



# INCOMPATIBILITY OF LABOR POLICIES WITH THE STANDARD OF LIFE OF THE LABOR-FORCE IN PAKISTAN: THE ROLE OF POLICY NON-IMPLEMENTATION IN THE ISSUE

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**Abstract:** Pakistan, during the past more than four decades, has experienced multiple challenges with regard to the standard of life of its people, in general, and of its labor force, in particular. The policies framed in the country from time to time lacked effectiveness in terms of providing reasonable relief to the labor who continues to live under hard conditions. These policies are one issue while their implementation is the second – and also more important. Legislation concerning policy formulation and its implementation is closely linked to legislation at parliamentary level. Parliament is the platform where legislation reflects the political will towards law-making directed at influencing the life standard of, inter alia, the country's labor force. This paper will attempt to explore the share of the political will in affecting the standard of life of the labor in Pakistan where circumstances for the labor-force are highly challenging and deplorable. This is going on at a time when in the developed world, the standard of life of the labor-force (which term is now almost obsolete after being replaced with 'workforce', 'human resource', 'human capital' or 'human asset') is very differently better as compared to the one continuing in Pakistan.

**Keywords:** Policy, Failure, Standard of Life

## I. INTRODUCTION

Legislation is an important systematic process that is based on certain philosophies and principles like social justice, social equity, national economy etc. Social justice in an industrial arrangement used to reflect an unbiased and just allocation of earnings and remunerations secured from industrialization and extended to personnel and by extending security to the workforce from the injurious effects on their wellbeing, protection and integrity. Meager pronouncement of legislation without enforcing of lawful constitutional rights sounds inequitable and may originate destitution to the workforce, as personnel contract of employment is generally one-sided and appears to be dictating the employer's interest. In the earlier days a worker was paid his wages only for the days he worked. Workers are usually deprived of compensation in case of any catastrophe during the course of his service. A worker had to acknowledge all the perils associated with the line of his duty and all risks supplementary to his service. This concept continued till the time the Workmen's Compensation Act was passed and which imposed a liability on the employer to pay damages to his workmen for injuries arising out of and during the course of his service. It is in that context reflects the basic principle of this legislation providing social justice to the labor class in particular (Commons & Andrews, 1936). Under the principle, workers are granted the right to limit the minimum wage. Depending upon the circumstances, both past, and the present, the labor legislation is based on social justice and equity by fixing a definite minimum Standard to be adopted in the future. Once the standard is laid down it remains in force until it is again enhanced or amended by legislation according to appropriate procedure. Even if circumstances and ideas have changed, the rights, liabilities and duties prescribed by the law remain unchanged and the rights, liabilities and duties prescribed by the law remain unchanged and they stand statutory static. No elasticity of exercise and discretion is, therefore, left to the authority administering the law. Whenever it is realized that the standards fixed by the law be amended, the same could be amended to the need of the hours. In the prevailing conditions, law sanctions the government to introduce any amendments they deem as appropriate.

As for social equity, the legislation is based on social justice and equity by fixing a definite minimum standard to be adopted in the future. Once the standard is laid down it remains in force until it is again enhanced or amended by legislation according to appropriate procedure. The rights, liabilities and duties prescribed by the law remain unchanged and they stand statutory static. Whenever it is realized that the standards fixed by the law be amended, the same could be amended to the need of the hours. In the prevailing conditions, law empowers the government to make such changes. This is usually done by

incorporating in the provisions of law which endow government with powers to modify or amend the law to suit the changed situation. Such legislation is based on the principles of social equity being the policy of the Government (Sinha, Sinha, & Shekhar, 2009). The International Organization, which is tri-partite in composition, has played an important role by adopting bare minimum principles on a consistent foundation in reverence of all themes ratified by member countries conventions passed by ILO conferences, if and when endorsed by a member state, have to be implemented without any amendment through appropriate legislation. It has been clear that by and large the labor legislation in Pakistan has a foundation of this principle (Casale&Sivananthiran, 2010).

As an important aspect of legislation is the national economy, and therefore, in ratifying the legislation, broad-spectrum economic circumstances, industrialization, technological and sociological changes are considered. The welfare and well-being of the industrial population must not be out of proportion to general economic conditions but it should aim at developing and improving them. Legislative requirements connecting to time length of job, holidays with pay and amount of compensation payable for accident are based on this principle. The state of national economy is based on this principle. The state of national economy, therefore, constitutes another factor of consideration influencing "labor legislation" (Reddy, 2004). Prior to having a look at the labor policies and legislation in Pakistan, it would be useful to have a glance at the labor legislation status at international level for which the International Labor Organization is considered a relevant instance in the literature review part.

