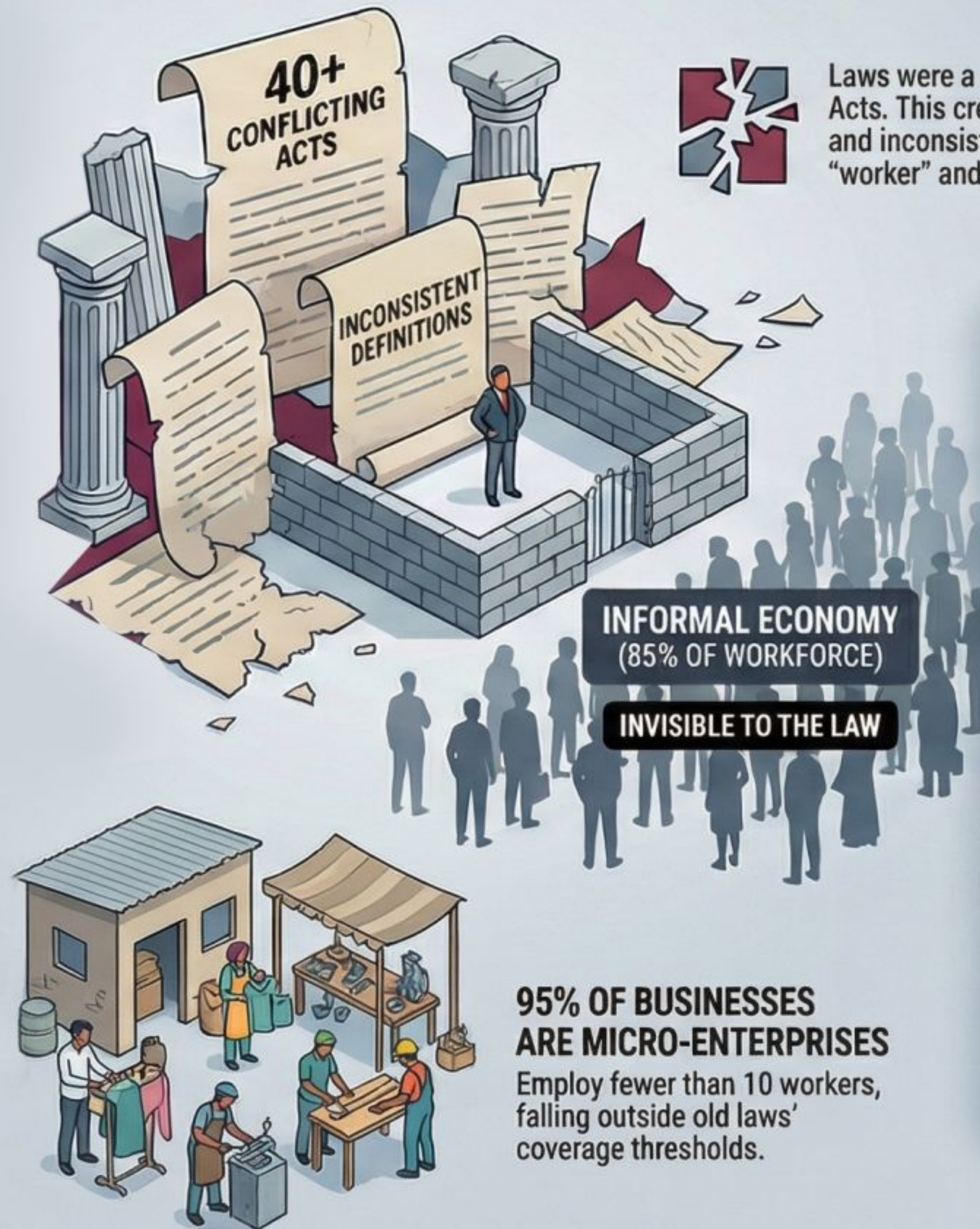


# A NEW ERA FOR WORKERS' RIGHTS: UNPACKING PAKISTAN'S LABOUR CODES

## THE PROBLEM: AN OUTDATED & EXCLUSIONARY SYSTEM



Laws were a patchwork of 40+ conflicting Acts. This created legal grey zones and inconsistent definitions for "worker" and "employer."

## THE SOLUTION: A UNIFIED & INCLUSIVE CODE

THE NEW CODES APPLY TO "EVERYONE WHO WORKS," REGARDLESS OF SECTOR OR COMPANY SIZE.

THE FUNDAMENTAL SHIFT	
 <b>OLD LAWS (FRAGMENTED)</b>	 <b>NEW LABOUR CODES (UNIFIED)</b>
<b>COVERAGE:</b> Factory-focused, high thresholds	<b>COVERAGE:</b> Universal ("all workers, all workplaces")
<b>GIG &amp; INFORMAL WORKERS:</b> Legally invisible, unprotected	<b>GIG &amp; INFORMAL WORKERS:</b> Recognized as "workers" with full rights
<b>LEGAL FRAMEWORK:</b> 40+ conflicting, outdated acts	<b>LEGAL FRAMEWORK:</b> One comprehensive, modern code



### KEY PROTECTIONS FOR PREVIOUSLY "INVISIBLE" WORKERS



The codes extend rights to groups who were formerly excluded from legal protections.

### TACKLING GENDER INEQUALITY



The codes mandate equal pay for work of equal value to close the 37% gender pay gap.



