

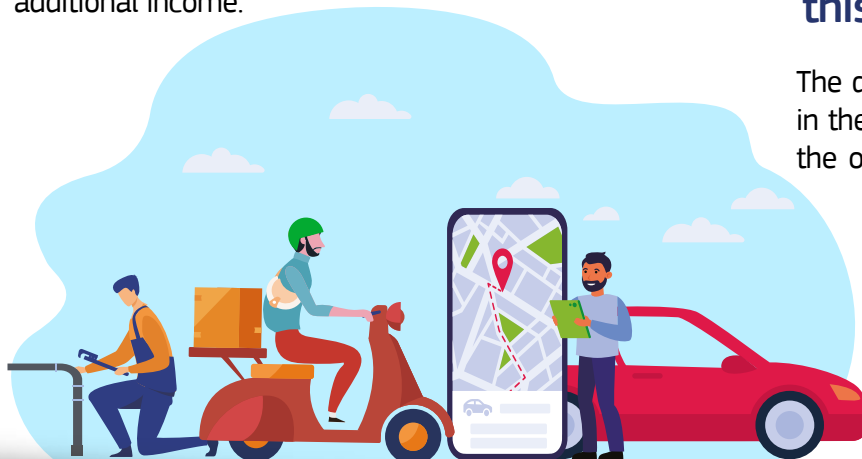
Regulating the Platform Economy in Pakistan

What are Digital Labour Platforms?

Digital labour platforms facilitate work using digital technologies to ‘intermediate’ between individual suppliers (platform workers and other businesses) and clients or directly engage workers to provide labour services. The work undertaken on these platforms is also commonly referred to as “platform work” or “gig work”. This new form of work is also called gig economy or platform economy.

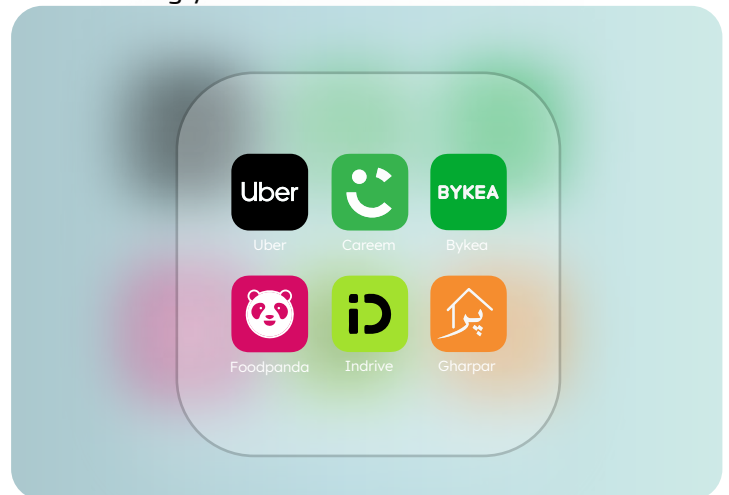
There are two main types of digital labour platforms that mediate work: (a) online web-based platforms, where tasks are performed online and remotely by workers and are allocated to a crowd (on microtask and competitive programming platforms) or individuals (on freelance and contest-based platforms). It includes software development, data entry, translation services, etc. Examples are Upwork, Fiverr, and Freelancer; (b) location-based platforms, where tasks are performed at a specified physical location by individuals such as taxi drivers and delivery workers. Activities include transportation, food delivery and home services.

The business model of these digital labour platforms is based on algorithm-based technologies allowing the efficient matching of supply and demand for labour or services. With their ease of entry, these platforms offer opportunities to people, especially the young, women, and those with limited skills, to make a living or earn additional income.



What is the current state of the platform economy in Pakistan?

There are more than a dozen digital labour platforms active in Pakistan. These include international companies (like Uber, Careem, Foodpanda and inDrive) as well as national (like Bykea) or local (like Gharpar) start-ups. These platforms provide “on-location” services. Conservative estimates indicate that nearly one million workers are engaged through digital labour platforms in Pakistan. With the increase in digital connectivity and lack of employment opportunities elsewhere, the number of platforms and the corresponding number of workers shall increase in the coming years.



What are the major challenges this legislation aims to tackle?

The draft legislation aims to improve working conditions in the platform economy and, at the same time, support the opportunities, innovation and flexibility the platform economy offers.

The challenges facing the platform economy workers range from the misclassification of their employment status to a lack of transparency and predictability of their contractual arrangements, health and safety risks and inadequate access to social protection.