The purpose of this paper is:

- To see whether the policies in Pakistan have been the cause of failure towards improving the life standard of the
- To find out what implementation lapses contribute to this failure
- To search for the ways to improve the life standard of the Pakistani labor

The following questions relevant to important labor issues in Pakistan were part of the survey questionnaire while the respondents had the options to agree, disagree or express a neutral opinion:

- What is the major inclination of administration in Pakistan (political influence, social structure or any other)?
- What improvements are needed in the labor policies in Pakistan?
- Is any major improvement expected in the labor administration in Pakistan in near future?
- Is there any possibility of increased international pressure on Pakistan with regard to its labor policies?
- Are the labor issues directly linked with their socio-economic prosperity?

## II. LITERATURE REVIEW

In various fields of production, marketing, finance, accounting, engineering and other fields in Pakistan, problems have been successfully overcome through the development and application of different appropriate technologies and through the development of professional expertise in all the relevant fields, but the field of Management Relations has been one of the neglected fields so far. The development of concept of social justice has given rise to more sensitive and complicated problems concerning administration affairs (Charland, C. 2007). In a narrower sense it includes only those civilian workers who work for others and are not engaged in the work of supervision and management. Before the advent of the Industrial revolution, craftsmen were the masters of their own. They were independent in the sense that they owned their tools, raw materials. They worked according to their convenience and sold their goods in the market on a barter system. They had the satisfaction of knowing all aspects of their trade and could produce and market their goods as a whole without depending on others. In a rural economy their wants were few and limited. Between 1780 to 1900 in America, women and children had to work long hours doing hard type of in harmful conditions in factories that, too, again very low wages. Though the workers got employment without much difficulty in the initial stages, but their employments were neither secure nor steady. They are usually prone to periodic un-employment and under employment as a result of over-production or adverse economic trade cycles (Mathias & Nikolaj, 2005). The people affected by past or continuing disadvantage or discrimination in employment comprise Equal Employment Opportunity (EEO) groups. As a result, these groups of women, members of racial, ethnic, and ethno-religious minority

groups and people with a disability, are more likely to be unemployed or work in lower paid jobs (Syed, 2003).

## **2.1. International Labor Organization and Labor Legislation**

### **2.1.1. Background:**

The International Labor Organization, which is one of the oldest international institutions, came into being in the year 1919 under the treaty of WERSAILLERS together with the League of Nations. After the World War II, ILO outlawed league of Nations and in 1964 it became the first specialize agency of the United Nations Organization. It will not be out of place to mention here that it is the only international body of the UNO which comprises of government and non-government representatives with equal status and voting power, this body has the, honor of earning the Noble Prize of Peace in 1969 (Daele, 2010).

### **2.1.2. Structure & Functions**

The International Labor Organization's Head Quarter is in Geneva (Switzerland). It is headed by a Director-General appointed for a term of five years. There is a president of ILO, the governing body is headed by a Chairman, two Vice Chairman elected in the annual labor conference of the organization. It is a tri-partite body (representing employers, workers and government representatives) (Benvenisti& Nolte, 2004).

One of the most important functions of this organization is to adopt conventions and make recommendations in its annual conference. The members states ratify in the conventions have to implement

those conventions without change by recommendations. Provides guidance on policy and can be implemented with minor changes according to the needs of the member countries legislation. Some of these important conventions relate to freedom of association, labor administration, industrial relations, working condition, Social Security including sickness and old-age benefits, occupational diseases and health. A member country ratifies a convention, has to report to ILO. Compliance of such ratified convention is then supervised by a committee of independent experts drawn from all parts of the world and by a tripartite and observers committee of International Labor Conference (Benvenisti& Nolte, 2004).

### **2.1.3. International Labor Standards**

International labor conventions and recommendations help to derive the ILO's standards. These ILO's recommendations and take their leaf from the international treaties, based on ILO member states ratifying them, despite the fact that these recommendations are non-binding instruments – characteristically occupying the matching issues as conventions –thereby setting out instructions paving way for national policies and actions. Bearing in mind that both forms are supposed to influence a substantial image on working environment and philosophies in every economy of the world.