# Addressing Concerns on Pakistan's Labour Codes



**Objection 1:** The draft Labour Codes were prepared without consulting workers' and employers' organisations, making them inconsistent with ILO standards.

## Response

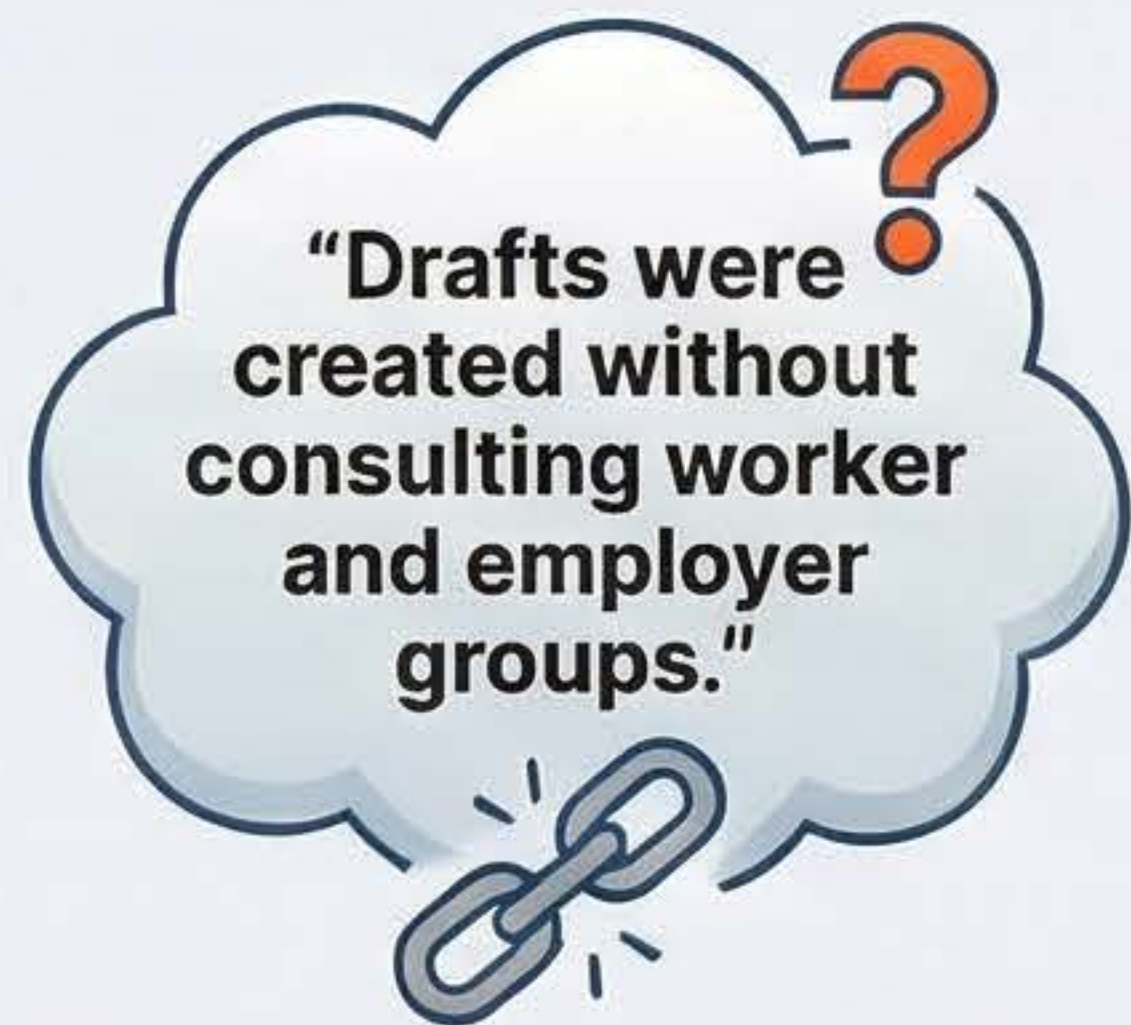
- The preliminary drafts were prepared as a result of consolidation efforts since 2000 and shared in June 2024 to begin the discussion process. These were not intended to be final legislation.
- It is the first time in South Asia that a bill, fully compliant with international labour standards, has been drafted and submitted by the Government.
- In Punjab, this is now the eighth draft, updated repeatedly following stakeholder discussions. In Sindh, the Labour Department has held multiple meetings with all stakeholders. The same applies to IRA 2012.
- It is common practice globally for governments to issue an initial text that is then thoroughly debated and revised through stakeholder consultations. This is similar to how the European Commission issues first drafts of EU legislation, which are then debated by stakeholders and voted on by the European Parliament.

