliance.

<table>
<thead>
<tr>
<th>Box-3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Role of Trade Union</strong></td>
</tr>
<tr>
<td>“A trade union must work to protect and promote the interests of workers and the conditions of their employment”, Trade Union Act 1926. This Act was in force decades earlier than Pakistan gaining independence.”</td>
</tr>
</tbody>
</table>

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9 It is worth mentioning here that Pakistan at the time of independence inherited a number laws and enactments which were adopted and modified, improved and supplemented by new enactments over the years, Ghayur (2009). And now this responsibility rests with the provincial governments.
## Table-3

### Important Areas of ILO Convention Related to Freedom of Association and Protection of the Right to organize

<table>
<thead>
<tr>
<th>S.#</th>
<th>Major Areas</th>
<th>Convention</th>
<th>Articles of the Convention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public authorities to refrain from any interference</td>
<td>Freedom of Association and Protection of the Right to Organize Convention, 1948 (C-87)</td>
<td>Article-3 (1): Workers’ and employers' organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmes, (2). The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof.</td>
</tr>
<tr>
<td></td>
<td>No to be dissolved by administrative authorities</td>
<td>C-87</td>
<td>Article-4: Workers’ and employers' organizations shall not be liable to be dissolved or suspended by administrative authority.</td>
</tr>
<tr>
<td>3</td>
<td>Law of the land not to impair guarantees of the convention</td>
<td>C-87</td>
<td>Article-8 (2): The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Convention.</td>
</tr>
<tr>
<td>4</td>
<td>Exercise of right to organize freely</td>
<td>C-87</td>
<td>Article-11: Each Member of the International Labour Organization for which this Convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organize.</td>
</tr>
</tbody>
</table>
Right to Organize and Bargaining Collectively

Sidney and Beatrice Webb – the couple that coined the term “collective bargaining” - believe that unions presented the first real opportunity of working people to participate meaningfully in the operation and direction of a company … referred it as “industrial democracy”. The Webs defined unions as “a continuous association of wage earners for the purpose of maintaining or improving the conditions of their lives”.

The right to organize and collective bargaining Convention, 1949 (C-98) was ratified by Pakistan in 1952. Its articles-5 and 6 have stipulations with regard to the armed forces and police and public servants respectively as “the extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations” and “this Convention does not deal with the position of public servants engaged in the administration of the State, nor shall it be construed as prejudicing their rights or status in any way”, table-4.

The Convention stipulates “workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment”, article-1 (1). This has to be strengthened further in the Punjab Industrial Relations Act (PIRA) 2010.

Sections 17 & 18 of the PIRA respectively detail the range of unfair labour practices on the part of employers and workmen. Necessary measures for the effective compliance and enforcement will be taken.

Table-4

Important Areas of ILO Convention Related to Right to organize and Collective Bargaining

<table>
<thead>
<tr>
<th></th>
<th>Area</th>
<th>Convention</th>
<th>Article</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adequate protection against anti union discrimination</td>
<td>Right to organize and Collective Bargaining Convention, 1949 (C-98)</td>
<td>Article-1: (1). Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.</td>
</tr>
<tr>
<td></td>
<td>Establishment of machinery</td>
<td>C-98</td>
<td>Article-3: Machinery appropriate to national conditions shall be established, where necessary, for the purpose of ensuring respect for the right to organize as defined in the preceding Articles 1&amp;2.</td>
</tr>
</tbody>
</table>
3 Promoting and encouraging voluntary negotiations and bargain collectively 

C-98 Article-4: Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilization of machinery for voluntary negotiation between employers’ or employers’ organizations and workers’ organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements.

4 The case of armed forces, police and public servants  

C-98 Article-5: (1). The extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations.

Article-6: This Convention does not deal with the position of public servants engaged in the administration of the State, nor shall it be construed as prejudicing their rights or status in any way.

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**Dispute Settlement Mechanisms**

The PIRA details dispute settlement mechanism in sections 33-54 that range from procedures with regard to handling of individual grievances to negotiation, conciliation, arbitration, strikes and lock outs, and labour judiciary - labour courts and Labour Appellate Tribunal (LTA). A worker may bring his (her) grievance in respect of any right guaranteed or secured to him (her) by or under any law or any award or settlement to the notice of his (her) employer in writing, either himself (herself) or through his shop steward or collective bargaining agent within three months of the day on which the cause of such grievance arises.

This Policy deems it appropriate to point out that time normally taken for a dispute settlement in court - superior and subordinate - is too long\(^{10}\). This is also true in case of labour judiciary. This nevertheless has implications for the very principle of timely

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\(^{10}\) For details, Judicial Policy 2009.
dispensation of justice and redressal of grievance of the aggrieved. It has also an adverse impact on labour management relations, industrial peace and harmony, and indeed enterprise productivity.

The litigation process quite often dragging parties to a dispute for years with a consequent cost – at times beyond the capacity of the aggrieved party, does point for the Alternate Dispute Resolution (ADR) mechanisms and “out-of-court” settlements of disputes through alternative mechanisms that are cost effective, efficient and are mutually agreeable.

The mediation and arbitration centers established in many countries including also the Karachi Centre for Dispute Resolution (KCDR) do point their utility and acceptability by the parties in dispute. Whereas, many enactments in Pakistan do stress for ADR, the establishment of KCDR has marked the beginning of institutionalized ADR mechanism in the country.

The employers’ and workers’ organizations in Pakistan, cognizant of the need for the creation of enabling environments that ensure industrial peace, harmony and productivity, are in ideal situation to consider establishment of ADR system for work place related issues. The spadework done by the Workers Employers Bilateral Council of Pakistan (WEB COP) can be used in getting insights and way forward.

This Policy stresses that dispensation of justice may be facilitated by recourse to developing ADR mechanism exclusively meant for the work place related matter.

