



## Labor, Manpower, and Employment

### Just Labor Policies

The Pakistan Peoples Party presented a pro-worker manifesto for 2008 elections that promised restoration of all those rights of the workers that had been usurped during the last authoritarian regime. The manifesto specifically gave the following agenda for protecting workers rights:

- The Industrial Relations Ordinance 2002 will be reviewed to bring it in conformity with the ILO (International Labor Organization) Conventions, ratified by Pakistan, and fundamental rights guaranteed by the Constitution of Pakistan;
- The Employees Oldage Benefits Institution (EOBI) and other labor welfare programs will be strengthened and public-private partnerships established, so that labor and their families have access to quality education, health care and affordable housing;
- Review of the President's Special Powers of Removal from Service Ordinance 2000 with regards to trade union activities;
- Elimination of child labor, forced labor and bonded labor, and education and rehabilitation of those children once withdrawn from the workplaces;
- Enforcement of statutory labor laws, through effective inspection systems;
- Regularly holding National Tripartite Labor Conference to formulate labor, economic and social policies, and to devise mechanisms for their

effective implementation with a view to promoting social justice, decent work and raising the dignity of labor;

- Developing a safety culture for making work safe and prevention of accidents at workplaces and occupational diseases of workers;
- Minimum wage will be enhanced to meet the escalating needs of labor.<sup>1</sup>

The People's Government has delivered on most of these promises. It is taking practical steps to make workers partners in their organizations as envisioned by Shaheed Zulfikar Ali Bhutto and Shaheed Mohtarma Benazir Bhutto. Following concrete measures have been taken to improve condition of the workers:

- The last authoritarian regime imposed restrictions on trade unions through Industrial Relations Ordinance 2002. The workers' Government removed these restrictions through Industrial Relations Act, 2008.<sup>2</sup> The ban on PIA Union imposed through Chief Executive Order No.VI, 2001 was also repealed.
- Through this Act, the Labor Appellate Tribunals have also been revived on persistent demand of trade unions/federations, in order to ensure speedy disposal of labor disputes.
- Through an amendment in the Service Tribunals (Amendment) Act, 2010, the People's Government has returned the right of the workers of public sector entities to approach labor courts, labor appellate tribunals, and National Industrial Relations Commission. Labor

<sup>1</sup>Pakistan Peoples Party Manifesto, 2008.  
<sup>2</sup>Note the difference of ordinance and act.

leaders have welcomed the repeal of Section 2A of the Act that had confiscated their right to approach labor courts. Senior leaders of trade union movement welcomed the repeal of anti-labor laws promulgated during the last regime.<sup>3</sup>

- Minimum wage of unskilled workers has been increased from Rs.4,600 to Rs.6,000 through Finance Act, 2008.
- Ceiling for social security benefits has been increased from Rs.5,000 to Rs.10,000.
- Limit of maximum share to a worker from companies profit has been Increased from Rs.18,400 to Rs.24,000 per worker per year.
- Scope of Worker's Welfare Fund has been extended to include workers of commercial and services sector also in addition to industrial workers.
- Previously, the workers used to get half pay during suspension. The Government has now allowed payment of full pay during suspension.
- Previously, the workers used to get marriage grant of Rs.50,000 from Workers Welfare Fund for only two daughters. This grant has been increased from to Rs.70,000 each now and for all daughters.
- Facilities of pension extended to the workers of small establishments having five employees. Act is now made applicable to banking sector and carpet industry.

- Death grant increased from Rs.200,000 to Rs.300,000 by Workers Welfare Fund.
- Minimum pension under EOBI has been increased from Rs.1,500 to Rs.2,000.

During its election campaign in 2008, the PPP had promised reinstatement of the employees of various public sector enterprises sacked on political grounds. Consequently, the President issued an ordinance for the reinstatement of these sacked employees. More than 6,000 employees got back to their jobs.

Other pro-workers measures include the launch of Benazir Employees Stock Option Scheme (BESOS) in more than 80 state-owned enterprises, the initiation of Benazir Green Tractors Scheme for small farmers, provision of subsidy in provision of about 70 items at the Utility Stores, and National Internship Program. Under BESOS, 12% shares worth more than Rs.110 billion have been given to the employees free of cost.

It also goes to the credit of the People's Government that it enhanced the salaries of Government employees in the last two budgets. Keeping in view the present levels of inflation and price hike, the Prime Minister ordered the establishment of National Pay & Pension Commission to review the entire pay structure of Government employees and come up with concrete proposals to bring the salaries of public sector employees at par with that of private sector to attract the best talent in Government service.

Likewise, the President of Pakistan, in his televised address to the nation a few months ago, announced the doubling of salaries of the personnel of Armed Forces deployed in the war zones, and the same increase would also come into effect for the rest of the Armed Forces from January 2010.

<sup>3</sup>Zia-ur-Rehman, "Repeal of an Anti-Labor Laws", *Hum Shehri*, March 12-18, 2010, p. 27.