**These initial drafts serve only as a starting point for consultation rather than a finished product. The provisions of ILO Convention 144 are fully complied with in the discussion of the draft Labour Codes in Pakistan.**



# Pakistan's Labour Code Consultation: Clarifying the Process

## The Objection



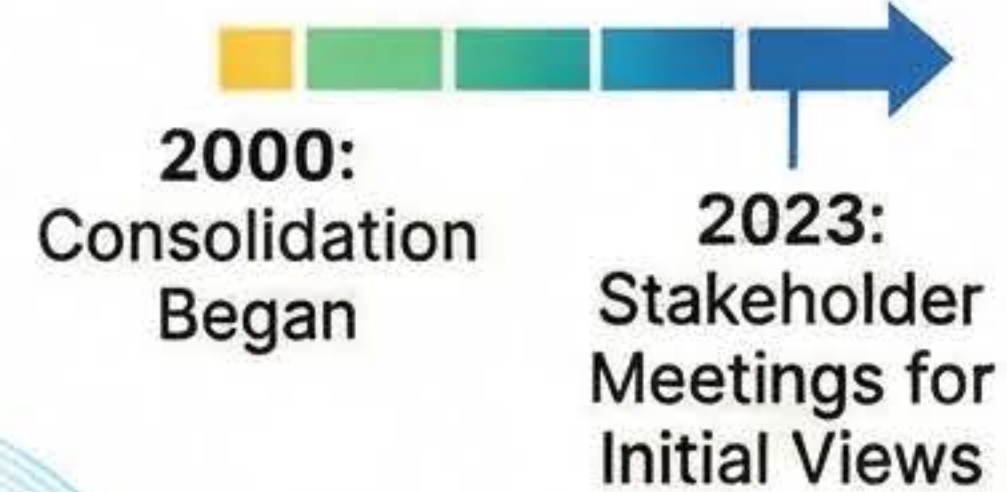
This perceived lack of consultation has led to claims that the draft Labour Codes are inconsistent with ILO standards.



### Drafts Are a Starting Point, Not Final Law

The preliminary drafts, shared around June/July 2024, were explicitly intended to begin the discussion and consultation process.

## A Long-Term Consolidation Effort



### A First for South Asia

This is the first time in South Asia that a government has drafted and submitted a bill that is fully compliant with international labour standards from the outset.



## Extensive Provincial Consultations are Underway



Labour Department has held multiple meetings with all parties.



PAKISTAN



GLOBAL  
(e.g., EU)

### The Process Aligns with Global Practices

It is standard global practice for governments to issue an initial text for debate, similar to how the European Commission initiates EU legislation.



### Fully Compliant with ILO Convention 144

The discussion process for the draft Labour Codes fully adheres to the provisions of ILO Convention 144 on tripartite consultations.



# Addressing Concerns on Pakistan's Labour Codes



**Objection 2:** The draft Labour Codes abolish the right to permanent employment for permanent work, and “legalise” multiple forms of the contract/third-party system, undermining job security.

## Response

The draft Labour Codes **do not remove protection** for workers but try to **control and regulate** outsourcing and contract work, so that **all workers** keep core protections, receive **equal treatment for equal work**, and can hold the **real employer responsible** for their wages and rights.

If a company uses a contractor as a **trick to deny legal benefits**, or if contract workers are doing the **company's core work** under its control, the **company will be treated as the real or principal employer**.

The Codes **restrict** using contractors for core business activities and **do not allow employers to replace permanent workers** with temporary or contract staff in those key roles.

**All workers**, including those hired through contractors, **must get fundamental rights at work**, and contract workers doing the same or similar work as regular employees must be treated equally in all aspects, i.e., receive the same pay, allowances and enjoy the same working conditions.

If a **contractor fails to pay wages or benefits**, the company that engaged those workers becomes responsible for paying them and **can deduct the amount** from what it owes the contractor.

**In line with the international labour standards (C181, R198), international best practices and case laws from Pakistan, the draft Labour Codes regulate and protect contract workers for the first time.**



# Debunking the Myths: How New Labour Codes Safeguard Contract Workers

## THE OBJECTION: A Threat to Permanent Employment

Permanent Employment

Contract System



Critics argue the codes "legalise" multiple forms of the contract/third-party system, undermining job security for permanent work."



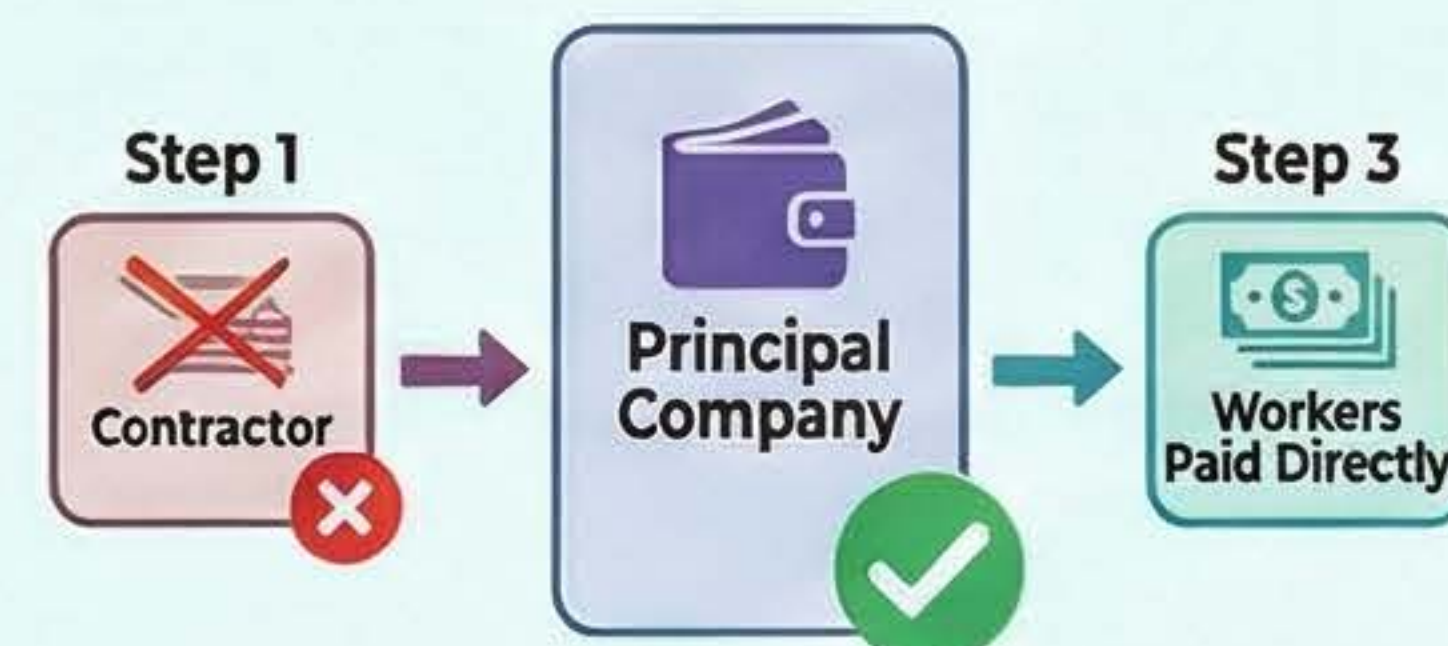
## THE CODES' SOLUTION: A Framework for Protection