The legislation also deals with the jurisdictional challenge by requiring that digital labour platforms operate under the jurisdiction of local labour law.

The draft legislation aims to:

- Correctly determine the employment status of platform workers through a set of clear criteria, giving them access to existing labour and social rights, including the right to a minimum wage, working hours, overtime, paid annual leave, collective bargaining, health protection, occupational injury benefits, unemployment and sickness benefits, as well as old-age pensions;
- Provide more transparency, rights and accountability with regards to algorithmic management on digital labour platforms by helping workers better understand the task allocation and price-setting mechanism, and enabling them for bringing disputes against the platforms.



What are the main elements of the legislation?

The draft legislation provides a list of criteria to determine whether a digital labour platform exercises control over a person and whether the person should be presumed to be a worker. If platforms fulfil at least two of the following five criteria, these are considered employers:

- Determining the level of remuneration or setting upper limits;
- Supervising the performance of work through electronic means;
- Restricting the freedom to choose one's working hours or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes;
- Setting specific binding rules with regard to appearance, conduct towards the recipient of the service or performance of the work;
- Restricting the possibility to build a client base or to perform work for any third party.

The draft legislation establishes certain rights for platform workers who are subject to algorithmic management. Platform worker and their representatives are provided with the necessary information about how their work and assignments are allocated, and accounts are rated or terminated or deactivated.

What is algorithmic management, and what are the rights proposed in current legislation?

Algorithmic management refers to information technology-driven automated monitoring and decision-making systems. This replaces the functions of traditional managers in businesses, e.g., in allocation of tasks, monitoring and evaluation of the work performed, provision of incentives or imposition of sanctions. The digital labour platforms use algorithms to organise and manage platform workers through their applications or websites. The platform workers lack information about how the algorithms work and decisions are taken. The legislation aims to:

- **Increase transparency:** Platform workers will have the right to be informed by digital labour platforms about the automated monitoring and decision-making systems in use and how they affect their working conditions.
- **Protect personal data:** Digital labour platforms will not collect or process any personal data that is not directly related to the work performed (data about worker's physical or psychological well-being of the worker). They will also not be allowed to collect data while the person is not logged into the relevant app or the website.



What will be the impact of the proposal on businesses?

The legislation will also benefit digital labour platforms by bringing legal certainty for their business across the country and supporting their sustainable growth. Most of these are trans provincial entities, working in more than one province. However, considering the fact that labour legislation is a provincial subject after the 18th Constitutional Amendment, the draft legislation is recommended only for the Islamabad Capital Territory which can be referred to as framework legislation, to be used by the provincial legislatures as a model to follow.

What would platform workers get on enactment of this legislation?

1. Right to employment contract in Urdu
2. Right to a minimum wage (general or sector specific)
3. Premium wages for working overtime, night hours, unsocial hours, during inclement weather, and on public holidays
4. Right to paid annual leave
5. Protection from discrimination and harassment at work
6. Right to various social protection benefits under EOBI and ESSI
 - a. Old age pensions
 - b. Employment injury benefits
 - c. Sickness benefits
7. Right to occupational safety and health
8. Right to freedom of association and collective bargaining
9. Access to Works Councils



Islamabad Capital Territory Platform Workers Protection Bill, 2023

A Bill

to provide for the regulation of working conditions and protection of the rights of persons performing platform work, mediated through digital labour platforms.

WHEREAS it is expedient to formulate a law for ensuring basic labour protections for the platform workers, bringing them into the coverage of social security and old age benefits programs, devising a mechanism for settlement of disputes between platform workers and digital labour platforms and matters ancillary thereto.

It is hereby enacted as follows:

1. **Short title, extent and commencement.** —

- (1) This Act shall be called the **Islamabad Capital Territory Platform Workers Protection Act, 2023**.
- (2) It extends to the Islamabad Capital Territory.
- (3) It shall apply to all digital labour platforms providing on-location services within Islamabad Capital Territory, regardless of where the digital labour platform is registered or incorporated.
- (4) It shall come into force at once.

