



Harmonization of Labour Laws and Policies in Pakistan in line with International Labour Standards

A Joint Presentation

By

Labour & Human Resource Department, Government of the Punjab

&

Center for Law and Policy, Lahore

South Asia Labour Conference, Lahore, Pakistan, 24-26 April 2014



Pakistan: Ratification of ILO Conventions



Ratified	36
Denounced	3
In Force	33

Source: ILO



Pakistan: Ratification of ILO Conventions



Category	Total	Ratified by Pakistan	Percentage
Fundamental Conventions	8	8	100%
Governance Conventions	4	2	50%
Technical Conventions	177	26	15%

Source: ILO



Status Today



- In 2010, subjects of labour and employment devolved to Provinces under the 18th Amendment to the Constitution of Pakistan
- Federal labour laws made applicable on Provinces under Article 270AA(6) of the Constitution of Pakistan until replaced, amended or repealed by Provinces
- Only cosmetic or minor re-enactments and amendments made by Provinces till date



Status Today



**How many labour and
employment laws
are in force in Punjab Province of
Pakistan today?**



Status Today

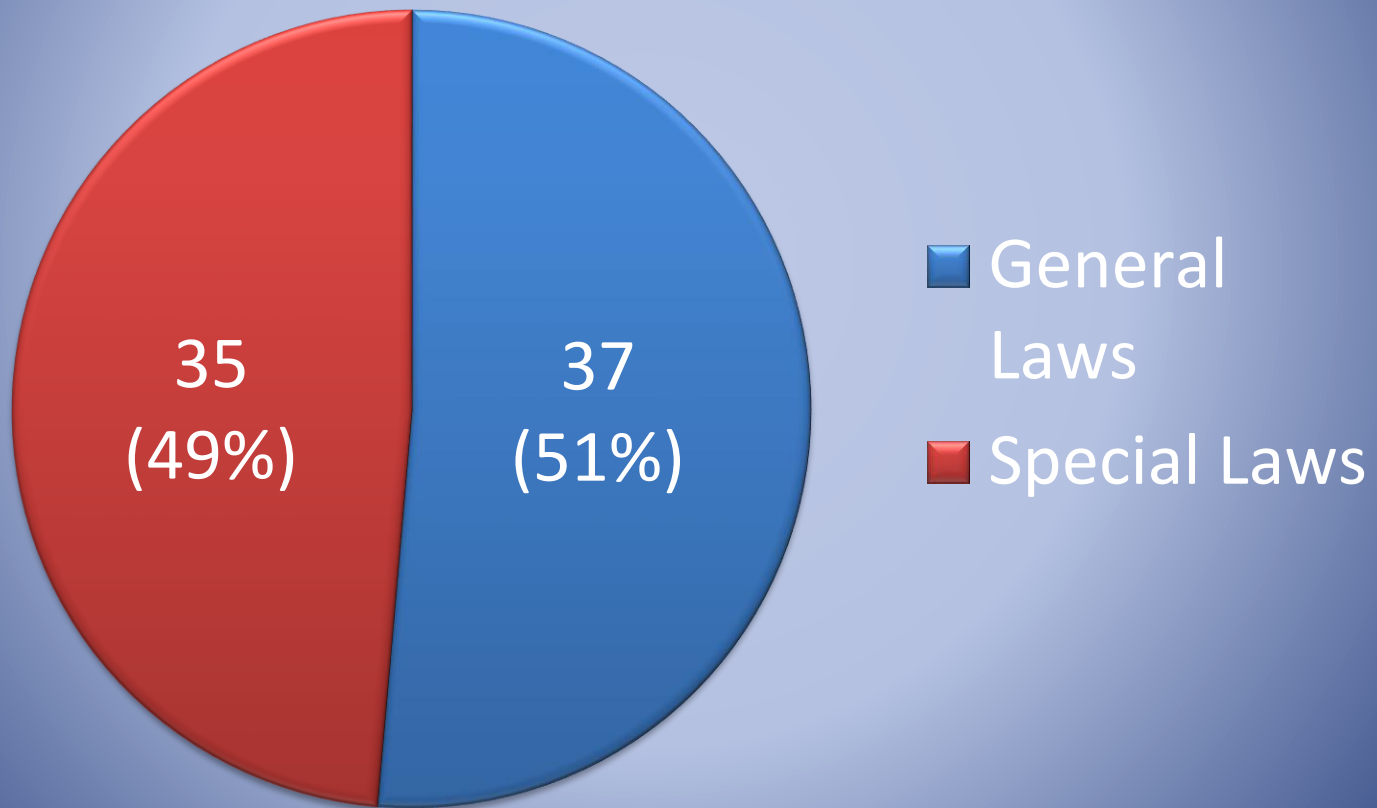


72

Acts & Ordinances



Proportionate Share of Labour Legislation





Going Forward



The Punjab Government proposes consolidation, simplification and rationalization of labour legislation to make the task of harmonization with International Labour Standards simpler and more effective



**Why has consolidation,
simplification and rationalization
not taken place until now?**



Background



EXERCISE

28 YEARS

IN THE MAKING SINCE 1986



Background



- 1986 ILO Sectoral Mission
- 1994 Task Force on Labour
- 2000 Shafiur Rehman Commission Report
- 2002 Labour Policy
- 2010 Labour Policy
- 2014 Draft Punjab Labour Policy