### The 'Principal' is Deemed the Real Employer



A principal engaging workers via a contractor is considered the employer if the arrangement is a device to deny rights, workers are in core operations, or the principal controls the work.

### Principal Liability Ensures Wages are Paid



If a contractor fails to pay wages or benefits, the principal company becomes liable for the payment and can pay workers directly by withholding funds from the contractor.

### Restrictions on Contract Labour in 'Core Operations'



The codes explicitly restrict the use of third-party contract workers for core business activities and bar companies from replacing permanent workers with temporary ones.

### Equal Pay and Conditions for Equal Work



The codes mandate that contract workers receive the same remuneration, allowances, and working conditions as a comparable permanent employee doing the same or similar work.

### A Push for Universal Rights



The codes aim to extend fundamental rights at work to all workers, regardless of their employment status or the type of arrangement they are under.



### Aligned with International Best Practices

These mechanisms are consistent with international labour standards (C181, R198), global best practices, and superior court decisions from Pakistan.



# Addressing Concerns on Pakistan's Labour Codes



**Objection 3:** The Codes are built on a neo liberal, market-driven philosophy that prioritises investor and employer flexibility over the protective function of labour law.

## Response

Is it really the neo-liberal or Western agenda to protect the interns, construction workers, agricultural workers, domestic workers, home-based workers, transport workers, digital labour platform workers, and religious workers?

First, **codification is not the same as deregulation**, just because laws are being combined into one Code does not mean rules are being cut or protections are being taken away.

Consolidated codes can **improve worker protection** by reducing loopholes, clarifying obligations, and strengthening enforcement pathways.

Second, **predictability benefits workers as much as employers**. When rules are coherent and procedures are defined, workers can claim rights easily.

Third, what really matters is: **do workers have access to fundamental rights, and can those rights be enforced?**, and not the rhetoric of “market-driven” policy. A Code can only be called “neo-liberal” if it actually weakens core protections? The draft Labour Codes have extended the protection of the law.

**Protection of “all workers” is the extension of the protective cover of labour law. The criticism assumes that “flexibility” and “protection” are mutually exclusive. They are not!**



# Debunking Myths About Pakistan's New Labor Codes

Countering the "Neo-Liberal" Criticism: How Consolidating and Clarifying Laws Strengthens Worker Protections

## The Core Criticism



Critics argue new codes prioritize market freedom over the protective role of labor law, viewing them as mutually exclusive.

## A Modern View of Labor Law



### Consolidation is Not Deregulation

Unifying scattered laws into a single code reduces loopholes, clarifies responsibilities, and creates robust paths for enforcement.



### Predictability Empowers Workers

Clear rules and straightforward procedures make it easier for workers to demand rights regarding wages, hours, benefits, and safety.

## "Flexibility" and "Protection" Are Not Opposites

Modern regulation must both protect workers from exploitation AND provide clear, predictable rules employers can realistically follow.



## The Real Test of a Labor Law

A law is only regressive if it actively weakens core protections. Analyze specific clauses on:

- Minimum wage application
- Working hour limits
- Maternity protections
- Occupational health and safety
- Freedom of association & collective bargaining
- Access to labor courts
- Penalties for violations

