



HUMAN RIGHTS COMMISSION OF PAKISTAN

RECONCEPTUALISING LABOUR AND LABOUR RIGHTS

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SHAKEEL PATHAN LABOUR STUDIES SERIES

RECONCEPTUALISING LABOUR AND LABOUR RIGHTS

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Human Rights Commission of Pakistan

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CONTENTS

Executive summary	03
Acknowledgements	06
1. Introduction	07
2. Labour rights: Constitution and laws	09
3. Labour landscape from 2009 to 2021	12
4. Freedom of association and social protection amid informality: Global perspectives	16
5. Labour in Pakistan: From movement to governance	20
6. Labour relations and work process: The cultural logic of informal economic practice	26
7. From minimum wage to living wage	38
8. Recommendations and concluding notes	41

EXECUTIVE SUMMARY

Pakistan's labour force stood at 71.8 million in the year 2020–21, out of which 67.3 million were gainfully employed, according to the Labour Force Survey (LFS). However, from 2009–10 to 2020–21, slightly less than half the working-age population has remained engaged in the labour force, signifying that there has not been much advance in the economy's absorptive capacity in the preceding decade. A sector-wise breakdown shows a considerable decline in the absorptive capacity of the agriculture sector, whose employment share has gone down from 45 percent in 2009–10 to 37.4 percent in 2020–21. The fall in agriculture's share has been compensated by a modest rise in the percentage of manufacturing (from 13.2 to 14.9 percent), a sharp jump in the shares of construction (from 6.7 to 9.5 percent) and community, social and personal services (from 11.2 to 16 percent), and an upward trend in other urban services sectors like wholesale, retail trade and transport.

The urbanising economy is characterised by widespread informality, documented in the LFS in terms of the number of workers employed (establishments with 10 or less counted in the informal sector, or LFS-1), as well as in terms of the ILO-backed criteria of (lack of) job-related benefits (LFS-2). At least 73 percent of the labour force falls under the informal sector, according to LFS-1, and 82 percent, according to LFS-2. However, this study employed expansive criteria (covering LFS-1 and LFS-2 and including all those employed without any contract signifying job insecurity), which gives the share of informally employed as 85 percent of total employment in 2020–21.

Globally, various transnational networks of activists and academics are undertaking sustained efforts towards enhancing workers' organisational and associational capabilities in the informal economy. Three prominent networks reviewed for this study are the Women in Informal Employment: Globalizing and Organizing (WIEGO), StreetNet and HomeNet. These networks work with home-based workers, street vendors, informal traders, waste pickers, domestic workers, landless rural labour, and subcontracted and outsourced workers.

Following the ILO-mandated tripartite framework, these networks adopt multiple organising models, ranging from leveraging the strengths of formal sector trade unions and seeking legal reforms to providing technical expertise and incorporating workers' organisations into transnational networks. Very little, yet highly significant, progress is evident in increasing references to the social and solidarity economy—an emerging category of non-capitalist production based on the logic of cooperation and basic needs rather than profit.

On the social protection front, the shift from the universalist and rights-based conception of social security (education, healthcare and welfare needs) espoused by the ILO and the three transnational networks sits uncomfortably with the targeted and means-tested models advocated by international financial institutions like the World Bank.

In Pakistan, this contrast is evident in the means-tested federal income support program and the post-18th Amendment provincial work-based contributory schemes and benefits (available to the small minority of the organised labour force) existing side by side.

Pakistan's plant-based unionisation model—under which workers employed at a legally recognised workplace form a union to bargain their wages and other work conditions collectively—has led to a multiplicity of unions coming together under various federations, with frequent sectoral overlaps. And yet, according to ILO documentation and labour leaders, unions cover anywhere between a meagre 1 to 2.5 percent of the country's labour force.

While the widespread global use of subcontracting, outsourcing and franchising practices is responsible for the decline of union power, the representational model of organising may also be partly responsible for the unions' inability to make a breakthrough into the informal sectors. For instance, the representational model primarily relies upon advocacy and lobbying, lacking a disruptive and innovative repertoire of action required to make inroads into the informal sectors.