2. **Definitions.** —

In this Act, unless there is anything repugnant in the subject or context:

- (i) “active hours” means the hours that a platform worker is logged in to the platform application and includes the working and waiting hours;
- (ii) “contractor” means a person, natural or legal, who agrees to carry out an assignment for an economic gain for themselves or for the benefit of the digital labour platform and includes any sub-contractor or intermediary between the digital labour platform, contractor and the platform worker;
- (iii) “contribution” means the sum of money payable by an employer in respect of an insured person and by an insured person to the Islamabad Capital Territory Employees Social Security Institution (IESSI) and Employees Old-Age Benefits Institution (EOBI) as determined and prescribed by the relevant legislation in force in the Islamabad Capital Territory;
- (iv) “child” means a person who has not attained the age of eighteen years;
- (v) “dependents” means a wife or a needy husband, dependent parents and any unmarried child under the age of eighteen years in case of a son and twenty-one years or marriage, whichever is earlier in case of a daughter dependent upon the insured person and a disabled child for life or recovery whichever is earlier;
- (vi) “digital labour platform” means any natural or legal person providing a commercial service, by means of an algorithm or any other equivalent method or technology, that is able to exercise a decision-making or controlling power with regard to the manner in which performance is to be realised and with regard to labour or pay conditions, and which provides a paid service that meets all the following requirements:
 - (a) it is provided, at least in part, through a website or a mobile application;
 - (b) it is provided at the request of a recipient of the service, in exchange for payment;
 - (c) It involves, as a necessary and essential component, the organization of work performed by individuals at a certain location.
- (vii) “Directorate” means the Directorate of Industries and Labour Welfare, Islamabad Capital Territory;

- (viii) “disablement” means a condition caused by an employment injury during the course of employment or engagement for work which, as certified by a medical practitioner authorized for the purpose as shall be provided by the rules, has permanently reduced or is likely to reduce permanently an insured person’s earning capacity. The disablement shall be “minor” where the loss of earning capacity is less than twenty per cent, “partial” where the loss of earnings capacity ranges from twenty-one per cent to sixty-six per cent and “total” where the loss of earning capacity is in excess of sixty-six per cent;
- (ix) “discrimination” means any distinction, exclusion or preference made on grounds such as sex, religion, gender, caste, national extraction or social origin, race, colour, creed, sect, age, language, marital status, pregnancy and maternity, disability, trade union membership, intersex status, political opinion, residence, and place of birth, which has the effect of nullifying or impairing equality of opportunity or treatment at work;
- (x) “dispute” means any dispute or conflict between a platform worker and a digital labour platform concerning rights provided under this Act;
- (xi) “employer” in relation to a digital labour platform means any person or body of persons, whether incorporated or not, who or which enters into an arrangement to provide work either directly or indirectly or through any contractor, sub-contractor or intermediary to any platform worker under an agreement of employment or service agreement, whether written or oral, implied or express and shall include any agent, manager or representative provided that at least one of the following tests is met:
- (a) The digital labour platform effectively determines, or sets upper limits for, the level of remuneration or issuance of periodic wage payments;
 - (b) The digital labour platform requires the person performing platform work to respect specific binding rules with regard to appearance, conduct towards the recipient of the service or performance of the work;
 - (c) The digital labour platform supervises the performance of work or verifies the quality of the results of the work, including by electronic means or customer reviews or uses rating systems as a tool of control and a basis for penalties and as a tool to allocate work assignments;
 - (d) The digital labour platform effectively restricts the platform worker, including through sanctions, in organising work, in particular, the discretion to choose the working hours or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes; and
 - (e) The digital labour platform effectively restricts the person performing platform work from building a client base or performing work for any third party, including the competitors of the digital labour platform;
- (xii) “employment injury” means a personal injury to a platform worker caused by accident or by such occupational diseases as may be specified by the rules, arising out of and in the course of employment;
- (xiii) “Government” means the Islamabad Capital Territory Administration;
- (xiv) “harassment” means unwanted verbal or non-verbal conduct that is not of a sexual nature but which is related to the education, language abilities, colour, caste, domicile, religion, social origin, creed, political opinion, age, gender, sex, race, socio-economic status or disability of a worker with the purpose or effect of violating the dignity of such worker or of creating an intimidating, hostile, degrading, humiliating or uncomfortable environment for such a worker.
- (xv) “insured person” means a platform worker who is registered with the Employees Old-Age Benefits Institution and/or Islamabad Capital Territory Employees Social Security Institution;