The Government had prepared plans to build 80,000 housing units for the labor. The Prime Minister's initiative for provision of housing to all employees working in the Federal Government would also enable Government employees to become the owner of houses upon retirement. Furthermore, the Prime Minister's housing scheme also covers poor and vulnerable sections of society.

### Employment Opportunities

The People's Government has created 60,000 job opportunities since coming to power in 2008. These have been in the form of reinstatement of sacked employees, regularization of contract employees, creation of new jobs, internships, and affirmative action to do away with territorial or gender-based discrimination.

### Re-instatement of Sacked Employees

Two successive governments sacked employees recruited during Shaheed Mohtarma Benazir Bhutto's second tenure as Prime Minister. Most of them were from poor families whose very existence was under threat due to this unexpected sacking on political grounds. Approximately 8,000 employees were dismissed, removed or terminated from services who were appointed during the period 01.11.1993 to 30.11.1996.

The People's Government announced the reinstatement of these employees immediately after getting elected. It introduced a legislative instrument 'Sacked Employees (Reinstatement) Ordinance, 2009' to reinstate these individuals so that no future government could sack them again. A Review Board, headed by a retired judge of the Supreme Court of Pakistan, has been constituted in accordance with the above mentioned law. After a thorough scrutiny of

the cases, the Government has reinstated 6,000 employees and the recommendations for the remaining sacked employees have been finalized.

### Regularization of Contract Employees

Successive governments have been recruiting youth on contract basis in various departments of the Government. Contractual employment is essentially meant for short-term assignments. However, various governments have also used this mode of recruitment for longer term assignments. There was even a policy advice from the Brettonwoods to make all employment in education and health sector on contract basis. The Brettonwoods corrected their position somewhere in the middle but, oblivious to this change of course by the donors, our officials continued recruitment on contract basis for more than a decade. A large number of these recruitments were made against longer term positions. Consequently, the contracts expired every year and were thus extended again and again. In classic bureaucratic fashion, every extension was made with a minimum gap of three months. This caused loss of morale, time and output.

The People's Government recognized the problem and took the initiative to regularize all contract employees in Basic Pay Scale (BPS) 1-15 in order to provide job security to the low-paid employees.

### Creation of New Jobs in the Federal Government

The Government has also created more than 60,000 new jobs in different categories of federal employees. Recruitment against these positions will give livelihood to 60,000 families i.e. 600,000 people.

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### 231% increase in CSS Posts

Competitive examination is held every year to fill executive positions in Central Superior Services. This examination is the ultimate instrument of merit in the senior positions. It is widely believed that recruitment through this examination is made purely on merit basis.

There has been a 231% increase in the posts to be filled up through the CSS examinations. For the examinations conducted in March-April 2008, of the 445 vacancies, a total of 357 candidates were allocated to different Occupational Groups/Services. This also includes 57 females candidates allocated to different groups and services, indicating a substantial increase in representation of women in the civil services. Additionally, 28 of the 30 vacancies earmarked against Balochistan quota have been filled.

### Jobs for Balochistan

To encourage full utilization of quota for Balochistan, approximately one thousand positions were advertised from time to time. So far, 268 candidates have been selected for appointment.

### Affirmative Action

The Federal Cabinet decided to reserve 5% quota for employment of minorities (non-Muslims) in Federal Government services/jobs. The Establishment Division issued instructions to Ministries/Divisions for ensuring compliance while making recruitments in the future.

For ensuring empowerment of women through promotion of gender balance in the Government, the decision to reserve 10% quota for them is being followed in letter and spirit. In the recent CSS examination 2008, there was a substantial increase in the

number of women candidates selected for different occupational groups. These female candidates competed in the open merit and got selected.

### Capacity-Building and Career Advancement

The Government has given high priority to capacity-building and career advancement of employees of the public sector. Achievements in this area include:

#### Benevolent Grants

Approximately 561,000 employees (including their family members) are benefiting from the welfare and benevolent grants of various kinds. During the year 2008-2009, a sum of Rs.1.3 billion was paid to the eligible employees and their families under different welfare schemes. Additionally, 67,950 children of Federal Government employees are also receiving stipends under these schemes.

### Welfare Activities for Civil Servants

The Establishment Division has undertaken various other welfare activities for the employees. These include provision of ambulance services, community centers, vocational training centers, day care centers, and ladies industrial homes etc. To give just a sample of the benefits of these schemes, a total of 11,569 women have been trained in various trades from the ladies industrial homes, during the period under review.

### Overseas Labor

- Prepared first ever National Emigration Policy.