The ILO has espoused more than 185 recommendations and 180 conventions encompassing a wide variety of issues. Ironically, the governing body of the office has worked out eight conventions that to be regarded

as elementary to the rights of human beings at work, executed and ratified by member states of the organization. They are being referred to as the Fundamental ILO Conventions. In addition further four Conventions pertaining to issues of indispensable importance to labor institutions and policies have been measured as Priority Conventions. Whereas the residual instruments, straddling expansive choice of issues, have been categorized into 12 separate classifications of recommendations and conventions.

The International Labor Organization's constitution necessitate that international labor standards be deposit with "appropriate regard to those countries in which the imperfect development of industrial organizations, climatic conditions or other particular situation make the industrial conditions significantly dissimilar." (Basu, Horn, & Roman, 2003).

## **2.2. EEO (Equal Employment Opportunity) and Labor Laws in Pakistan**

The concept of Equal Employment Opportunity aims to ensure elimination of illegal harassment and discrimination from workplace. The EEO also bears the objective to offer schemes that support its members in overcoming current and past workplace grievances. This refers that workplace rules, policies, practices and behaviors provide equal opportunities and do not wrong people due to any discrimination. This environment enables all workers to attain upward social mobility by developing their full potential and pursuing a career path of their choice. The people affected by past or continuing disadvantage or

discrimination in employment comprise EEO groups. As a result, these groups of women, members of racial, ethnic, and ethno-religious minority groups and people with a disability, are more likely to be unemployed or work in lower paid jobs (Syed, 2003).

#### Fair Practices and Behavior

EEO is designed to achieve these outcomes:-

- (1) A diverse and skilled workforce.
- (2) Improved employment access and participation by EEO groups.
- (3) A workplace culture displaying fair workplace practices and behaviors.

EEO aims to achieve fair practices and behavior in the workplace, including:-

- (1) Recruitment, selection and promotion practices which are open, competitive and based on merit. This means the best applicant is selected for the job.
- (2) Access for all employees to training and development.
- (3) Flexible working arrangements that meet the needs of employees and deal with workplace complaints promptly, confidentially and fairly.
- (4) Grievance handling procedures that are accessible to all employees and deal with workplace complaints promptly, confidentially and fairly.
- (5) Communication processes to give employees access to
- (6) Information and allow their views to be heard. Management decisions being made without bias.
- (7) No unlawful discrimination or harassment in the workplace.
- (8) Respect for the social and cultural backgrounds of all employees and customers (Strachan, Burgess, Henderson, & Lindy, 2005).

#### Finance and Labor Legislation Bill 2006

As per the PILDAT report (2006), the federal government has thought about to install elementary amendments in labor laws through the Finance Bill 2006 permissible amplified working hours both on a daily labor and overtime basis; constrained organizations to have feminine personnel to employ at workplaces not later than ten pm in double shifts, and legitimize the ostensible agreement work (Finance and Labor Legislation Bill, 2006).

It was argued by the then Federal Labor Ministry that these transformations would be a starting place to promote the workforce and would give confidence to the Small and Medium Enterprises (SMEs). However, it was yet again felt as a key infringement of the International Labor Organization's conventions and Constitution, and, hence no inspection was carried out at the present time. Thanks to these changes, there are further violation of labor rights, and worse workplace environment, and healthiness and wellbeing of human resources. Moreover, above mentioned transformation also sternly reduced workers' capacity to stand firm against unfair conditions.

### **2.3. Finance and Labor Legislation Bill 2008**

According to the amendments in the Act 1 of 2008 of Finance Act, 2008 circulated on 27<sup>th</sup> June 2008, appointment of an employee on wages in excess of Rs. 10,000 shall not be sheltered beneath Provincial Employees' Social Security Ordinance, 1965 (Ord No. X of 1965) and thereby absence of input on the side of organization as mentioned in the PILDAT report (2006).

Furthermore as per the Provincial Employees Social Security (Contribution) Rules Schedule 1966, additional rate of contribution has been decreased from previous 7% to 6%. There was a re-amendment in the Employees' Old -age Benefits Act 1976 in 2008 (Finance and Labor Legislation Bill 2008, 2008).

### **2.4. Hypotehsis**

Considering the review of literature, random observations and opinion of knowledgeable persons, hypothesis stated below are developed:

Hypothesis-1. Labor policies have been failed to deliver the results because of lack of political will to improve the standard of life for a labor in Pakistan.