- (xvi) “intermediary” means a person or a legal entity or a body corporate who contracts on behalf of the digital labour platform with a sub-contractor for an economic profit, all or part of a job to which the subcontractor has agreed to perform, for the benefit of the digital labour platform;
- (xvii) “invalidity” means a condition, other than that caused by an employment injury, as a result of which an insured person is permanently incapacitated to such an extent as to earn from their usual or other occupation more than one-third of the normal rates of earning in their usual occupation;
- (xviii) “platform work” means a work arrangement in which organizations or individuals use a digital labour platform to access other organizations or individuals to solve specific problems or to provide specific on-location services, including but not limited to ride-hailing, delivery, domestic, professional and care services or any such other activities which may be notified by the Government from time to time, in exchange for payment;
- (xix) “platform worker” means a person who performs work or participates in a work arrangement through a digital labour platform and earns income from such activities while performing work at a certain location;
- (xx) “prescribed” means prescribed by rules made under this Act;
- (xxi) “rules” means the rules made under this Act;
- (xxii) “sexual harassment” means any unwelcome sexual advance, request for sexual favours, stalking or cyberstalking or other verbal, visual or written communication or physical conduct of a sexual nature, or sexually demeaning attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment, or the attempt to punish a platform worker for refusal to comply to such a request or is made a condition for employment;
- (xxiii) “sub-contractor” means a person, natural or legal, who contracts with a primary contractor to perform, for an economic profit, all or part of a job to which the primary contractor has agreed to perform, for the benefit of the digital labour platform;
- (xxiv) “victimization” means any act or omission by the digital labour platform or a person acting on behalf of the platform that affects, to the platform worker’s detriment, such platform worker with respect to any term or condition of their employment;
- (xxv) “wages” means earnings of a platform worker in lieu of services provided to the customers of the digital labour platform or remuneration payable in cash or through banking channels to a platform worker, not being less than the minimum rates of wages declared under the applicable legislation without taking account of deductions for any purposes, under a contract of service or contract for service, expressed or implied and shall be deemed to include any dearness allowance or other addition in respect of the costs of living;
- (xxvi) “workplace” means the place of work or any place where services are rendered or performed by platform workers, including but not limited to ride hailing and delivery vehicles, private homes, and other places where the activities are carried out and includes any situation that is linked to work.

3. **Establishment of Platform Workers Protection Council.** —

The Government shall establish and notify a Platform Workers Protection Council under the administrative control of the Directorate and chairpersonship of the head thereof. It shall comprise not more than fifteen members with representation from the Ministry of Interior, Ministry of Overseas Pakistanis and Human Resource Development, Ministry of Information Technology and Telecommunication, Islamabad Traffic Police, National Commission on the Status of Women, ICT Department of Labour Welfare, two independent experts, and at least two representatives each from the digital labour platforms, platform workers, and civil society organizations working on protection of the rights of platform workers:

Provided that at least one fourth of the total members of the Council may be women.

4. **Functions of Platform Workers Protection Council. —**

- (1) In addition to the functions entrusted to it by the other provisions of this Act or by the rules, the Council shall monitor and oversee the: -
 - (i) identification and mapping of platform workers by the Directorate in different economic sectors and geographical areas of Islamabad Capital Territory;
 - (ii) registration of digital labour platforms in the manner prescribed by rules;
 - (iii) maintenance of record of registration of platform workers by platforms in the manner prescribed by rules; and
 - (iv) provision of information to the platform workers and digital labour platforms concerning rights and responsibilities under this Act.
- (2) The Council shall coordinate with concerned institutions and authorities to facilitate:
 - (i) registration of platform workers with Islamabad Capital Territory Employees Social Security Institution and Employees Old-Age Benefits Institution for accessing social security and old age benefits;
 - (ii) fixation of minimum wage for different categories of platform workers for working and waiting hours by the Minimum Wage Board established under the Minimum Wage law in force in Islamabad Capital Territory.
- (3) No act done by the Council shall be called in question on the grounds merely or existing of any vacancy in, or defect in the constitution of, the Council.

5. **Obligation to provide employment contract. —**

- (1) Every engagement of a platform worker by a digital labour platform shall be subject to the issuance of an employment contract in the prescribed manner, both in English and Urdu, showing the terms and conditions of their employment, including nature of work, name and addresses of all the parties to the contract who shall be subject to the local legal jurisdiction under the local labour laws. The contract shall be accessible to the platform worker at all times in the mobile application of the digital labour platform. Where a platform worker signs-up through a registration hub, the contents of the employment contract shall be verbally explained to such worker in the plain local language.
- (2) The contract shall specify wages, method of calculation and periodicity of payments, working hours, rest days and leaves, provisions on occupational safety and health, terms and conditions relating to termination, including deactivation or penalties, and whether the contract is temporary or permanent.
- (3) Arbitration clauses that place unreasonable burden on platform workers or have the effect of nullifying the enforcement of platform workers' rights, as guaranteed under this Act, shall be null and void.
- (4) The digital labour platform shall notify workers of the proposed changes to the contract in a reasonable timeframe of at least two calendar weeks. The changes shall take effect only once these have been communicated to the Works Council and its advice has been taken into account. Contract changes that reverse existing accrued benefits and reasonable expectations on which workers have relied shall be null and void.
- (5) The contract shall not include clauses which exclude liability for negligence or unreasonably exempt the platform from any liability, nor clauses that prevent workers from effectively seeking redress for grievances arising from the working relationship.
- (6) The provisions on extension and termination of employment contracts for platform workers shall be prescribed under the rules.
- (7) Notwithstanding anything contained in any other law for the time being in force, no child under the age of eighteen years shall be allowed to engage in platform work in any capacity.