## Expanding the Circle of Protection



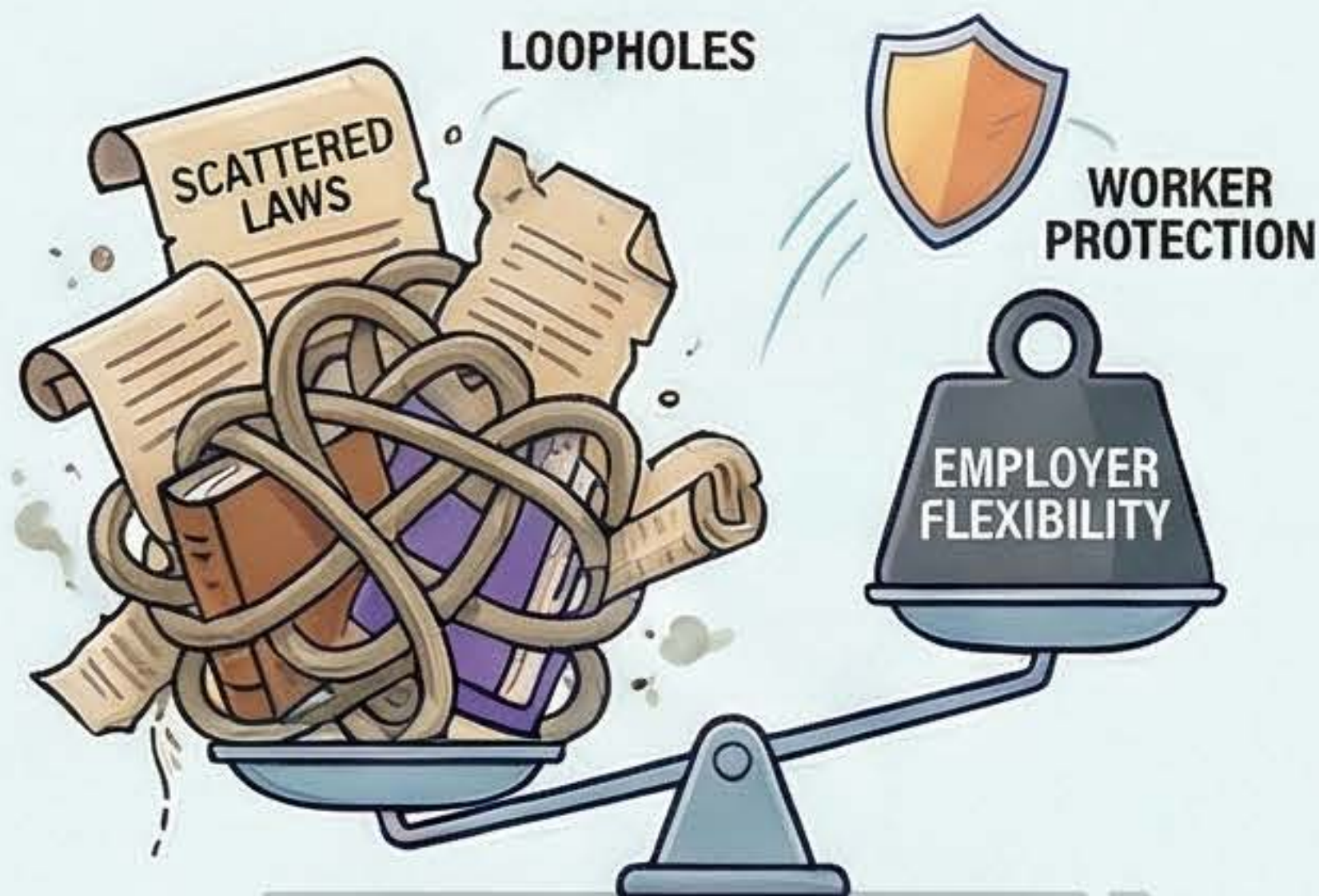
### New Codes Extend Rights to Previously Unprotected Workers

Codes aim to cover groups historically excluded: interns, construction, agricultural, domestic, home-based, transport, and digital platform workers.

*"Is providing legal protection for ALL working people really a foreign concept we should oppose?"*