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- MoU between Italian Government and Government of Pakistan for strengthening cooperation in migration matters is in the process of finalization.
- MoU between National Halal Food Group (NHFG), U.K. and Overseas Employment Corporation (OEC) signed on November 28, 2008.
- MoU in the area of labor occupational training with Bahrain is in the process of finalization.
- MoU in the field of manpower employment signed with Libya on May 2, 2009.
- Registered 430,314 and 374,386 workers for employment abroad during year 2008-2009. Revenue amounting to Rs758.78 million and Rs. 596.05 million earned during the last two financial years.
- A sum of \$6,451.24 and \$7811.43 million remitted by the Pakistani workforce working abroad during the financial years 2007-2008 and 2008-2009, respectively.
- Dispatched 2,391 workers for employment abroad in various countries.
- 17,695 candidates registered in data bank who are interested for employment abroad.
- 1,022 workers trained for appearing in KLT (Korean Language Test) for making them eligible for employment as labor in South Korea.
- 1,245 workers sent for employment in South Korea during the period from April 2008 up to November 30, 2009.
- 94,303 bio data forms of high-level manpower in various categories were forwarded to OEC for employment. Of these, 13,800 persons were employed abroad through OEC.
- A program titled "Visit Expatriate Pakistani Consultants for Short Duration Assignments in Pakistan (VEPCON)". Services of Pakistani experts are being utilized for transfer of knowledge and modern know-how to the country through short duration assignments for a period of two to twelve weeks in various fields of specializations.
- Under VEPCON Program, 68 expatriate Pakistani consultants have carried out assignments in various educational, scientific, technological and research organizations including production units for transfer of modern knowledge for capacity-building and human resource development of various institutions in Pakistan.
- A website ([www.vepcon.gov.pk](http://www.vepcon.gov.pk)) of the said program is operative for development of database, which caters to the needs and cross-matches demand with supply of expatriate Pakistani consultants.
- President's Program for Care of Highly Qualified Overseas Pakistanis (PPQP) has been launched to facilitate high-level Pakistani professionals abroad to utilize their services in Pakistan as well as abroad.
- A website ([www.ppqp.gov.pk](http://www.ppqp.gov.pk)) has been launched through NTC to carry out the following activities:

Online registration facility for highly qualified Pakistanis (abroad and in Pakistan)

Online registration facility for employers

Employers query form

E-queries replies via emails

Job search with OEC panel

Existing data bank of NTP etc

- The three web-based networking modules for the benefits of registered persons and employers are being developed under the above mentioned website.
- Under the program 5,496 highly qualified Pakistanis have been registered on the website.

The Ministry of Overseas Pakistanis is now building up a database of overseas Pakistanis with their complete details to take care each one of them with the help of Pakistani mission. This data shows that the total number of overseas Pakistanis as on December 31, 2008 stood at a robust 5.5 million across the world. The Ministry has taken steps to improve facilities at airports so as to ensure that their arrival home is hassle free. It has also, under a policy, set up suitable schemes in housing, education and healthcare and has worked out an elaborate plan to facilitate their rehabilitation on returning to Pakistan.

The Ministry has so far appointed Community Welfare Attaches (CWAs) in 18 Pakistani missions in 15 countries where the Pakistani community is living in large numbers. The job of CWAs is to maintain close liaison with the host country pursuing its leaders to utilize to the optimum skills of the Pakistani manpower importing them in large numbers. Besides, CWAs keep liaison with authorities in those countries to ensure the welfare of overseas Pakistanis and resolving their disputes with employers.

The Ministry set up two new offices for CWAs, one each at New York (U.S.A.) and at Toronto (Canada). In order to facilitate the overseas Pakistanis and their return home, a reimbursement scheme is being implemented according to which the Government will reimburse, through the State Bank of Pakistan, an amount equivalent to 25 Saudi Riyals for every transaction to a bank in Pakistan, provided it is a home remittance transaction (from individual to individual). The transaction size has been fixed to a minimum of \$100 or its equivalent in other currencies. The policy envisages that the remitter and the beneficiary will not be charged remittance fee. In the past, the distribution bank and the remitter shared the reimbursement amount on mutually agreed term. It is encouraging to observe that the new scheme has been welcomed by overseas Pakistanis who will now be able to make free transaction of remittances to their families back home.

### Foreign Exchange Remittance Card

Remittances by overseas Pakistanis through normal banking channels play a vital role in the economic development of the country. Funds remitted through *hundi* or illegal means deprive the country of much needed foreign exchange reserves. After 9/11, there has been a notable increase in remittances that averaged at about \$3 billion in the past. The Ministry of Finance has been instrumental to streamline the remittances system through normal banking channels, and this money has registered a rise since the new scheme was introduced.

### Overseas Pakistanis Pension Trust

The Overseas Pakistanis Foundation (OPF) launched a self-contributory pension scheme OPPT to provide pension benefits to Pakistani workers living abroad. Different packages (five, 10 and 15 years' plans) have been offered under this scheme. The minimum contribution has been fixed at Rs.24,000 for the annual payment plan, and Rs.120,000 for the lump sum payment plan. As many as 88 pension cases have so far matured to date accounting for a monthly pension.