6. **Right to equal treatment.** —

- (1) A digital labour platform shall ensure that no platform worker is subjected to direct or indirect discrimination, harassment, or sexual harassment at the hand of platform, users, and third parties, as the case maybe.
- (2) A digital labour platform shall protect workers against discrimination at the hands of customers or users by disallowing requirements from customers or users which would have the effect of discriminating directly or indirectly against workers on any of the prohibited grounds for discrimination referred in section 2(ix). The platform shall take steps to prevent algorithmic wage discrimination as a result of dynamic pricing.
- (3) Where persons from a disadvantaged group are significantly under-represented among its workers, the digital labour platform shall seek to identify and remove barriers to access by persons from that group in consultation with the Works Council.
- (4) A digital labour platform shall institute regular external audits on an annual basis to check for biases in its work allocation systems, as prescribed by the rules.

7. **Right to social security.** —

(1) The platform workers shall be registered with Islamabad Capital Territory Employees Social Security Institution and the Employees Old-Age Benefits Institution. The benefits for the platform workers shall include old-age pension, old-age grants, survivors' pension, and invalidity pension as are provided under the Employees Old-Age Benefits Act, 1976 (XIV of 1976) or any other law on the subject in force in the Islamabad Capital Territory and sickness benefits, medical care during sickness, medical care of dependents, injury benefits, disablement pension, survivor's pension and other benefits as are provided under the Provincial Employees Social Security Ordinance, 1965 (W.P. Ordinance X of 1965) or any other law on the subject in force in the Islamabad Capital Territory.

8. **Right to freedom of association.** —

The platform workers shall have the right to form and join organizations or unions of their own choice, the right to collective bargaining, and all other rights as provided under the Industrial Relations Act 2012.

9. **Works Council.** —

- (1) Every digital labour platform having work arrangements with 100 or more platform workers shall constitute, in the prescribed manner, a Works Council consisting of equal representatives of the platform and the platform workers.
- (2) The Works Council shall function for securing and preserving good labour management relations and shall look after the following matters:
 - (i) laying down the principles of remuneration and introduction of new remuneration methods;
 - (ii) settlement of differences and disputes through bilateral negotiations;
 - (iii) measures for facilitating good and harmonious working conditions in the digital labour platform; and
 - (iv) vocational and safety trainings.
- (3) The management shall not take any decision in the following matters without consultation in writing with the Works Council:
 - (i) framing of service rules and policy about the discipline of workers;
 - (ii) in-service training of workers;
 - (iii) regulation of daily working hours and breaks;
 - (iv) setting premium rates for work during unsocial hours, night hours and inclement weather; and
 - (v) any policy changes affecting platform workers.
- (4) Every digital labour platform shall provide information to the Works Council regarding parameters, rules and instructions on which the algorithms or artificial intelligence systems are based that may

affect working conditions, access and maintenance of employment, including profiling of platform workers.

- (5) The workers' representatives on the Works Council may, on their own initiative, give advice in writing concerning the matters specified in sub-section (2) and sub-section (3) and, where they do so, the digital labour platform shall convene a meeting of the Council within two weeks of the receipt of the advice to discuss its merits.
- (6) The digital labour platform shall give a reply to the workers' representatives within six weeks of the receipt of their advice given under sub-section (5), and any such advice shall not be rejected except by the person holding the highest position in the management of the digital labour platform.
- (7) The Works Council may call for reasonable information about the working of the platform from its management, and the management shall supply the information called for by the Council.
- (8) The Works Council shall meet at such intervals as may be prescribed.