# Labor Law Codification: Stronger Protection, Not Deregulation

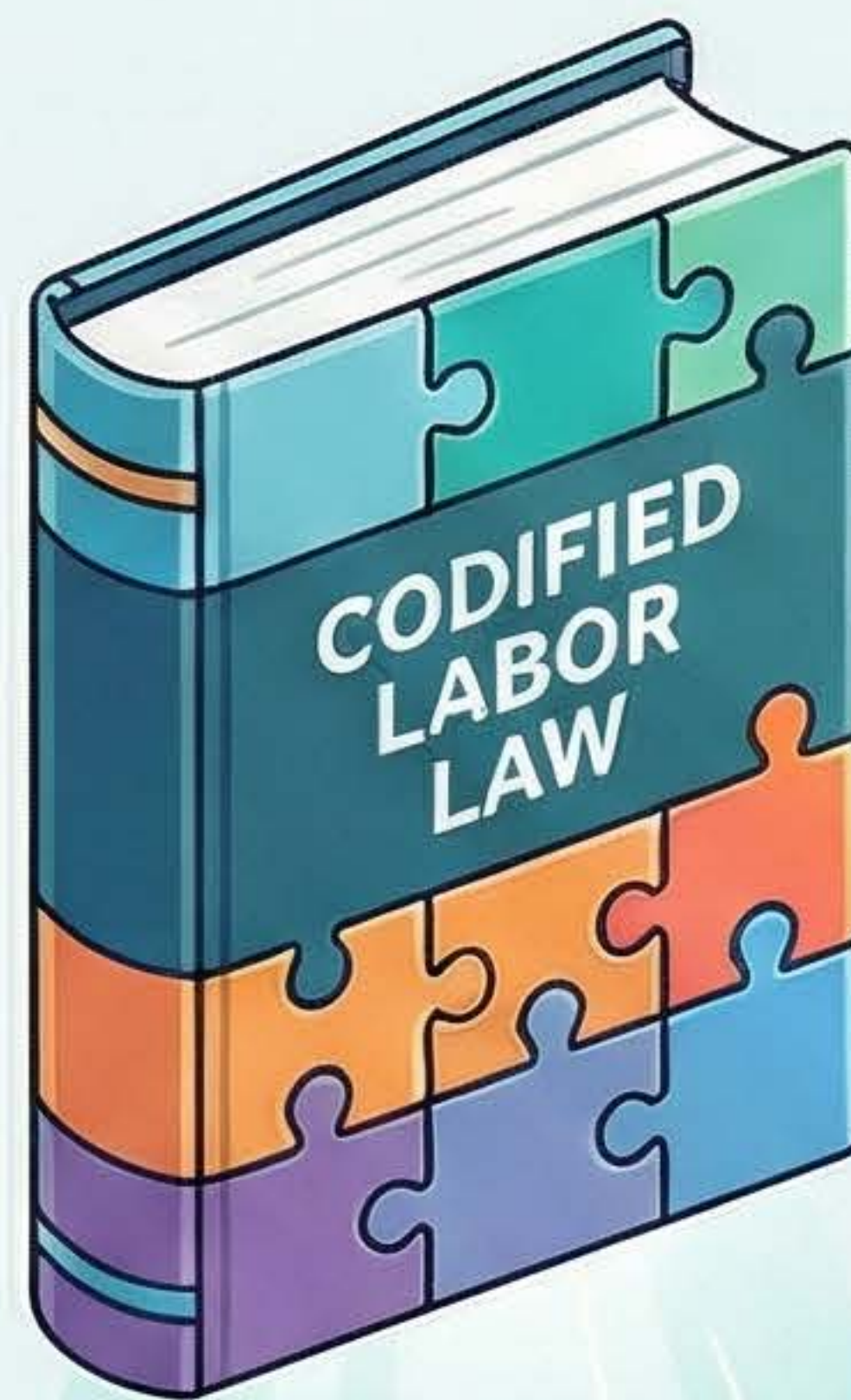


## The Misconception: "A Neo-Liberal Agenda"

The central criticism is that the new codes prioritize employer flexibility over worker protection.

## The Core Flaw

The core flaw in this argument is assuming "flexibility" and "protection" are mutually exclusive. Modern labor regulation must protect workers while also creating clear, predictable rules for employers to follow.



## The Reality: A Path to Stronger Protections

### Codification is Not Deregulation

Consolidating scattered laws into a clear code reduces loopholes and clarifies obligations, strengthening enforcement for workers, unions, and inspectors.



### Predictability Benefits Workers and Employers

When rules are coherent and procedures are defined, workers can claim their rights more easily, and employment relationships become more transparent.



### The Real Test is Substantive Rights & Enforceability

A code is only anti-worker if it actually weakens core protections like minimum wage, working hours, safety standards, or the right to collective bargaining.



MINIMUM  
WAGE



WORKING  
HOURS



SAFETY  
STANDARDS



COLLECTIVE  
BARGAINING

## Who Is Actually Protected?

### Codification extends protections to the most vulnerable

A key goal is to protect workers who are often left out, which contradicts a purely "employer-first" agenda.



INTERNS



CONSTRUCTION  
WORKERS



AGRICULTURAL  
WORKERS



DOMESTIC  
WORKERS



HOME-BASED  
WORKERS



TRANSPORT  
WORKERS



DIGITAL PLATFORM  
(GIG) WORKERS



RELIGIOUS  
WORKERS



# نئے صوبائی لیبر کوڈز: تحفظ یا لچک؟ ایک جائزہ

اعتراض: نئے لیبر کوڈز  
مزدور مخالف ہیں

جواب: کوڈز مزدوروں کے تحفظ  
کو کیسے مضبوط کرتے ہیں



’لچک‘ اور ’تحفظ‘ ایک  
دوسرے کی ضد نہیں۔

جدید لیبر قوانین کا مقصد کارکنوں کو تحفظ فراہم  
کرنا اور آجروں کے لیے قابل عمل واضح قوانین  
بنانا ہے تاکہ روزگار ہر قرار ہے۔



قوانین کو یکجا کرنا ڈی ریگولیشن  
نہیں بلکہ بہتر نفاذ ہے۔

ایک مریہ کوڈ کمزوریوں کو دور کرتا ہے، ذمہ داریوں  
کو واضح کرتا ہے، اور کارکنوں، یونینز اور عدالتوں کے  
لیے قانون کو سمجھنا اور نافذ کرنا آسان بناتا ہے۔