Hypothesis-2. In Pakistan more emphasis is given on formulating the policies compared to the emphasis on implementing the policies.

### III. METHODOLOGY AND DATA ANALYSIS

While the content of the paper significantly bases on qualitative method of research, it partially contains quantitative research based on data collected for the purpose of fortifying the reliability of the information and statistics for the research. As such, when collectively seen, the survey method is applied for this research paper. The closed-ended items of the questionnaire facilitated the respondents in sharing their responses in a systematic manner along with comments, if any. The data collected have been shown in the form of tables and graphics. In order to develop a representative sample of the population the research has attempted at embracing respondents from every section of the market in Pakistan. Out of the 300 respondents: Forty percent (120 respondents) were the s working in various sectors; thirty percent (90 respondents) of the respondents were the line managers and supervisors; thirty percent (90 respondents) were the members of different organizations and unions. A survey was conducted to extract the relevant and valid data for the meaningful evaluation of the topic. The author has used the findings extracted from his own doctoral thesis being submitted along with the acceptance of this research paper. The contents of the thesis have been checked for plagiarism already by the QEC of the University of Karachi.

### IV. DATA ANALYSIS

Some of the items of the questionnaire concerned to find out whether there was improvement in the labor issues in Pakistan, whether the labor issues were directly linked with the socio-economic prosperity, whether international pressure for addressing the labor issues will increase on Pakistan, as to what is the trend of labor administration in Pakistan, and as to what will be the future of labor administration in this country. Findings of the data revealed the following results shown in both tabular and graphic forms:

#### 4.1. Labor Administration Efficiency in Pakistan

In response to the question asked about the level of efficiency achieved by labor administration in Pakistan, the study found that 70% of the respondents were of the opinion that the labor administration in Pakistan has failed to deliver what is expected of them, 25 percent consider labor administration has done significant work towards the improvement of conditions of labor fraternity in Pakistan whereas 5 percent thought that there would be not much to express in terms of what is being achieved or the failure to achieve the required level of efficiency as labor administration in Pakistan has more exogenous factors to deal with in addition to their endogenous factors.

Most of the respondents who considered the level of efficiency not being achieved blamed lack of political will and instability as the main reason. They maintained that the political scenario has long been vulnerable and argued that the instability in political situation has lead to significant inefficiencies in all spheres of the socio-economic condition of Pakistan drawing the economy towards new snag every day.

Some of them expressed that even though after being subjected to continuous sessions of political strife, the economy has the potentials to take long stride towards socio-economic development. The growth experienced in various quarters of history reflects that provided a relative calm and stable political environment, economic uplift is not a distant dream.

*Table 1:  
Responses for labor policies in Pakistan in improving the labor issues in Pakistan*

Q. 1	Labor policies in Pakistan have been successful in improving the labor issues in Pakistan?
Agree	75%
Disagree	21%
Neutral	04%

Figure 1:  
Labor Policies Successful in Improving Labor Issues in Pakistan

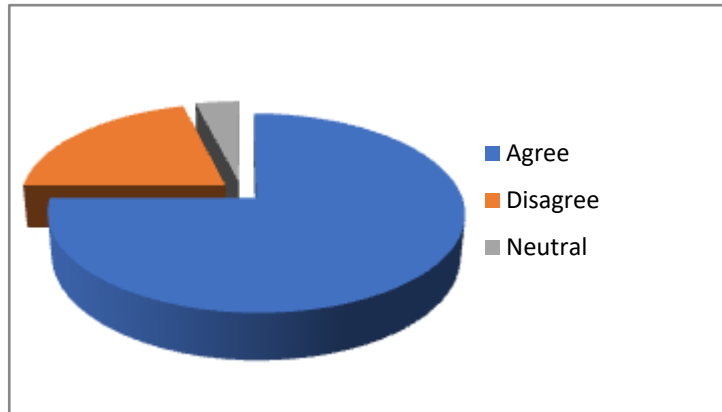
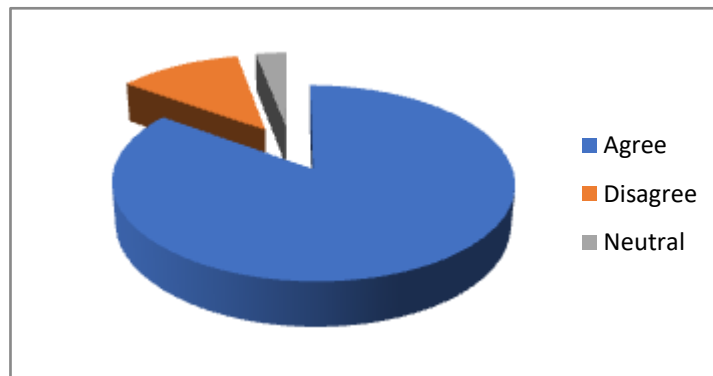


Table 2:  
Responses for: If labor issues are not resolved properly, their socio-economic prosperity is not possible?