10. **Working hours and holidays.** —

- (1) No platform worker shall be required to work for more than eight hours in a span of twenty-four hours. The weekly working hours shall not exceed forty-eight hours per week.
- (2) The maximum active hours of work for platform workers in a week shall not exceed fifty-six hours. For working hours beyond 48 hours per week, the digital labour platform shall pay wages at the rate of at least 125% of the ordinary rate. For platform workers working during the night hours (09:00 pm to 05:00 am), the digital labour platform shall pay wages at the rate of at least 110% of the ordinary rate. For platform workers working during inclement weather, the digital labour platform shall pay wages at the rate of at least 105% of the ordinary rate. For platform workers working on gazetted holidays, the digital labour platform shall pay wages at the rate of at least 130% of the ordinary rate.
- (3) Every platform worker shall be entitled to a weekly rest day of at least twenty-four consecutive hours in a seven-day period.
- (4) Every platform worker shall be allowed annual leave in a prescribed manner with average wages for a period of fourteen calendar days after having worked through the digital labour platform for 2496 hours.
- (5) Every platform worker shall be entitled to sick leave in a prescribed manner with average wages for a total period of eight days in a year on a pro-rata basis.
- (6) A female platform worker shall be entitled to maternity leave, as per the provisions of applicable legislation in force in Islamabad Capital Territory.

11. **Wages.** —

(1) A platform worker shall be paid such wages within such period of time as may be specified in the employment contract, not being more than 15 days:

Provided that the wages shall in no case be less than the minimum wages specified by the Government under the minimum wage legislation, applicable in the Islamabad Capital Territory.

(2) All wages shall be paid to the platform workers in a prescribed manner.

(3) No digital labour platform shall pay to a platform worker, wages payable, at the rates less favourable than those at which wage is paid to the platform workers of the opposite sex performing the same work or work of a similar nature or of equal value.

(4) There shall be no deduction from the wages of a platform worker except in the following cases:

- (i) payment of tax or contribution payable by the platform worker;
- (ii) compensation for loss to the digital labour platform due to the platform worker's willful act or gross negligence, with written consent to be obtained from the platform worker;
- (iii) other payments as specified by law or rules;

(iv) The deduction under sub-section 4(ii) and (iii) shall not be more than 35% of the wages the platform worker is entitled to receive during each wage period.

(5) The deduction for payment of income tax or contribution by platform workers to social security and old age benefits schemes shall be in line with the rates notified by the respective institutions.

12. Digital labour platform's responsibilities regarding occupational safety and health. —

(1) Every digital labour platform shall:

(i) take all possible and reasonably practicable measures to ensure the safety and health of platform workers, including but not limited to development of heat action plans during heat waves;

(ii) ensure systematic and effective identification of the existing and new hazards at the workplace on a regular basis;

(iii) inform the platform workers in an understandable manner and in an accessible written form, before any work commences, the hazards associated with their work, risks involved, and the preventative and protective measures that need to be taken;

(iv) provide such information, instructions and training, as is necessary to ensure the occupational health and safety of workers;

(v) provide adequate personal protective equipment (PPE) as may be approved by the Government to the platform workers, without any cost to them, if hazards cannot otherwise be eliminated or controlled, in order to prevent every risk of harm and of adverse effects on health;

(vi) maintain in the general register particulars of all accidents, near misses including dangerous occurrences, commuting accidents and suspected cases of occupational diseases at the workplace and submit the extracts thereof to the Government;

(2) Occupational safety and health measures shall not involve any expenditure by the platform workers.

(3) The digital labour platforms shall establish rest stops and toilet facilities for platform workers, as prescribed by the rules.

13. Duties of platform workers. —

(1) Every platform worker shall ensure:

(i) reasonable care for their own safety and that of other persons who may be affected by their acts or omissions at the workplace;

(ii) proper use of any personal protective equipment (PPE) provided by the platform;
and

(iii) their escape from the place of imminent and serious danger and report forthwith to the digital labour platform of such a situation:

Provided that a platform worker who has removed themselves from a work situation which they have reasonable justification to believe presents an imminent and serious danger to their life or health shall not be penalized.

14. Transparency regarding automated monitoring and decision-making systems. —

(1) The algorithms engaged by the digital labour platforms to determine access to work or remuneration or the type of work shall be transparent, and workers shall have the opportunity to seek explanation and redress.

(2) A digital labour platform shall inform its workers about:

(i) automated monitoring systems, which are used to monitor, supervise or evaluate the work performance of platform workers through electronic means; and

(ii) automated decision-making systems which are used to take or support decisions that significantly affect those platform workers' working conditions, in particular their recruitment, access to and organization of work assignments, their earnings, their occupational safety and health, their working time, their promotion and their contractual status, including the restriction, suspension or termination of their accounts and explanation of any disciplinary actions.