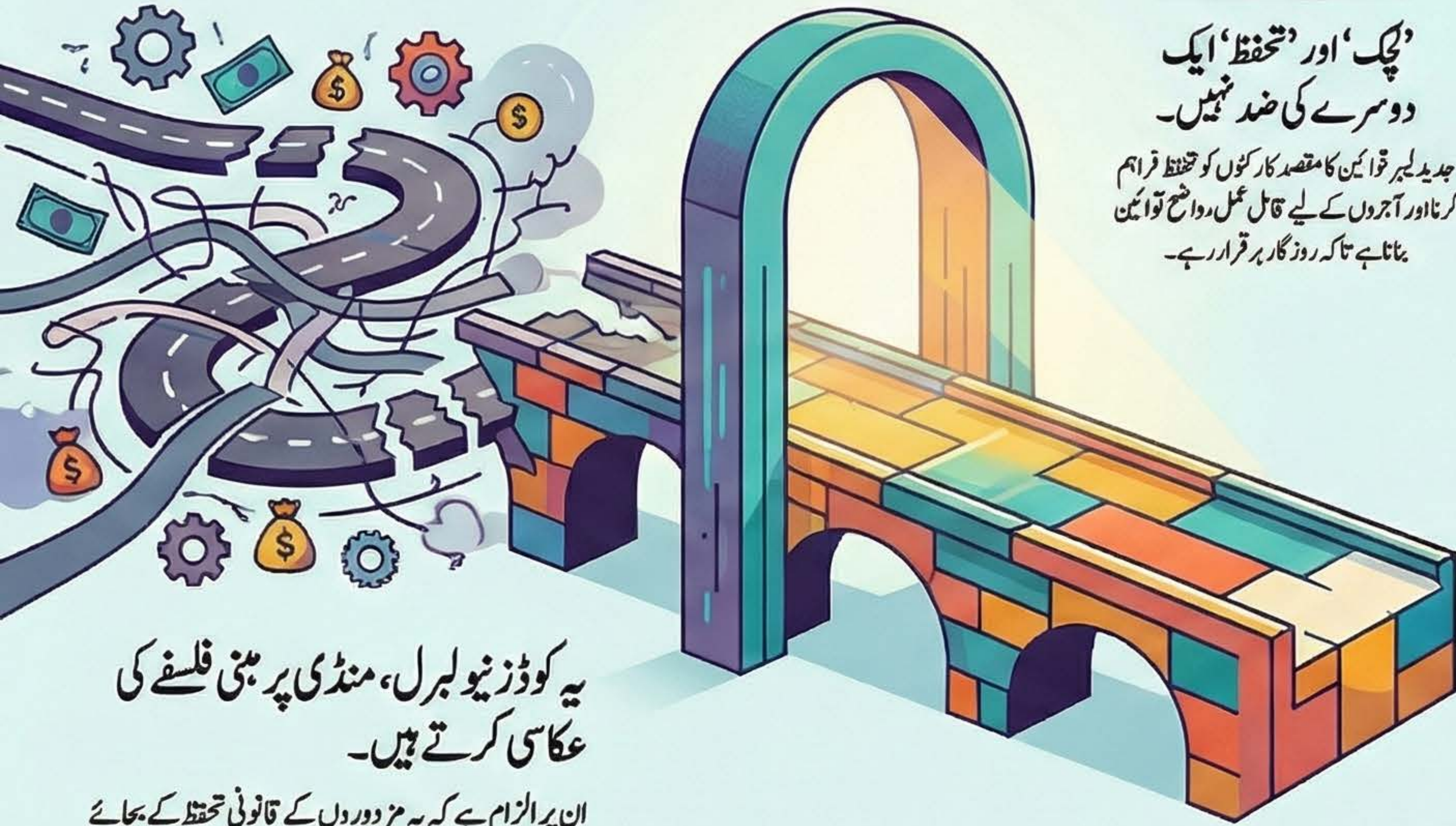
واضح اور قابل پیش بینی قوانین  
کارکنوں کے لیے بھی مفید ہیں۔

جب ضابطہ اور طریقہ کار واضح ہوں تو مزدور اپنے  
حقوق جیسے کہ اجرت، اوقات کار اور پیشہ ورانہ حفاظت  
کا مطالبہ زیادہ آسانی سے کر سکتے ہیں۔



قانون کا اصل معیار حقیقی حقوق  
اور ان کا مکمل نفاذ ہے۔

کسی قانون کو ’سیدلبرل‘ بھی کہا جاسکتا ہے جب وہ  
کم از کم اجرت، اوقات کار، اجتماعی سودے بازی یا  
ملازمت کے تحفظ جیسے بنیادی معیارات کو کمزور کرے۔



یہ کوڈز نیو لبرل، منڈی پر مبنی فلسفے کی  
عکاسی کرتے ہیں۔

ان پر الزام ہے کہ یہ مزدوروں کے قانونی تحفظ کے بجائے  
آجری کی ’لچک‘ اور آزادی کو فوقیت دیتے ہیں۔



انٹرنز، تعمیراتی ورکرز، گھریلو ورکرز، زرعی ورکرز، ہوم بیسڈ ورکرز، ڈیجیٹل پلیٹ فارم ورکرز، ٹرانسپورٹ ورکرز

یہ کوڈز پبلک ہاؤسنگ، تعمیراتی، زرعی، گھریلو، ہوم بیسڈ، ٹرانسپورٹ، اور ڈیجیٹل پلیٹ فارم ورکرز کو  
قانونی تحفظ فراہم کرتے ہیں، جو مزدوروں کے حقوق میں توسیع ہے، نہ کہ کمی۔

تحفظ کا دائرہ کار لاکھوں نئے  
کارکنوں تک وسیع کیا گیا ہے۔

ایک بنیادی سوال: کیا تمام کام کرنے والے لوگوں کے حقوق کا تحفظ ایک ’مغربی‘ ایجنڈا ہے؟ اس قانون سازی کے خلاف پروپیگنڈے پر غور کیجیے!



# Addressing Concerns on Pakistan's Labour Codes

“ | **Objection 4:** The Codes weaken freedom of association by fragmenting unions, undermining CBAs, and maintaining or intensifying restrictions on organizing and strikes.