The Policy also considers it important to suggest a maximum period of sixty days for the dispensation of appeals filed in the LAT.

**Workers Participation in Management**

“Workers’ participation may, broadly be taken to cover all terms of association of workers and their representatives with the decision making process, ranging from exchange of information, consultations, decisions and negotiations to more institutionalized forms such as presence of workers’ members on management or supervisory boards or even management by workers themselves as practiced in Yugoslavia”.

The PIRA provides for the shop steward and works councils. Shop steward has been indicated acting as a link between labour and management. However, the institution of shop steward is limited establishments employing fifty or more workmen/work women.

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11 Source: ILO (1957).
The PIRA also provides for Workers Management Council (WMCs). Consisting of not less than six members, half of the members are to be from the workers. The workers’ representatives holding the office for a period of two years are entitled to participate in all the meetings of the Council and all matters relating to the management of the establishment, except commercial and financial transaction, may be discussed in such meetings. The Council is slated to function for securing and preserving good labour management and look after, among others, the matters of: i) improvement in production, productivity and efficiency, ii) fixation of job and piece-rates, iii) laying down the principles of remuneration and introduction of new remuneration methods, iv) provision of minimum facilities for such of the workers employed through contractors as are not covered by the laws relating to welfare of workers, v) endeavor to maintain continuous sympathy and understanding between the employer and the workmen, vi) settlement of differences and disputes through bilateral negotiations, vii) security of employment for the workmen and conditions of safety, health and job satisfaction in their work, and viii) measures for facilitating good and harmonious working conditions in the establishment, ix) vocational training within the establishment including in-service training, and x) framing of service rules and policy about promotion and discipline of workers.

This policy stresses necessary amendments in the PIRA to allow for a shop steward and WMC in establishments employing 20 or more workers.

4.II.ii Labour Laws, Enforcement and Workers’ Protection

Consolidation and Codification of Labour Laws in Six Broad Groups

Pakistan inherited a number of laws at the time of independence. Later, some were modified, adapted and supplemented by fresh legislation. Labour, in the pre-18th Constitutional amendment of 2010, was on the “concurrent list” whereby both the Federal and Provincial Governments could legislate on related matters. However, in the post 18th amendment labour and employment related matters stand devolved to the provinces.

The coverage, implementation and enforcement of labour laws, as well as lack of conformity with international standards, have been perennial issues causing anxiety, concern and even embarrassment to the Government. The embarrassment caused to the government, for example, has been the explanation sought, among others, by the ILO - on the basis of complaints lodged with it – regarding violations of fundamental rights of working women and men. Many complaints have been in the area of denying workers the right to organize, bargain collectively and work on a freely chosen employment (without forced labour), etc.
The outdated, complicated and overlapping nature of labour laws is yet another dimension of the area of concern. A process, nevertheless, was initiated to reform, classify and codify them over a decade ago. The defunct federal Ministry of Labour, Manpower and Overseas Pakistanis (MOLMOP) had already prepared drafts of consolidated laws pertaining to employment and service conditions, and occupational safety and health.

Whereas, the Punjab Government in the post 18th amendment era has already adopted 14 labour laws, enacted PIRA-2010 and 1 is being developed, the need for focused and integrated approach is clearly warranted. There is a clear need for simplification, codification and classification of labour laws.

This Policy strongly recommends constitution of a tri-partite task force to take stock of the work already done by the MOLMOP and in the Punjab and make efforts to consolidate, simplify and codify labour laws duly taking cognizance of the importance of conformity to ratified Conventions and global requirements.

This Policy is cognizant of the fact that existing labour laws mostly provide coverage and protection to the workforce engaged in formal economic activities. The rights and entitlements of those engaged as “contract” workers in formal economic activities are not clearly enumerated. The laws largely keep workers in the informal economy and especially those engaged in agriculture out of their purview. Furthermore, there is ambiguity in the definitions of workers and establishments. These lacunas will be removed.

**Elimination and Rehabilitation of Child and Bonded Labour**

The Chief Minister directive is that “child labour be eliminated, particularly in the brick kiln industry”. The policy is cognizant of the successes achieved in the child labour elimination programmes. Firstly, in the soccer ball industry during 1997-2002 that benefitted 70,000 children. The Independent Monitoring Association of Child Labour (IMAC) continues to function. Secondly, the child and bonded labour in the brick kilns through a project during 2008-14. This has been helpful in establishing 200 Non Formal Education (NFE) centers that benefitted about 10,000 children and mainstreamed over 1,400 children in formal education system in the Districts of Lahore and Kasur. And the current project covering the period 2012 – 2018; it is being implemented in four Districts – Sargodha, Bahalwalpur, Faisalabad and Gujrat. In this project, 200 NFE centers and 200 adult literacy centers are being established. Based on the successes and experience gained, preparatory work is underway for an integrated project on “elimination of child and bonded labour in Punjab”. This project aiming for establishing 7,320 NFE centers and 5,960 adult literacy cum skills training centers respectively will benefit 256,000 children and 148,800 adults. This Policy recommends:

- Establishment of provincial committee on elimination of child and bonded labour to be chaired by the Minister for Labour and Human Resources. The committee to
have different stakeholders including training providers, NGOs and representatives of employers and workers as members.

- Activation of District Vigilance Committees (DVCs) with mandatory quarterly meetings under District Coordination Officers (DCOs)/Deputy Commissioners (DC).
- Preparation of plan of action for combating bonded labour.
- Review of existing laws on forced labour.
- Design and delivery of large scale skills development programmes that are also linked with micro credit for promotion of self employment.

This Policy strongly recommends conducting a province-wide survey of the child labour to better understand the situation, assess the impact of various interventions and design additional programmes12.