(3) The digital labour platforms shall provide the information referred to in subsection (2) in the form of a document that may be in electronic format. The information shall be presented in a concise, transparent, intelligible and easily accessible form, using clear and plain language.

(4) A digital labour platform shall not use automated monitoring and decision-making systems in any manner that puts undue pressure on persons performing platform work or otherwise puts at risk the physical and mental health of platform workers, including but not limited to the use of incentives, such as exceptional bonuses, or punitive practices, such as ratings that have an impact on working time and lead to the assignment of less work. It shall ensure that automated monitoring and decision-making systems avoid any potential discriminatory decisions issued on the basis of prevalent biases or discriminatory practices.

(5) Digital labour platforms shall make the information referred to in subsection (2) available to the worker on the first working day and at any time upon the platform worker's request. However, the platform shall make the information available to the worker prior to the introduction of the changes affecting working conditions, the organisation of work or monitoring of work performance. The information shall be presented in a concise, transparent, intelligible, and easily accessible form, using clear and plain language. Digital labour platforms shall make the information available to the platform workers' representatives, inspectors, Dispute Resolution Committee and National Industrial Relations Commission upon their request.

(6) Digital labour platforms shall ensure human oversight of all decisions affecting working conditions.

15. **Data protection.** —

(1) No digital labour platform shall process any personal data concerning platform workers that are not intrinsically connected to, and strictly necessary for, the performance of the contract between the platform worker and the digital labour platform. In particular, a digital labour platform shall not:

- (i) process any personal data on the emotional or psychological state of the platform worker;
- (ii) process any personal data relating to the health of the platform worker, except in cases as prescribed by the rules;
- (iii) process any personal data in relation to private conversations, including exchanges with or among platform workers and workers' representatives, also in relation to the possibility to organise collectively and to defend their rights; and
- (iv) collect any personal data while the platform worker is not offering or performing platform work.

(2) The digital labour platform shall allow, at the request of a platform worker, portability of transaction and reputation data, as prescribed by the rules.

(3) A platform worker shall have the right to the protection of personal data as well as access to data which has been collected concerning him or her and the right to have it rectified.

16. **Dispute resolution committee.** —

(1) The Government may, by notification in the Official Gazette, appoint a tripartite-plus Dispute Resolution Committee, as prescribed under rules, under the head of Labour Welfare Department, to hear and decide for any specified area, all claims, complaints, and disputes arising out of and in connection with enforcement under this Act.

(2) Where an action contrary to the provisions of this Act deprives a person of their due right under this Act, such person themselves, or any legal practitioner or any official of a registered trade union or association authorized in writing to act on their behalf, or any Inspector under this Act or of any heirs of a platform worker who has died, may apply to the Dispute Resolution Committee for decision:

Provided that every such application shall be presented within ninety days from the date on which the violation occurred or from the date on which the payment was due to be made, as the case may be:

Provided further that the Dispute Resolution Committee shall give its decision by speaking order within 60 days of receipt of such complaint.

(3) The parties shall be given full opportunity to defend their case.

17. **Appeal.** —

Any party aggrieved by the decision of the Dispute Resolution Committee may, within thirty days of such a decision, file an appeal to the National Industrial Relations Commission, established under the Industrial Relations Act, 2012 and the decision of the Commission on such appeal shall be final.

18. **Powers of the dispute resolution committees.** —

(1) Every dispute resolution committee shall, while holding an enquiry regarding a dispute or complaint under this Act or the rules made thereunder, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (*Act V of 1908*), in respect of the following matters, namely:

- (i) enforcing the attendance of any person and examining them on oath;
- (ii) compelling the production of documents and material objects;
- (iii) issuing commissions for the examination of witnesses; and
- (iv) such other matters as may be prescribed.

19. **Labour inspectors.** —

- (1) The Government may notify labour inspectors for the respective areas of jurisdiction to ensure compliance with the provisions of this Act.
- (2) An Inspector notified under sub-section (1) shall be deemed to be a public servant within the meaning of the Pakistan Penal Code, 1860 (*Act XLV of 1860*).

20. **Functions and powers of labour inspectors.** —

- (1) The Inspector appointed under section 19 shall, for the purpose of the execution of this Act, have the powers described in their certificate of appointment, as may be prescribed.
- (2) No person shall intentionally delay or obstruct the Inspector in the exercise of his powers referred to under sub-section (1) and refuse to comply with the provisions of this Act, rules, regulations or by-laws and produce any register, certificate, notice or document under his custody. Further, no person shall prevent or attempt to conceal or prevent any person from appearing before or being examined by such Inspector in the execution of his duties under this Act.