In this regard, the post-2003 rise of an agitational model of organising among power loom workers across industrial and urbanising tracts of central Punjab offers

valuable lessons. On the social security front, the devolution of labour to provincial governments under the 18th amendment has led to new problems vis-à-vis the use of the trans-provincial operations clause (by employers) to suppress collective bargaining efforts and provide social security benefits for migrant labour.

The study demonstrates the urgent need to critically evaluate the employer-employee binary—the basis of the ILO’s tripartite model and Pakistan’s labour law—to capture the complex economic reality of contemporary capitalism. First, in this regard, it documents the presence of in-between figures across various sectors of the urban informal economy, whose proximity to workers or employers depends upon their exact mix of economic and cultural capital endowments, as well as the macroeconomic conditions. Second, the study finds a pyramidal economic structure across various sectors of the urban informal economy, whereby big sharks on the top of the hierarchy are characterised by huge capital investments and transnational social networks (among suppliers, vendors, millers, and other actors in the supply chain of these markets), both of which enable them to acquire political clout and capital through interest group and associational politics (market committees, trade and professional bodies). Underneath these are mid-level businesses with steady sales and regular cashflows, enabling them to partake in the consumptive economy comfortably.

Further down are minnows with one step in the employer domain and the other in the employee’s domain: owner-workers, owner-drivers, labour contractors, small shopkeepers, etc. At the bottom are the hordes of unskilled and poorly paid elementary workers. Though minnows are relatively better off than unskilled elementary workers, reliance on their own or family labour and credit-based business model makes them vulnerable to seasonal shocks. Lacking any formal social protection mechanisms, the informal economy, nonetheless, features safety nets based upon cultural logics of care and trust and their attendant networks of solidarity (extended kin, neighbourhood, region based). On the plus side, these safety nets and solidarity networks enable workers to deal with risks. But, on the downside, the underlying cultural logic based upon religious, caste, ethnic and gendered markers of identity simultaneously serve as labour disciplining and management tools, contributing to workers’ vulnerability.

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1. INTRODUCTION

Like most of its post-colonial counterparts, the Pakistani state had been able to pursue a broadly debt-financed developmentalist strategy of state-led industrialisation and mechanisation of agriculture in the first three decades.¹ This culminated in the emergence of an organised labour sector in key industries and the recognition of the peasant question under the ‘land to the tiller’ slogan, which was a central agenda item of major left-leaning political formations until the 1980s.

The net result was the emergence of a debt-driven developmentalist regime of labour rights under which rights like minimum wage, social security, pensions, etc. were legislated and state bureaucracies built and strengthened for their enforcement under the vigilance of an organised and institutionalised power of labour in the form of unions, their federations and broadly left-leaning political parties. This national regime of labour rights was formally instituted in Pakistan in the wake of nationwide labour and students’ movements in the 1960s that culminated in a centre-left political formation—the Pakistan People’s Party (PPP)—coming into power following the country’s first general elections in 1970. The national labour rights regime was based upon the plant-based collective bargaining and social security model dominant in the interwar and post-colonial years of embedded liberalism and developmentalism.

The debt-driven developmentalist regime of labour rights became possible because of the post-colonial state’s capacity to contain the corrosive effects of capitalism through national political and civil society institutions. However, since the 1980s, global politics and the economy have both undergone restructuring. The end of the Cold War and the triumph of liberal democracy as the paradigmatic form of governance have accompanied a transformation in the character of capitalism itself, from industrial to post-industrial forms of economic organisation guided by a neoliberal doctrine that has disembedded capital from the social and political constraints. Resultantly, the post-colonial state capacity, albeit limited to begin with, has crumbled in the backdrop of economic globalisation under which capital

has reorganised and restructured at a transnational scale, captured in the rise of the global financial market, Silicon Valley-led digital platform economy, WTO-led trade liberalisation, and new post-Fordist production practices and technologies.² In Pakistan, this manifests in declining productivity and output in agriculture, greater informalisation in industry, and the emergence of the consumption-oriented urban services sector, which now accounts for 53 percent of the value added in Pakistan's GDP and 37 percent of the country's labour force.³ From the standpoint of labour, this state of affairs has resulted in fragmentation, informalisation, and de-proletarianisation (unemployment and underemployment in productive, skill-based sectors) and re-proletarianisation—lack of middle-class jobs, pushing even college-educated youth to take up odd, precarious employment.⁴