Occupational Safety and Health

Occupational Safety and Health (OSH) of workers in numerous work places is a cause of serious concerns. Globally, 2.34 million persons die of work related accidents and diseases: 321,000 fatal accidents and 2.02 million fatal diseases. Annually, more than 270 million workers suffer from serious non-fatal injuries at work places. The situation is also reflective of the situation prevailing in the country and the province.

This Policy is cognizant of the lags in the legislation as well as inadequacy of the infrastructure to promote and enforce OSH. A large proportion of the workforce in the country and province is illiterate implying their unawareness about the dangers of processes and products with which they deal. They are mostly employed in the informal and unregulated sectors of economy, agriculture and small-sized enterprises. Most of the workforce is not prepared to cope with the hazards posed by the modern technologies and processes. The employers also lack awareness about the necessity of OSH measures. The country and province lack the basic infrastructure and qualified personnel for providing proper OSH services to the workforce.

The industrial incidents of 2012 in the country are pointer towards the lack and the need for effecting significant improvements. Within a span of two days, over 280 lives perished in the garment factory fire incident in Karachi and about 30 precious lives in a shoe factory fire in Lahore. The ill-fated four-storey garment factory was situated in an industrial area, implying its proper registration with the provincial departments and in particular by the directorates of the Labour Welfare and Industry. However, the Lahore factory was in a residential area thereby implying that the owners had avoided even its registration.

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12 The nation-wide survey of child labour conducted in 1996 was instrumental in understanding nature and extent of prevalence of child labour and in preparation of child labour elimination and rehabilitation programmes. According to this survey, 3.3 million of the 40 million were economically active.
This Policy stresses that risks for occupational accidents and diseases at work place have to be managed jointly by the employers and workers. This then requires establishment of OSH management systems. The government, however, is not absolved of its responsibilities. This Policy reinforces that the provincial government will build necessary enabling environments, provide a legislative framework and strengthen enforcement mechanism.

This Policy strongly recommends actions at four fronts.

1. First and foremost, formulation of a law that exclusively deals with OSH.

2. Second, necessary capacity of the enforcement mechanism is built through training, equipments and recruitment of qualified personnel. This also included provision of OSH kit capable to facilitate proper inspection.

3. Third, measures are taken to ensure establishments developing OSH management systems.

4. Last, transforming Centre for Improvement of Working Conditions and Environment (CIWCE) into a Centre of Excellence in OSH with its branches established in each of the four regions – central, eastern, southern and northern - of the province to sensitize and create necessary OSHE awareness, undertake related training, and provide services and technical expertise to public and private sector establishments in the Punjab.

Reinvigorating Labour Inspection System

The labour inspection Convention, 1947 (C-81) stipulates a system of labour inspection in industrial and commercial workplaces shall apply to all workplaces in respect of which legal provisions relating to conditions of work and the protection of workers while engaged in their work are enforceable by labour inspectors, table-5.

<table>
<thead>
<tr>
<th>S.#</th>
<th>Major Areas</th>
<th>Convention</th>
<th>Articles of the Convention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Labour inspection in industry</td>
<td>Labour Inspection Convention, 1947 (C-81)</td>
<td>Article-2 (1): The system of labour inspection in industrial workplaces shall apply to all workplaces in respect of which legal provisions relating to conditions of work and the protection of workers while engaged in their work are</td>
</tr>
</tbody>
</table>
Article-3 (1): The functions of the system of labour inspection shall be: (a) to secure the enforcement of the legal provisions relating to conditions of work and the protection of workers while engaged in their work, such as provisions relating to hours, wages, safety, health and welfare, the employment of children and young persons, and other connected matters, in so far as such provisions are enforceable by labour inspectors.

Article-16: Workplaces shall be inspected as often and as thoroughly as is necessary to ensure the effective application of the relevant legal provisions.

<table>
<thead>
<tr>
<th>2</th>
<th>Labour inspection in commerce</th>
<th>C-81</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Article-22: Each Member of the International Labour Organization for which this Part of this Convention is in force shall maintain a system of labour inspection in commercial workplaces. Article 23: The system of labour inspection in commercial workplaces shall apply to workplaces in respect of which legal provisions relating to conditions of work and the protection of workers while engaged in their work are enforceable by labour inspectors.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Definition of agriculture undertakings</th>
<th>Labour Inspection (Agriculture) Convention, 1969 (C-129)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Article-1 (1): In this convention the term agricultural undertaking means undertakings and parts of undertakings engaged in cultivation, animal husbandry</td>
<td></td>
</tr>
</tbody>
</table>
including livestock production and care, forestry, horticulture, the primary processing of agricultural products by the operator of the holding or any other form of agricultural activity, and (2) Where necessary, the competent authority shall, after consultation with the most representative organizations of employers and workers concerned, where such exist, define the line which separates agriculture from industry and commerce in such a manner as not to exclude any agricultural undertaking from the national system of labour inspection.

| 4    | C-129 | Article-(2): In this Convention the term legal provisions includes, in addition to laws and regulations, arbitration awards and collective agreements upon which the force of law is conferred and which are enforceable by labour inspectors |

The fundamental purpose of labour inspection is to improve working conditions and working environment by securing compliance with labour legislation. It is also a means of dispute prevention and conflict reduction within enterprises. Demonstrating concerns and the commitment of the Government of the newly independent state, Pakistan ratified ILO Convention 81 as early as 1953. This policy, however, is cognizant of the reality that labour inspection machinery of substance, as yet, is not put in place. The existing machinery also continues with the constraints of capacity and capability. It is also over-burned with unnecessary work. Of particular to note is one of their functions being the “enforcement of weights and measures laws on factories, shops and establishments including petrol pumps”.