Q.2	If labor issues are not resolved properly, their socio-economic prosperity is not possible?
Agree	85%
Disagree	12%
Neutral	03%

Figure 2:  
Labor Issues and Socio-Economic Prosperity



Respondents were also of the view that the labor administration has not been able to transform the labor market effectively has more reasons of their own rather than the exogenous factors like political instability. They were of the view that throughout the history governments have been coming up different labor policies with different focus areas but the results have not been achieved mainly because either the policy was not formulated in accordance with the needs of the situation or has not been implemented as per the essence of the given policy. Furthermore the inability of the labor administration to effectively guide the labor market has resulted in lack of motivation and commitment of the labor community that they have started to lose faith in the system, which could lead to alarming consequences. However most of them agreed that the steps should be taken to design and implement the labor policies in letter and spirit to achieve higher level of economic development as there is no denial from the fact that the labor fraternity has the potential to deliver the goods provided they are being nurtured properly.

#### 4.2. Labor Policies Implementation in Pakistan

When asked about to express their opinion about the success of the implementation of labor policies by various labor regimes in Pakistan, the respondents were having a mixed opinion on scale of four ranging

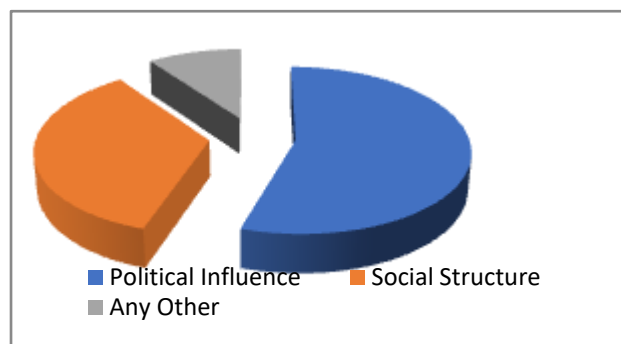
from always, frequently, rarely and never. 48 percent of the respondents were of the view that the labor policies have been implemented regularly as 20 percent argued that implementation of the labor policies have always been successful whereas 28 percent that the target have been achieved frequently. This has reflected that almost half of the respondents have shown faith in the abilities of labor administration to execute what they plan. However a good number of respondents, 35 percent, were of the view that the labor administration have been failed to implement the labor policies successfully. In their opinion for owing to various reasons the labor administration has not been able to achieve what they have set for themselves to achieve in order to improve the well being of the labor community. They did appreciate that over the years very sound labor policies had been penned down but were being failed to deliver the goods because of the lacking in the implementation stage. Further 17 percent of the respondents have pointed out that labor policies have been able to see the implementation phase successfully on rare occasions.

Data comprising the responses received revealed as follows:

*Table 4  
Trend of Administration in Pakistan*

Q. 3	The major inclination of administration in Pakistan is towards:
Political influence	55%
Social Structure	35%
Any Other	10%

*Figure 4  
Inclination of Administration in Pakistan*



It came to observe that 55 percent of the respondents were of the view that the administration in Pakistan have inclined towards political influences when asked about to give their opinion, whereas 35% responded with a view that social structure has been able to attract much of the attention of the administration in Pakistan and 10 percent of the respondents have found the interest of the administration somewhere else.