Against this backdrop, this study documents the country's neoliberal economic reality in its complexity through a focus on work relations, hierarchies, and processes in emerging and entrenched sectors in the urban informal economy. The purpose of this exercise is to reconceptualise labour in its contemporary (racialised and gendered) forms so that the national regime of labour rights could be brought into alignment with the economic reality.

2. LABOUR RIGHTS: CONSTITUTION AND LAWS

The constitution of Pakistan directly or indirectly addresses Pakistani citizens' labour, employment, and work-related concerns in the chapters on fundamental rights and principles of policy. Among fundamental rights, Article 11 prohibits all forms of slavery, forced labour and child labour; Article 14 mandates the state to ensure the inviolability of human dignity; Article 17 provides for freedom of association, the right to form unions, engage in collective bargaining; Article 25 concerns equality before the law and prohibits discrimination on the basis of sex; and Article 37(e) provides for securing just and humane conditions of work. Two principles of policy—Article 37 (promotion of social justice and eradication of social evils) and Article 38 (promotion of social and economic well-being of the people)—lay the groundwork for a labour rights agenda with an abiding social justice and well-being component.

The corpus of Pakistani labour law is quite convoluted, according to legal experts who cite this as a key reason for the law's inability to serve as an effective antidote to violation of rights. However, to provide a basic sense of the existing legal edifice under which labour rights ought to be protected, one needs to take into consideration the timing of important legislations and their subsequent amendments. For instance, it is telling that in the post-colonial era, the country's first major Industrial Relations Act (IRA) was passed in 1968 by the then military junta-led government in the immediate aftermath of the first and arguably the most organised expression of working-class power.

Subsequently, the IRA was amended first during the military junta-led government of 2002 and eventually under the post-2008 civilian-led government's 18th constitutional amendment in 2010 when the federal IRA was repealed and redrafted only for Islamabad Capital Territory (ICT), and the four provincial administrations adopted their respective IRAs. Major themes covered under the IRAs relate to

defining not just workers, employers, trade unions, workers councils, collective bargaining agents, etc. but also the framework of governance for collective bargaining: provincial and federal executive and judicial structures like labour inspectors, industrial relations commissions, labour courts, etc. The IRAs set the parameters for various forms of collective actions like strikes and lockouts, as well as delineate ‘unfair’ practices on the part of workers and employers.

After the IRA, the Industrial and Commercial Employment (Standing Orders) Ordinance of 1968 arguably is the most significant legislation that regulates work and workplace conditions. Applicable to workplaces with 20 or more workers, the 1968 Ordinance delves deeper into the definition of the worker and classifies it into the following subcategories: permanent, probationer, *badli* [substitute], temporary, apprentice, and contract worker. It delineates the entitlements and responsibilities of employers and permanent/temporary workers. On work conditions, it sets out workdays and timing, days off, attendance and late arrivals, overwork, and provides the legal mandate for timely wage payments, notifications, bonuses, incentives, social security or insurance, and procedure for termination of employment or retrenchment. Last but not least, it lists penalties and work-related omissions (on the workers’ part) liable to be penalised.

Pakistan has sector-specific legislation like the Factories Act and the Shops and Commercial Establishment Act. These laws broadly regulate industrial, commercial and service-related work and work relations. Sites and establishments (factories, shops, etc.) with 10 or more workers are covered under these laws. The laws recognise contractual workers as rights-bearing legal subjects with the onus of rights provision on employers.