It is also a fact that whereas employers quite often report about the unnecessary harassment meted out to them and intimidation made by the inspection machinery of labour-related institutions, the workers lament about non-application of labour laws.
Labour inspections are important to enforce labour law. However, current practices need to be changed to facilitate employers and provide protection to workers.

This Policy strongly recommends reinvigoration of labour inspection by affirmative actions with regard to the following:

- Institutionalizing joint inspection by the labour-related institutions. It would eliminate any corrupt practices and enhance protection to workers. It will also ensure increased safety at work places and improve working conditions.
- Bringing more enterprises within the inspection net as well as micro enterprises in urban and rural areas are also brought into the net of labour protection. This is especially with regard to providing social security, and ensuring health and safety at work places,
- Capacity building and necessary infrastructural support to the labour inspection machinery, and
- Establishing, in phases, field offices at the level of Tehsils.

### 4.II.iii Workers’ Social Security and Welfare

Social (security) insurance is available to employees of formal sector (registered with authorities under relevant laws) establishments in the province. While pension is largely administered by the federal entity - Employees Old Age Benefit Institution (EOBI), health coverage and various workers’ welfare measures are provided by the Punjab Employees’ Social Security Institution (PESSI) and Workers Welfare Board (WWB). The range of social security instruments available to the employees of the formal sector are:

1. Old age/invalidity/survivor’s pension, insurance against death and disability, old-age (cash) grant,
2. Health care and maternity benefits,
3. Cash support, in-kind support, housing facilities, jahez grants, and free education of workers’ children.

These are provided mainly by the EOBI\(^\text{13}\), WWB\(^\text{14}\) and PESSI\(^\text{15}\). While workers registered with the EOBI stand at over five million for Pakistan; half a million receiving pensions, the PESSIs has more than 800,000 registered workers.

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\(^{13}\) EOBI: [http://www.eobi.gov.pk/introduction/Pension.html](http://www.eobi.gov.pk/introduction/Pension.html)

\(^{14}\) An industrial establishment with an assessable income under of Rs. 500,000 has to contribute 2% of it under WWF Ordinance, 1971. The left over amount under the Companies Profit (Workers Participation) Act, 1968 after distribution amongst workers is also earmarked for the WWF. Some important programmes are: housing colonies for workers, workers’ children education, *jahez* grant @Rs.100,000/daughter, death grant @500,000 & sewing machines that are administered by the provincial WWBs.

\(^{15}\) The medical services by the provincial PESSI are comprised of: 14 big hospitals, 2 small hospitals, 39 medical centres, 136 dispensaries, 86 emergency centres and 161 ambulances.
Contributions, mainly by employers, are the major source of funding for the social insurance (security) instruments of the private sector employees. This is also a major cause of concern. Actuarial studies carried out for the PESSI, for example, informs that coverage of the range of benefits provided by it are not sustainable if the rate of contribution remains at 6 per cent. There are serious concerns about the sustainability of the services provided by the PESSI.

This Policy stresses establishment of a mechanism that gradually works for a universal access to social insurance (security) that is contribution based, affordable and sustainable. A system that integrates provision of: i) basic health care including maternity benefits and children’s immunisation, ii) elderly care through introduction of pension and life insurance, and iii) safety nets to the widows, orphans and injured especially at work places.

This Policy strongly recommends appointment of a high powered tri-partite task force to look into the following:

1. Rationalization of the range of benefits and protections provided by the PESSI and WWB as well as their expenditures,
2. Exploring the possibilities and modalities of merging WWB with the PESSI,
3. Developing mode of collaboration with the PSPA,
4. Gradually extending benefits to other segments of workforce, such as: home-based workers, brick kiln workers, domestic workers, informal sector and agriculture, and
5. Looking into the matter of efficient management of EOBI when it is devolved to the provinces in pursuant of the 18th Constitutional amendment.
6. Provision of ten thousand flats to the eligible workers.
7. Enhancement of death compensation and group insurance to Rs. 5,00,000/- (Five lacs) each.

*The Policy also recommends establishment of Punjab Social Security Authority (PSSA) that combines PESSI, EOBI after its devolution to the provinces and WWB. It should have a tri-partite governance structure with appointments of professionals particularly in the area of “funds management”. The run up to the devolving of the EOBI should be used for building and strengthening necessary capacities and capabilities. The PSSA should also develop a collaboration and cooperation with the PSPA for greater synergies and better outreaching.*
In addition to above, emphasis is being given for enhancement of minimum wages in a gradual manner. The policy recommends increase in minimum wages for the unskilled workers to Rs. 15000/- per month during the next four years. Enhancement of minimum wage for the unskilled workers to Rs. 11000/- per month w.e.f. 1st July, 2014 has been recommended by the Punjab Minimum Wages Board. The coverage of minimum wages notification for different categories of skilled workers will be extended to at least 50 more industries.

4.II.iv Equality and Non-discrimination

Some commendable achievements are noted in Pakistan and also in the Punjab province with regard to promoting gender equality and social justice in the world of work. The Gender Reform Action Programme (GRAP), fixation of quota for females in the governmental jobs and reserved seats in the national and provincial legislatures are some of the manifestations. The landmark imitative taken by the Punjab Government is the representation of women in governing bodies. The Punjab Fair Representation Act 2014 stipulates 33 per cent representation is given to eminent and experienced women on board of directors, board of management and other apex bodies of: i) public sector corporations and companies, ii) public sector organizations, iii) art and culture institutions, iv) public sector foundations, v) regulatory bodies, vi) public sector universities, vii) special task forces and committees, and viii) research and development institutions. The PIRA also stipulates representation of females in the executive bodies of the trade unions.

Country’s labour laws also have provisions safeguarding working women rights. The Factories Act, 1934, applicable to factories with ten or more workers, focuses on working hours, mandatory rest intervals, weekly holidays, overtime work, and annual holidays with pay, etc. of industrial workers. This act also contains provisions regarding minimum age of employment, dangerous occupations, female workers and children, and safety, health, hygiene, and the general welfare of workers in factories.