Background



- **2000 Shafiur Rehman Commission Report**

Recommended consolidation into 6 laws relating to:

- industrial relations
- fixation of payment of wages
- employment and working conditions
- occupational safety and health
- human resource development
- labour welfare and social safety net

(Source: Shafiur Rehman Commission Report 2000)



Background



- **2000-2002**

20 laws consolidated into following 6 draft laws:

- Industrial Relations Ordinance
- Conditions of Employment Ordinance
- Payment of Wages Ordinance
- Occupational Safety & Health Ordinance
- Labour Welfare & Social Security Ordinance
- Human Resources Development & Control of Employment Ordinance



Reasons for Past Failures



- Lack of political will and/or frequent change of governments
- Individual leadership initiatives rather than institutional initiatives
- Lack of sustained effort
- Lack of expertise
- Difficulty in reaching consensus due to greater number of stakeholders spread across four Provinces



Reasons for Past Failures



- Improper project execution
 - Failure to effectively manage the stakeholders' consultation processes
 - Long-winded and/or flawed consultation processes
 - Failure to obtain meaningful stakeholder inputs
 - “Back-to-front” approach (i.e. initiating tripartite consultation process prior to drafting the draft legislation as opposed to first drafting the legislation and, thereafter seeking stakeholders' inputs, i.e. “front-to-back” approach)



Reasons for Past Failures



- Failure to fully appreciate “cost of implementation”, “cost of compliance” and “cultural adaptability” issues by stakeholders
- Absence of pressure from foreign stakeholders such as the EU and the ILO
- Absence of punitive measures by foreign buyers, e.g. The Walt Disney Company’s dropping of Pakistan from its list of ‘Permitted Sourcing Countries’ w.e.f. 1 April 2014



Objectives



- **Consolidation**
- **Simplification**
- **Rationalization**
- **Harmonization**



Objectives



■ Consolidation

- Reduce number of laws
- Identify laws that can be consolidated
- Precedent: In the 2000-2002 drafting exercise, out of the 37 general labour laws, 20 laws were consolidated into six laws



Objectives



■ Simplification

- Consolidation itself contributes to simplification
- Fewer laws easier to implement, comply with and enforce
- Rights and obligations easier to understand
- Simplification and reduction of paperwork and procedures
- Cost-saving and time-saving for all stakeholders



Objectives



■ Rationalization

- Removal of:
 - Overlapping, repetition and redundancies
 - Conflict
 - Gaps and loopholes
- Penalties for non-compliance must have deterrence value
- Creation of a seamless and comprehensive legislative framework



Objectives



■ Harmonization

- Harmonization with International Labour Standards, specifically ILO Conventions
 - Ratified by Pakistan
 - Not ratified by Pakistan (as much as possible)
- Harmonization with laws and best practices of major markets



Scope



▪ Applicable to:

- Industrial establishments
- Commercial establishments

(Public and Private-Sector)



Scope



▪ Should the following be included?

- Agricultural workers
- Home-based workers
- Domestic workers

This should be debated at this Conference.



Recommendations



- Consolidation and harmonization project should target general labour and employment laws
- Laws applicable on conditions of employment should be bifurcated into separate laws applicable to commercial establishments and industrial establishments



Recommendations



- Laws relating to payment of wages and minimum wage should not be separate laws as they are a major condition of employment and should be incorporated into the laws relating to conditions of employment in industrial and commercial establishments respectively



Recommendations



- Notwithstanding the fact that labour legislation is now a provincial subject, all provinces and territories in Pakistan should coordinate with one another to ensure that labour legislation is as uniform as possible across Pakistan



Recommendations: Framework of New Laws



Proposed Law	Comment
Employment Act	For white-collar employees in commercial establishments
Labour Act	For blue-collars in industrial establishments and labour
Industrial Relations Act	-
Occupational Safety & Health Act	Applicable on commercial and industrial establishments
Labour Welfare & Social Security Act	-
Human Resources Development Act	Technical education and vocational training



The Way Forward



- **Step 1:** Identifying laws for consolidation
- **Step 2:** Drafting consolidated legislation, in harmony with International Labour Standards, and based on experience, expertise and previously collected stakeholders inputs. No need to reinvent the wheel:
 - Drafting exercise done during 2000-2002 may be a starting point
 - Past stakeholders inputs may be used



The Way Forward



- **Step 3:** Circulating draft laws amongst stakeholders for feedback and recommendations. This exercise may be repeated over 3 to 4 drafts
- **Step 4:** Convening focused and meaningful stakeholders' consultation sessions to discuss draft legislation:
 - Bilateral in first phase
 - Tripartite in second phase



The Way Forward



- **Step 5:** Incorporating inputs from stakeholders' sessions into drafts
- **Step 6:** Soliciting inputs from ILO on final drafts
- **Step 7:** Submitting final drafts to Labour & Human Resource Department for onward submission to Law Department for vetting and legislation



Challenges & Discussion Points



- Identifying laws for consolidation
- Determining scope of applicability and thresholds
- Unified and comprehensive definitions (as far as possible) across entire spectrum of labour and employment laws
- Adding deterrence value to penalties for non-compliance (cost of non-compliance should be greater than benefit of non-compliance)



Thank you