The contributory social security schemes, benefits and institutions also exist under a legal framework. Separate laws regulate the affairs of (provincial) Social Security Institutions (SSIs), Workers’ Welfare Funds (WWFs) and (currently at the federal level) Employees’ Old-Age Benefits Institution (EOBI). The laws on SSIs and WWFs create entitlements for workers to access subsidised healthcare and education facilities and various kinds of welfare funds (marriage, death grants, etc.). The EOBI law provides for the provision of pensions to private-sector workers.

New legal developments have lately occurred alongside the aforementioned legal structure, most notably on issues related to child labour, workplace harassment, and home-based and domestic work. All four provinces and the ICT have laws enacted to prohibit child labour. These laws define a child as a person who has yet to attain the age of 15. An adolescent is defined as someone aged 15 to 18 whose employment the law specifies conditions, including duration and nature of tasks (not involving intensive physical labour).

The legal framework for protection against workplace harassment dates back to 2010; however, the original set of laws was narrow in scope. In 2022, the National Assembly enacted a revised law with input from women and human rights activists. The revised law covers informal workers and students, expands the definition of workplace to include any place where work is done, and broadens the conception of harassment to ‘discrimination on the basis of gender, which may or may not be sexual in nature.’

Although the provincial governments have enacted laws on home-based workers (HBWs) and domestic workers (DWs), they are not enforced as their rules and procedures have not been formulated. Some salient features of these laws include the establishment of Social Protection Funds (comprising grants, donations, employer contributions, and voluntary contributions from miscellaneous sources); the creation of entitlements for HBWs and DWs so that they can access the existing provincial-level social security and welfare facilities; and for recourse to the collective bargaining framework laid out in the IRAs.

3. LABOUR LANDSCAPE FROM 2009 TO 2021

Between 2009 and 2021, Pakistan's labour force (those seeking work out of the working-age population) increased from 54.92 million to 71.76 million.⁵ In relative terms, however, slightly less than half the country's working-age population has remained engaged in the labour force in this period.⁶ Even though there has been a minimal increase in the number of those employed in the agriculture sector (from 23.34 million to 25.18 million), the true impact on the sector becomes apparent with a look at percentages: its share in the labour force has declined sharply from around 45 to 37 percent. The non-agrarian sectors rose sharply from 28.53 million in 2009 to 42.07 million in 2021.

When the Pakistani workforce earned its first significant set of labour laws in 1968, the prevalent ideas concerning economic growth and development (modernisation, Marxism, etc.) assumed that the fall of traditional agricultural practices (personified in the form of the rural peasant) would give way to the rise of a modern, urban, and industrial economy (embodied in the form of the urban working and middle classes). Nonetheless, the economic reality has not neatly mapped onto such ideologically motivated assertions, as the fall of traditional agriculture cannot, in a simplistic manner, be taken as a sign of the rise of a modern, urban, industrial economy.

In absolute terms, in 2021, the urban and urbanising economy remains dominated by the community, social and personal (CSP) services (10.76 million), manufacturing (10 million), and retail and wholesale (9.68 million) sectors, followed by construction (6.38 million), and transport (4.16 million) sectors.⁷ However, absolute figures alone do not tell the complete story, which becomes more apparent with a look at changes over time. Between 2009 and 2021, employment in the retail and wholesale bazaar sector has grown at a mediocre rate of 18 percent, but the growth rate in the CSP services and construction sectors is 85 percent and 84 percent, respectively. Transport and manufacturing lie in the middle, with 54

percent and 46 percent growth in employment, respectively. To put these figures in perspective, the CSP services and construction sectors where the bulk of the employment has occurred in the previous decade are linked to the emergent gig- and platform-based economies, feminised segments of the labour force (domestic work, care work, etc.), key privatised sectors such as education, health, and media, and, lastly, the speculative real estate investments or urban sprawl.