One of the women-specific provisions in this act relates to having separate toilets for women with clear markings. Furthermore, the act disallows women to work in repairing, oiling and assembling of machines (section 27), looms (section 32), and cotton bales preparation (section 32).

The act also stipulates that centers be established for children of less than six years of age in factories employing more than 50 women workers (section 33) and separate washbasin, soap and towels be provided for them (section 42). No woman is allowed to work in a factory other than between 6 am to 7 pm (section 45).
The Shops and Establishments Ordinance, 1969, prohibits employment of women or young persons (below 17 years of age) between 9 pm to 7 am, except with prior permission from the government.

Whereas, each ratifying member country is to ensure application of the principle of equal remuneration for men and women workers for work of equal value to all workers, article-2 (1) of C-100, the ratifying member country is to also declare and pursue a national policy designed to promote equality of opportunity and treatment in respect of employment and occupation, article-2 of C-111, table-6.

The equality and non-discrimination in employment and remuneration in such employment situations need to be ensured by providing the right to organize and bargain collectively to workers of all these type of work as well as making laws relating to social security including old age benefits applicable to them.

**Table-6**

**Important Areas of Priority Conventions Related to Equality and Non-Discrimination**

<table>
<thead>
<tr>
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<th>Articles of the Convention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Equal remuneration</td>
<td>Equal Remuneration Convention, 1951 (C-100)</td>
<td>Article-1: For the purpose of this Convention-- (a) the term remuneration includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment. Article-2: (1). Each Member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value.</td>
</tr>
</tbody>
</table>
Article-2: Each Member for which this Convention is in force undertakes to declare and pursue a national policy designed to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof.

The Constitutional provisions, ratification of ILO Conventions and CEDAW, and stipulations in labour laws as well as initiatives of significance notwithstanding, gender related discriminations abound at workplaces. Even women workers are found denied the protections and benefits available under various labour laws. Furthermore, majority of women are employed in informal economy.

Major area that needs to be carefully looked into is the female employment status and place of work. Three-fifths of them are employed as unpaid family helpers (UPFHs), 15 per cent are self-employed and only a quarter is working as employees. A majority of women in the province (and country) - more than two-thirds - are in the agriculture sector.

Home-based workers (HBWs) are estimated to be over eight million in the country; more than three-fourths of them are women. This policy is cognizant of the fact that despite the recent initiatives on developing provincial policy on HBWs, as yet, neither they are covered by any labour legislation nor definition of HBWs is part of any statute. Therefore, they are unable to access services, facilities, rights and benefits, including fair remuneration under the laws.

This Policy strongly recommends the following:

i) Fixation of a quota of 33 per cent for the women workers, duly elected or nominated by the registered federations, in all the tri-partite structures of labour-related institutions, such as: PESSI, WWB, minimum wage board, the proposed provincial TLC and SLC as well as task forces, working groups and committees established by the labour department and its various institutions,

ii) Unions of workplaces demonstrating more than half of the female workers should have at least two-thirds of women in the executive bodies and not less than half as office bearers,
iii) In other unions, at least one-tenth of women should be in the executive body and office bearers,

iv) Women-specific provisions in different labour laws are appropriately displayed in workplaces,

v) At least a-tenth of women are made members of the DVCs, and

vi) Labour protection and particularly welfare mechanisms are extended HBWs, domestic servants and brick kiln workers on priority basis.

4.II.V Enabling Environment
Enterprise Development

This policy recognizes the importance of enterprise development, growth and productivity as the key determining factor in ensuring decent employment outcomes. It is also recognized that a number of determining factors for enterprise growth and a vibrant private sector in industry, services and trade - tackling business growth constraints and cost of doing business, the ease to start a business, physical, legal, and administrative infrastructure, fiscal and monetary policies, and indeed matters related to law and order and availability and access to utilities – do not fall under the purview of a labour policy. However, a labour policy can also contribute towards building and strengthening an enabling environment.

This Policy stresses that a strategy for the promotion of sustainable enterprises that ensure private investment, especially by smaller businesses, is formulated. It is developed through a consultative process involving key stakeholders. In sections 2 and 3 respectively on policy context and policy synergies, current focus with regard to growth and development of industry and services has been indicated. This policy reinforces the need to unlock the potential of enterprises to create more and better jobs through improved policies, regulations, simplified registration and licensing procedures, business training including entrepreneurship, access to finance and technologies, market development and organization building. These all would support enterprise development and promote sustainable enterprises.

The Policy strongly recommends the following:

- Development of procedures that facilitate enterprise relocation, shift in production pattern,

- According the recognition of the right of employer to hire and fire but with the proviso that letter of appointments are institutionalized and a due procedure is
followed for “firing” including a prior consultation with shop steward and/or CBA as well as a notice to the employee,

- Benefits to workers are exclusively linked with productivity but with proviso that a transparent mechanism is established to determine the productivity and otherwise of an enterprise, and

- A code of conduct separately for employer and workers of an enterprise is worked out that duly incorporates the PIRA articles on unfair labour practices.

Raising Vocational and Technical Training Competence

The large and burgeoning population in the province has to be productively employed under decent work conditions, made competitive and a successful transition from low productivity occupations and sectors to those with high productivity takes place. This is on the top of the agenda of the Government of the Punjab. The Government is not only strengthening an enabling business environment and supporting infrastructure but facilitating creation of jobs for the unemployed and the new annual entrants. These efforts are being matched by a simultaneous focus on improving working conditions of those employed in precarious and vulnerable form of employment.