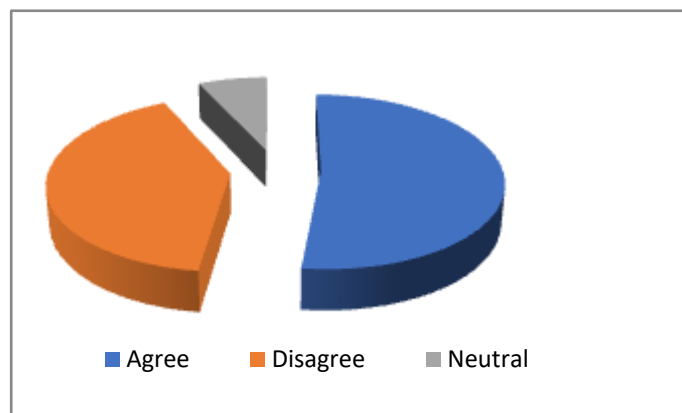
The administration must identify its focus area which in Pakistan has been focusing towards accessing political mileage as against social or economic gains. policies and administrations have remained true victims of political instability. driven politics is one of the popular slogans in our society but still the fraternity has not been able to get what have been promised for. Policies and administration have been designed and implemented more to foster the political affinity rather augmenting the socio-economic wellbeing of the class. There is no denial from the fact that political support is sought by the administration in other economies of the world too but it has to go beyond slogans and discussions. However, some of the respondents were of the opinion that social incentives are not been focused by the administration in Pakistan. 65 percent of the respondents were of the view that the administration in Pakistan have been failed to focus enough on social structures. The irony of the fact is that fraternity in Pakistan is at the lowest ebb of socio-economic wellbeing ladder having all types of frustration and feeling of depravity. The study is of the opinion that administration in Pakistan needs to re-evaluate its policies and implementation of the policies should be monitored closely as there had been numerous useful policies being inked every now and then, but the problem is with the implementation of these policies. It

has been a well-known fact that when it comes to enforcement of policies, there is a high degree of variations and as a result, the policies instead of acting as an incentive for the improvement become a tool for their exploitation by the policy implementers.

*Table: 5 Improvement in the Labor Administration in Pakistan*

Q. 3	Do you see major improvement in administration in near future in Pakistan?
Agree	52%
Disagree	41%
Neutral	07%

*Figure 5: Future Prospects of Administration in Pakistan*



The results of the questionnaire conducted indicate that 52 percent of the respondents were of the opinion that they are optimistic about the improvement of administration in Pakistan, whereas 41 percent of the respondents do not have high hope about improving administration in Pakistan and seven percent of the respondents do not hold any opinion about the chances of improvement and remain neutral. The respondents in general were of the opinion that in Pakistan low interest and will of the political leadership can be a reason to believe that chances of improvement are slim. They argued that what goes around comes around, indicating that when political leadership has low interest in the application of their manifesto related to administration then how can the economy could expect to do positives for the s. They were of the belief that sincere effort for the improvement of labor administration cannot be possible without due political will and commitment.

However some of the respondents were of the opinion that even though the evidence of improvement in administration are weak but since they are in the right direction, still a ray hope is there that soon the economy would see significant improvement in the administration.

Furthermore, they pointed out that the not only the internal environment but international pressure would compel the situation to improve. With the kind and level of foreign investment pouring in to the economy, soon the system and methods of labor administration would be transformed in conformity with the international standards.

## V. CONCLUSION

The research finds that the economic condition of Pakistan coupled with its unevenly increasing population make these challenges appear with more gravity. The researcher is convinced that most of the labor bear very low or no literacy at all, which develops an unhealthy image of the common in the society. This also causes a visible division among the people, and has developed strata among them in terms of economic well-being or adversity. The research paper finds the political system holding a very large capacity of improvement. The systems and procedures of the political system, deliberately or knowingly, support lowering of the life standards of the labor segment of the society. The element of political instability has also been instrumental in distracting the governments from concrete reforms. The



consequences of this neglect have been highly harmful because the economic adversity has given rise to crimes in the society. The finding of the research survey in one of the questions indicates that most of the respondents agree to the proposition that labor policies have been improving the labor issues in Pakistan. This response, however, appears inconsistent with the responses provided in response to other questions. The researcher agrees to the opinion of the majority of the survey respondents which suggests an authoritarian style of labor administration as this style will prove effective instead of a democratic style which will prove success only when most of the people are literate and conscious about their duties and rights as citizens. A glance at the history of the labor administration in the region shows several nations emerging out of crucial crises and then establishing themselves in the world. The present imbalance in the policies and their implementation in Pakistan can be minimized and set right with the help of appropriate policy reforms and determined implementation. Some major steps are needed to raise the standard of life of the labor in Pakistan. These steps include developing literacy, devising a comprehensive and purposeful system of education for the masses and nurturing a sense of human values. This is the primary step toward improvement. The labor needs to be transformed into human resource. Once this is done, the rest of the issues will start settling down.

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