Work, and the relationship of labour and capital, in the urban and urbanising economy is characterised by widespread informality, with a slight silver lining that it has marginally decreased over time. Thus, where 73.83 percent of all jobs in the urban and urbanising economy were informal in 2009 (7.41 million formal versus 20.91 million informal), the share of informal jobs in these sectors has slightly decreased to 72.47 percent in 2021 (11.58 million formal vs 30.49 million informal). However, Pakistan's figure is still above the global average of 61 percent.⁸

In addition, the 72.47 percent figure is calculated in terms of the number of workers employed (establishments with 10 or fewer counted in the informal sector, or LFS-1). Once the ILO-backed criteria of (lack of) job-related benefits (LFS-2) was used, the instance of informality arose to 82.39 percent of the labour force.⁹ Lastly, this study also employed more expansive criteria (covering LFS-1 and LFS-2, and including all those employed without any contract signifying job insecurity), which gave the share of informally employed as 84.94 percent of the total employment (non-agriculture).¹⁰

The lowest instance of informality is recorded in the 'manager', 'professional' and 'associate and technical professional' occupational categories. Together, in 2021, workers in the three categories added up to 7.54 million, against the remaining 59.71 million employed in low-skill, low-pay jobs in 'service and sales', 'crafts and related trade', 'machine and plant operation and assembling', and the bottom of the rung 'elementary' occupations.

Of the 11.7 million workers in the most vulnerable elementary occupations, the bulk is concentrated in the fast-growing construction industry¹¹ (4.47 million), followed by agriculture (2.83 million), manufacturing (1.64 million), and wholesale/retail sector (650,000).

Farms and homes—whether their own as for home-based workers or of others—remain the paradigmatic spaces of women’s work. The agriculture sector stands out as the biggest employer of women in activities like farming, fishing, hunting, and forestry, albeit with a declining trend (67.9 percent of women in the labour force are employed in agriculture in 2021 against 74.9 percent in 2010), in line with the broader de-peasantisation trend identified above. Meanwhile, women’s share has increased in manufacturing (from 10 to 14.2 percent) and CSP services (from 11 to 15.8 percent) in 2010–21). These numbers signify women who have entered the lower rungs of manufacturing units where subcontracting practices thrive in piece-rate home-based work or in fields such as community health (health workers, nursing staff) and child and elderly care activities.

In reconceptualising labour to correct for its male-centrism, the understanding of gender and labour ought to be extended to the unpaid work done by women. For instance, in the LFS 2020–21, men accounted for 50.6 percent of the working-age population but were over-represented in the labour force (76.5 percent). On the contrary, women were 23.5 percent of the labour force, even though they constitute 49.4 percent of the working-age population.

Even for the women included in the official labour force, an overwhelming majority work as ‘unpaid family helpers’ or ‘contributing family workers’—this category has seen a declining trend, with 66 percent identifying as such in 2010, coming down to 51 percent in 2017–18, but bumping up again to 55 percent in 2021.

Another way to provide a corrective for the male centrism of official statistics, acknowledged by ILO, is through a broad categorisation of the care economy, encompassing unpaid work/activities done in the domestic domain. In a first (and only one to date) of its kind country-wide time-use survey conducted by the Pakistan Bureau of Statistics (PBS) in 2007,¹² it emerged that out of the total time spent on unpaid activities by all respondents, women’s share was 91.1 percent, and men’s a mere 8.9 percent. The study provided average time spent on daily routine as follows: women spent 231 minutes a day on unpaid domestic services for own final use, 55 minutes a day for other household members, and an hour a day for the community.

On the contrary, men spent a mere 17 minutes daily on unpaid work for own final use and nine minutes for other household members. These findings corroborate a longstanding realisation by feminist scholars and activists, i.e. working women have to do an unpaid second shift at home,¹³ and stay-at-home women's unpaid labour provides the foundation for the labour market but remains unacknowledged in the calculation of key economic indicators like the GDP.

4. FREEDOM OF ASSOCIATION AND SOCIAL PROTECTION AMID INFORMALITY: GLOBAL PERSPECTIVES

The Women in Informal Economy: Globalizing and Organizing (WEIGO), HomeNet and StreetNet International are three prominent global networks of academics, activists, and informal sector workers, seeking to enhance and protect labour rights in non-unionised sectors.