## Response

The draft Labour Codes and the amended IRA 2012 **strengthen** freedom of association and propose the following reforms:

**1. Expanding Coverage:** The current laws exclude vast groups of workers from their coverage, including Export Processing Zone (EPZ) workers, agricultural workers, home-based, domestic workers, platform workers, and public servants not engaged in state administration. The proposed reforms introduce a simplified definition of "worker" that encompasses all forms of work and allow all workers to unionise, except those in the police and armed forces.

**2. Multiple Union Memberships:** Currently, workers are forbidden from joining more than one union, even if they hold multiple jobs. Proposed reforms recognise part-time work and allow workers to join unions at each of their respective workplaces, as well as at sectoral and national levels.

**3. Standardizing Membership Requirements:** The current laws require the every third and subsequent unions in an establishment to have at least 20% of workers as members, while the first two unions have no such requirement, a loophole that allows for "pocket or yellow unions". Proposed reforms set a simple condition for registration of a trade union: 20 workers or 10% of the total workers, whichever is less.

**4. Protecting Minority Union Rights:** Non-CBA (Collective Bargaining Agent) unions are currently denied the right to represent their members in grievances or use check-off facilities. The proposed reforms give the non-CBA unions the above rights and to be recognised as the CBA in special cases (when they are a single union at a workplace).

**5. Decriminalizing "Go-Slow" Actions:** Under current employment laws, a "go-slow" is considered an unfair labour practice and gross misconduct that can lead to dismissal. The proposed reforms reclassify "go-slow" as a lawful form of collective action, provided that a 3-day notice period is observed.

**6. Restricting Government Interference in Strikes:** The government currently has broad powers to prohibit strikes if they last over 30 days or even before if strikes are deemed "prejudicial to national interest". Under the proposed reforms, the prohibition on strikes is limited strictly to "essential services" (services, the interruption of which would endanger the life, health or personal safety of the whole or part of the population), and the power to suspend strikes is shifted from the government to Labour Courts/NIRC.

**It is the first time that the draft Labour Codes and industrial relations legislation protect and promote the right to freedom of association for all workers, in line with ILO Conventions 87 & 98.**

#Decentworkforall



# Fixing the System: Key Labour Law Reforms in Pakistan

Current industrial relations legislation in Pakistan is often used to suppress worker rights rather than facilitate them. A series of proposed reforms to the Punjab and Sindh Labour Codes and the IRA 2012 aims to address these shortcomings and empower workers.

## The Problem: Current Law Shortcomings

### Millions of Workers Are Excluded



Laws deny rights to agricultural, domestic, platform, and EPZ workers.

### Unfair Rules Create "Yellow Unions"



A loophole in membership requirements allows for employer-influenced unions.

### Peaceful Protests Are Punishable



"Go-slow" actions are treated as misconduct that can lead to dismissal.

### Broad Government Power to Ban Strikes



The government can prohibit strikes deemed "prejudicial to national interest."

## The Solution: Proposed Reforms

### Coverage for All Workers



A new definition includes all work except for police and armed forces.

### A Level Playing Field for All Unions



Sets a simple, equal membership requirement for every union.

### "Go-Slow" Is a Protected Right



Reclassified as a lawful form of collective action with a notice period.

### Power Shifts from Government to Courts



Only Labour Courts can suspend strikes, limited to essential services.



# پاکستان کے لیبر قوانین میں اصلاحات: مزدوروں کے حقوق کا تحفظ

موجودہ صنعتی تعلقات کے قوانین اکثر مزدوروں کے حقوق کو دبانے کے لیے استعمال ہوتے ہیں۔ پنجاب اور سندھ کے لیے مجوزہ نئے لیبر کوڈز کا مقصد بین الاقوامی معیارات کے مطابق کارکنوں کی تنظیم سازی کی آزادی کو یقینی بنانا اور ان کے حقوق کو تحفظ فراہم کرنا ہے۔



**قانون کے دائرہ کار میں توسیع**  
زرعی، گھریلو اور گیگ ورکرز  
گیگ ورکرز سمیت تمام کارکنوں  
کو یونین سازی کا حق دیا جائے گا۔



**ایک سے زیادہ یونین  
کی رکنیت کا حق**  
جزوقتی کارکنوں کو اپنی ہر کام کی جگہ پر متعلقہ  
یونین میں شامل ہونے کی اجازت ہوگی۔



**یونین سازی کے لیے یکساں شرائط**  
یونین بنانے کے لیے 20 کارکنوں یا  
کل کارکنوں کے 10 فیصد کی سادہ  
شرط رکھی گئی ہے۔



**اقلیتی یونینوں کے  
حقوق کا تحفظ**

غیر-CBA (اقلیتی) یونینوں کو بھی اپنے  
اراکین کی نمائندگی کرنے کا حق حاصل ہوگا۔



**"گو سلو" کو قانونی تحفظ**  
"گو سلو" کو بدعنوانی نہیں بلکہ پیشگی نوٹس کے ساتھ  
ایک قانونی اجتماعی اقدام تسلیم کیا جائے گا۔

**ہڑتالوں میں حکومتی مداخلت کی حد بندی**  
ہڑتال پر پابندی کا اختیار حکومت سے لے کر لیبر کورٹس کو دیا جائے گا  
دیا جائے گا اور اسے صرف "ضروری خدمات" تک محدود کیا جائے گا۔