Employability and productivity of the workforce, however, is crucially linked with the level of technical vocational education and training (TVET) competence one possesses. A TVET system having the needed flexibility thereby responding well and timely to the emerging market requirements is essential. The system grows and contributes if instructions are “demand-led”. The need for greater and effective participation of the private sector in design and delivery of TVET is clearly manifested. This Policy suggests immediate and medium action to enhance TVET competence.

The suggested short term steps for enhancing TVET competence in the province are:

- Support to the launch of short-duration skills development and up gradation programmes in each tehsil by TEVTA and PVTC. Existing institutions, if available, are used. In areas where no TVET institutions exist, premises of Middle and Secondary Schools are used. Local bodies are made responsible for identification of such premises. Private sector is involved in the design and delivery of training.

- Fostering public private partnership (PPP) to mobilize resources and comparative advantage of each other for making the system effective, efficient and sustainable.

- Support is provided to TEVTA and PVTC in strengthening centre/institute management committees (C/IMCs) that are led by local employer and given a meaningful role and responsibility.
The skills development council (SDC) is integrated in the design and delivery of TVET particularly short-duration courses.

TVET institutions are given flexibility to adapt to market needs especially in their evening programmes.

The suggested medium term steps for enhancing TVET competence in the province are:

- Private sector and industry is encouraged to establish training institutions that will be matched by incentives and rewards by the Government.
- The private sector is encouraged to initiate and expand On-the-Job Training (OJT) as well as expand the offerings under apprenticeship. Such initiatives will be matched by incentives and rewards by the Government.
- The TVET Centers established in the private sector especially in rural areas and by the industry will be given matching grants or other incentives.
- Curriculum of TVET should also include instructions on: basic core skills like communications, problem solving and diagnosis, interpersonal skills, behavior and attitude as well entrepreneurship. This would enhance employability of the trainees.
- Support for an exercise to assess training needs of each District by industry, agriculture and services will be undertaken together with skill mapping.
- Well designed “Matric Vocational” stream in secondary education will be introduced together with post primary education to have gradual orientation on skills – life, vocational and business – as part of general education in the education institutions run under the administrative control of LHRD.

An accurate account of skill needs by Districts in Punjab, as yet, has to be worked out. Skill requirements for different trades and occupations are to be worked out separately for rural and urban area and by seven broad categories, namely: i) SMEs by activities, ii) domestic commerce, iii) services, iv) agriculture, v) non-farm sector, vi) agro-related, and vii) construction related. This Policy strongly recommends undertaking this exercise in close cooperation with TVETA, PVTC, provincial bureau of statistics and SDCs.

Employment Facilitation through LMIS

Effectiveness of efforts in the direction of employment generation, TVET provision and other human resource development (HRD) programmes are crucially linked with sufficiently available, reliable and disaggregated data on the nature and extent of unemployment and employment. This information is also needed for undertaking employment counseling and vocational guidance as well as providing feedback to the education and training institutions on the adequacy and responsiveness of their graduates.
to the needs of the economy and labour market. It also informs about the economic activities that are on the rise and also those on the slide.

An integrated, well coordinated and comprehensive Labour Market Information System (LMIS) will be developed in the province. This system would be able to undertake employment counseling, vocational guidance, register unemployed, seek notifications from employers – both in public and private sector, and generate detailed and disaggregated labour market information with a capacity built for its analysis, reports and dissemination. The LMIS developed - well integrated horizontally and vertically – with Districts as focal point will be developed by the LHRD in close cooperation with provincial departments, TEVTA, PVTC, employers’ and workers’ representatives, Chamber of Commerce and Industries (CC&Is) and other key stakeholders. The defunct Employment Exchanges (EEs) of the province will be revived, their capacity built and functions modified as well as improved. The placement bureaus and employment counseling and vocational guidance centers of other organizations – TEVTA, PVTC, Universities, etc. – will be brought onboard for greater synergies and better service delivery outcomes.

The LMIS will seek to generate well researched answers to a set of questions relevant for LMI and policy development. These can be grouped in four broad categories, namely: labour demand and supply, labour market discrepancies and other type of information. In each category a number variables ranging from number of filled jobs and vacancies to deployment, unemployment, under employment, working conditions, access of labour protection and welfare measures need flow of information on regular intervals. Such information flows are important to understand nature and extent of employment creation, school to work transition, relevance of education and training, occupational and skill mismatches, and malfunctioning of labour market, table-7.

Table-7
Categories of Labour Market Variables Relevant for LMI and Policy Development

<table>
<thead>
<tr>
<th>Category</th>
<th>Variables</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Demand</td>
<td>• Number of filled jobs,</td>
<td>Flow approaches aim at measuring:</td>
</tr>
<tr>
<td></td>
<td>• Vacancies (unfilled jobs),</td>
<td>• Jobs creation,</td>
</tr>
<tr>
<td></td>
<td>• Change in jobs</td>
<td>• Jobs destruction.</td>
</tr>
<tr>
<td></td>
<td>(increase/decrease).</td>
<td></td>
</tr>
<tr>
<td>Labour Supply</td>
<td>• Deployment,</td>
<td>Flow approaches aim at measuring inflow and outflow:</td>
</tr>
<tr>
<td></td>
<td>• Unemployment.</td>
<td>• From/to inactivity,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• From education and TVET system into labour market,</td>
</tr>
</tbody>
</table>
### Labour Market Discrepancies

- Unemployment,
- Inactive supply,
- Vacancies,
- Overtime work,
- Under and over employment,
- Mismatches: education, skills.

Labour market discrepancies indicating:
- Malfunctioning of labour market due to various causes,
- At occupation level special attention goes to educational and skills mismatches.

### Other Labour Information

- Wages and earning levels,
- Working hours and over time,
- Occupational health and safety,
- Industrial accidents,
- Career paths,
- Recruitment practices,
- Unionized (organized) workers,
- Collective agreements,
- Industrial disputes,
- Labour judiciary,
- Notification of vacancies,
- Placement arrangements,
- Hiring and firing practices.