21. **Maintenance of record.** —

- (1) Every digital labour platform shall keep such records and shall submit returns to the Directorate, at such times, in such form and containing such particulars relating to persons employed by the digital labour platform, as may be prescribed by the rules, including but not limited to information on the number of persons performing platform work through digital labour platforms, their contractual or employment status, copies of employment contracts, average duration of and average income from activity and the general terms and conditions applicable to those contractual relationships.

22. Prohibition on exclusionary practices. —

- (1) Any provision in an employment contract shall be void in so far as it purports—
- (i) to exclude or limit the operation of any provision(s) of this Act; or
 - (ii) to preclude a person from bringing proceedings under this Act before the Dispute Resolution Committee and National Industrial Relations Commission.

23. Prohibition on victimization. —

- (1) A digital labour platform shall not victimize a platform worker for:
- (i) performing any duty or exercising any right under the relevant statutory provisions of this Act or any other law for the time being applicable to such worker;
 - (ii) making a complaint or representation as regards any rights granted under this Act; and
 - (iii) giving evidence in proceedings in respect of the enforcement of the relevant statutory provisions before any statutory forum.

24. Penalties. —

(1) A digital labour platform that fails to comply with or contravenes any provisions of this Act shall be punished with a fine which for the first offence may extend to four times the applicable minimum wage for unskilled workers in Islamabad Capital Territory but shall not be less than two times of such wage and for a second or subsequent offence with fine which may extend to ten times the applicable minimum wage for unskilled workers in Islamabad Capital Territory but shall not be less than five times of such wage.

(2) Any digital labour platform or any such person who willfully obstructs a labour inspector in the exercise of any power in compliance of this Act, or fails to produce on demand thereunder any evidence, statement or other documents, shall be punished with a fine which may extend to five times the applicable minimum wage for unskilled workers in Islamabad Capital Territory but shall not be less than three times of such wage.

(3) A platform worker who willfully contravenes any of the provisions of this Act shall be punished with a fine which may extend to half of the applicable minimum wage for unskilled workers in Islamabad Capital Territory.

25. Power to make rules. —

The Government may make rules for carrying out the purposes of this Act.

26. Indemnity. —

No suit, prosecution or other proceedings shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or rules made thereunder.

27. Removal of difficulties. —

If any difficulty arises in giving effect to any provision of this Act, the Government may, by notification in the Official Gazette, make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purposes of removing the difficulty.

Statement of Objects and Reasons

The platform economy- provision of ride-hailing, food or grocery delivery, and domestic and personal care services- has grown quickly in Pakistan in recent years. After the onset of COVID-19 in early 2020, the platform economy gained pace, especially in the food and grocery delivery sector. The ride-hailing, on the other hand, faced losses simultaneously. Given Pakistan's youth population (more than 60% under the age of 30) and nearly four million youth entering the working-age population every year, the platform economy can be an engine for employment growth in the country.

Platform work can provide easier access to the labour market and employment opportunities for vulnerable groups and those traditionally excluded from the labour market, such as youth, women, and minorities. The platform workers are currently classified as "independent contractors" and do not have access to any labour rights that are reserved for "workers" under the labour laws applicable in Islamabad Capital Territory. This misclassification has consequences for the workers by restricting access to existing labour and social security rights and leading to worker exploitation. Misclassification also deprives the state exchequer of the social contributions that the digital labour platforms and workers would have paid to the government institutions, i.e., Employees' Social Security Institution and the Employees' Old Age Benefits Institution.

The purpose of this legislation is to improve the working conditions of platform workers by ensuring the correct determination of their employment status, providing for their minimum wage, requiring employment contracts in the local language, ensuring their right to freedom of association and collective bargaining, improving their access to various social security benefits and leaves, promoting transparency, fairness, human oversight, safety and accountability in algorithmic management in platform work while supporting the sustainable growth of platform economy in the country. Following the Constitutional provisions on the elimination of all forms of exploitation (Article 3 of the constitution), ensuring equal protection before the law (Article 25) and creating an egalitarian society based on the Islamic concept of fair play and social justice (Objectives Resolution), it is imperative to prevent the current race to the bottom in working conditions of platform workers by enacting necessary legislation and improve their working and living conditions.