This type of information is relevant to describe the functioning of labour markets in their legal, institutional, social and economic context.

Furthermore, the set of questions that the LMIS should be able to effectively respond are:

1. How to improve the quality of labour market information?
   - What are the main sources of information, say on Key Indicators on Labour Market (KILM)?
   - What are the major issues with the current sources of LMI?
   - How data gathering exercises are coordinated and/or can be coordinated?
   - How to get information on labour demand?
   - How to improve information on required skills for occupations and professions?
   - How to improve quality of data for informal sector and those engaged as self employed?
2. How to develop and strengthen the VC and JP services?
   - What are the guidelines for training the counselors?
   - Is there infrastructure that can be used and/or integrated for VC and JP services?
   - How to prepare detailed career guides as has been done in the Philippines?

3. Can the unemployed be reached?
   - If yes, how?

4. What should be the organizational structure for an effective, efficient and sustainable LMIS that is horizontally and vertically integrated and well coordinated?
   - Which are the target groups of the LMIS?
   - How the key stakeholders, namely: i) users of human resources - employers, ii) producers of manpower – education and TVE institutions, iii) job seekers, and iv) VC and JP service providers are brought onboard?

Based on the questions raised and key policy question, a well developed, coordinated and integrated LMIS - vertically and horizontally – appears as the key for generating detailed and disaggregated LMI and its analysis, undertaking VC, JP and providing other employment services. This policy suggests revival of the institution of Employment Exchanges (EEs) but revisiting their functions and roles, establishment of a three-tier LMIS with following functions:

   - labour market information and analysis, and preparation and dissemination of reports,
   - registration of job seekers and unemployed,
   - registration of vacancies from employers (receiving vacancy notifications),
   - vocational counseling including preparing career guides for each of the skill and vocational training offered,
   - employment counseling, and
   - Job placement.

The role and functions Labour Market Information and Resource Centre (LMIRC) of the LHRD will be redefined so as to make it a research arm and data bank of the LMIS in the province.

The Policy suggests establishment a task force to help in the establishment of a 3-tier LMIS in the province as well as in redefining the roles and functions of LMIRC and EEs.

**Employment Creation**

The Government, in addition to creation of employment through greater economic activities, will also make interventions in the labour market for generating employment opportunities. This Policy suggests that in addition to promoting self employment
through making available credit, domestic commerce, and housing and construction is focused for enhanced income and employment as well as growth in economic activities.

Trade and business - domestic commerce - is critical for local products development, better quality and standards, and even affordable/cheaper goods. It has the potential to generate significant employment opportunities. A vibrant domestic commerce is pre-requisite for innovation, entrepreneurship, quality assurance and product development. Promotion of domestic commerce is crucially linked with a simultaneous focus on tackling issues confronting this sector, namely: supply chains, warehouses, refrigeration, transportation including refrigerated transport, infrastructure, human resources, gender aspects, finance to small and micro businesses, and availability of banking system in small cities, towns and village clusters. Some of the interventions in this regard will be:

1. Supporting establishment of 200-500 self employment and small scale activities in each Tehsil; at least 10 at the level of each Union Council (UC) annually.
   a. Half of the beneficiaries are in the age group of 18-35, a-quarter are educated having at least secondary school certificate or equivalent vocational training, 2 per cent are persons with disabilities and rest are women.
   b. Micro-credit schemes benefit at least 200-500 in each Tehsil; at least 10 at the level of each UC annually.
   c. Half of the beneficiaries are in the age group of 18-35, a-quarter are educated having at least secondary school certificate or equivalent vocational training, 2 per cent are persons with disabilities and rest are women; half of them either single or household heads.
   d. Support to the establishment of 500-750 small agro-related businesses and processes in each Tehsil annually with targets for fisheries, poultry, small dairy and livestock farms, and fruit and vegetable processing.

2. There is acute shortage of housing units especially amongst the poor and lower income groups. Mostly abode in informal settlements. Low cost housing can enable many meeting the basic need. Furthermore, housing and construction carry significant employment opportunities including giving a boost to ancillary economic activities. The industrial linkages include bricks, cement, steel, paints and varnishes, electricity cables and fittings, sanitary ware, tiles, mining (construction stones, marbles and other ceramic materials), electronics, household appliances, other construction material industries, etc. This policy suggests:
   a. Construction small new houses and/or apartments by providing necessary infrastructural, administrative and regulative support. Construction of 100,000 new small - on 3-5 marlas - houses and/or apartments annually; each District getting a share according to the population and need.
   b. Simultaneously, separate markets are developed and/or improved at least at the level of each tehsil for: i) motor garages, automobile parts, repair and maintenance, ii) construction related items, iii) household and consumer items, and iv) range of services.
An inter ministerial task force with representation of industry, TVET, banking and micro-finance institutions, and employers’ and workers’ organizations will be established for working out a modality to ensure greater income, employment and economic activities outcomes.

Managing Migration

Overseas migration plays a key role in the progress and prosperity of individuals and countries. The economic contribution of migration towards poverty reduction, employment generation and women empowerment is extensive. Interestingly, the phenomenon of migration is increasingly being feminized. For example, in case of Asia and Oceania almost 43.5 per cent and 51.2 per cent of the migrants are women. 

The very process of migration is also linked with an effective mechanism that transfers new skills to workers of the home countries on their return from abroad. Their remittances help their families help build foreign exchange reserves and provide balance of payments support. In the host countries foreign workers contribute to the growth and prosperity.

Migration flows from Pakistan – estimated to be over 5 million from 1971 to 2013 – have mostly been to Middle Eastern countries. In the past couple of years, the number of Pakistani workers going abroad has been in the range of 400,000 to 600,000. While working overseas many migrants acquire new skills and accumulate knowledge that contributes in human capital formation.

The remittances are approaching $16 billion a year, an amount substantially higher than any development assistance and/or support by International Financial Institutions IFIs. The most recent – in the year 2013 - International Monetary Fund (IMF) supports to Pakistan is a mere $6.5 billion, which comes with severe conditionalities.

There is need to wait the pros and cons of continued reliance on IFIs, with their stringent conditionalities, or tapping the vast employment potential that exists in numerous labour hosting countries, particularly in the oil-producing countries of the Gulf Cooperation Council (GCC). These are the most important destination for Pakistani workers, Saudi Arabia and the UAE in particular.

However, the process is confronted with numerous problems which have the potential of making an adverse effect on workers’ flows from Pakistan. These are identified as: i) recruitment mechanisms, ii) verification of visas, iii) pre-departure briefing/orientation, iv) proper skilling, v) lack of information about the type of jobs available and changing labour market requirements in the major labour hosting countries, vi) working and living conditions in the host countries, vii) cost of migration and financing of migration, and
viii) inadequately developed mechanisms to safeguard the rights of migrant workers and ensuring proper health and safety conditions.

In the migration process we are also confronted with a number of other issues and challenges. Matters needing special attention are: i) border control management, ii) human trafficking and smuggling, iii) issue of deportees, iv) families left behind, and v) reintegration on return. However, the major cause of concern is non-availability of sufficient data on the migration process in the country. We have, as yet, not developed a mechanism for proper records of returning migrants.

We in Pakistan, and Punjab as well, are facing the problem of excess supply of work aspirants compared to our domestic labour demand. The consequent underutilization of workforce, both unemployment and underemployment affecting a fifth of the workforce continues to pose a major challenge. The labour force increasing by over 2.5 million annually will continue to exert pressure on us to design innovative strategies in tackling unemployment on sustainable basis. Therefore, it demands exploration of all possible avenues for generation of decent employment including overseas. Thus, a renewed focus on tapping the vast employment potential overseas would be an important factor in not only tackling unemployment but resource constraints as well.

This Policy recommends constitution of a task force for greater and effective tapping of overseas employment potential for the workforce from the Punjab and building a collaborative mechanism with the concerned federal government institutions as well as raising TVET competence that is in line with the demand in labour hosting countries.

4.II.vi Gradual Extension of Labour Protection

The policy cognizant of vulnerable nature of employment of working women and men in: i) brick kilns, ii) home-based work, iii) domestic services, and iv) agriculture, suggests extension of labour protection and labour welfare measures to them in phases. The home-based and brick kiln workers need to be mainstreamed in the first phase.

4.III Implementation Mechanism

A Policy Planning and Implementation Cell (PPIC) is recommended to be established. It can be initially established as a project for three years. This Policy suggests that the cell should be entrusted with the responsibilities of: i) preparing an implementation plan of the Policy, ii) monitoring and regularly reporting on the state of implementation of the Policy, iii) acting as a secretariat of the PLPC, and iv) making an
yearly review of the Policy with a view to proposing modifications and/or additions to be made in order to respond to changing environment.

Districts are to emerge as the focal point for the implementation of the policy. This policy suggests establishment of Labour Protection Committees (LPCs) comprising of all the responsible institutions and other key stakeholders. The committees to be chaired by the District Coordination Officer will meet at least once in a quarter.

For an effective implementation of the Policy and ensuring greater linkages as well as coordination with other departments/institutions, establishment of an inter-ministerial Labour Protection Council is proposed under the Chairpersonship of the Minster for LHRD. Necessary secretarial and technical backstopping will be provided by the proposed PPIC.
Chapter 5

Conclusions

The Government of Punjab, in pursuance of the Constitutional obligations and also demonstrating governance fully cognizant of the importance of humane, participative and level playing work places, is ushering a new era in industrial peace, harmony and productivity, and workers’ protection and welfare.

This Policy lays down a framework that builds on the existing mechanisms established for workers’ protection and welfare. This is manifested from a number of measures introduced. One, labour protection is being extended to the uncovered segments of the workforce, such as: home based workers, domestic workers, contract workers, and those engaged in informal economy and agriculture sector.

Two, the Chief Minister’s vision of a “child labour free province” will be made a reality. There are concrete programmes and action plan for the elimination and rehabilitation of the menace of child and bonded labour from the province.

Three, the social security coverage and workers’ welfare benefits are being extended to the brick kiln workers and home based workers. Furthermore, process for a gradual universal access to social protection will be initiated.

Four, due recognition is accorded to the fact that a sustainable and beneficial development is critically linked with the availability of a “decent work” to the able and willing to work women and men as well as an environment facilitating enterprise growth and productivity. In this context, besides reforming and codifying labour laws, focus is also on raising workers technical education and vocational training (TVET) competence and employment facilitation. Besides measures suggested for TVET, a well-coordinated and integrated system that undertakes vocational counseling, career guidance, employment counseling and labour market information will be developed.

Five, importance of an effective enforcement of labour laws is stressed and it will be achieved through re-invigorated labour inspection machinery in the province.

Last, due recognition is given to the need that industrial relations are developed in such a manner that they promote harmony, peace, cooperation and collaboration amongst the two important players, namely: the employers and workers. In this context, a platform for regular interaction of the stakeholders – employers, workers and government – will be established in the form of Punjab Tripartite Labour Conference.

This Policy also demonstrates the resolve of the provincial government in meeting the requirements of international labour standards.
A framework, through a participative process, for a humane and mutually respecting work environment - critical for fostering industry and economic growth as well as creation of employment under decent work conditions - has been developed and put on an implementation mode.

Whereas, the Policy will have annual reviews in order to ensure its relevance to the changing environments; it will remain a basic document of the Government for four years.
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