Besides HBWs, street vendors and informal traders, these global networks have expanded their footprints across waste picking, domestic work, landless rural labour, and subcontracted and outsourced workers. Thus, as a result of their work, a wide range of work/occupations, workplaces and relations that remain outside the formal economy have received newfound attention, most prominently in the International Labour Organization's (ILO) programming and interventions.

While HomeNet focuses on home-based workers and is well integrated into the Pakistani labour rights and governance regime through its partnership with the Home-based Working Women Federation (HBWWF), StreetNet International has yet to extend its presence in the country, indicating the relative neglect of the sector comprising 'street and market vendors, cross-border traders and other informal traders' in the Pakistani labour rights activism in general.

Freedom of association and collective bargaining

Working within the tripartite framework of the ILO, these networks seek to support efforts towards building associational and organisational capacities of workers in the informal economy. For instance, in the 2017–18 annual report, WEIGO notes significant strides in training and capacity building of activists in street vending,

HBW, domestic work, and waste picking sectors, enabling the activists to engage in collective bargaining. In effect, these global networks open up opportunities for access to resources (financial, technological, and intellectual) for activists and workers in such non-unionised sectors.

In a working paper for ILO, Schmidt et al. (2023) review key emerging work categories and models of representation in non-unionised sectors.¹⁴ For informal employees, that is, subcontracted workers, they highlight the case of an Italian automobile company's production facility in the Indian state of Tamil Nadu. The presence of an established trade union federation (United Labour Federation) enabled subcontracted workers to negotiate better wages and work conditions under a legally binding contract.

However, the ILO proposes that a distinction must be made to ascertain their status as employees or employers for own-account workers. It contends that it is often a clear-cut case of the former in instances where a relationship of dependency to another economic entity exists, and instances of skilled work (electricians, plumbers, masons, or handy persons in general)—owing to 'multiple clients and greater control over work'—are better conceptualised as employers to be represented through employers' organisations. Thirdly, the paper reviews the emergent category of dependent contractors, including gig or platform economy workers in ride-hailing applications like Uber and Careem, or food and other delivery services like Foodpanda. The hiring practices at platform-based entrepreneurial ventures deny legal labour rights to the workforce; thus, the recognition of platform economy personnel as workers/employees is the 'gateway for determining entitlements' in these instances.

The informal economy often combines activities based on the purely capitalist logic of privatisation of profit or surplus with activities that do not easily map onto such a logic. To conceptually delineate such activities and map out their impact on labour rights, the ILO and prominent network-based global organisations (WEIGO, HomeNet, and StreetNet, for instance) increasingly use the notion of social and solidarity economy (SSE). The ILO defines the SSE as 'institutional units with a social or public purpose, engaged in economic activities based on

voluntary cooperation, democratic and participatory governance, autonomy and independence, whose rules limit or prohibit the distribution of surplus. SSE units may include cooperatives, associations, mutual societies, foundations, social enterprises, [and] self-help groups.¹⁵ In effect, the SSE is characterised by a social division of profit or surplus rather than privatisation.

Social protection

The Social Security (Minimum Standards) Convention of 1952 (No. 102), and the Social Protection Floors Recommendation of 2012 (No. 202), are the two most prominent ILO instruments on the subject. Convention No. 102 refers to nine social security contingencies that all human beings may face over their life course: the need for medical care and the need for benefits in the event of sickness, unemployment, old age, employment injury, family responsibilities, maternity, invalidity and survivorship (where a dependent outlives an earner).

Extending the normative framework for social protection, the Recommendation No. 202 provides the policy vision for the attainment of universal social protection through (i) the establishment of national social protection floors for all persons in need of protection as a matter of priority, and (ii) higher levels of protection for as many persons as possible, and as soon as possible. The floors, or bare minimum protection, constitute basic social security guarantees that ensure effective access to essential healthcare and basic income security at a level that allows people to live in dignity throughout their lives. These should include at least: access to essential healthcare, including maternity care; basic income security for children, ensuring access to nutrition, education, care, and other necessary goods and services; basic income security for persons of working age who are unable to earn sufficient income, especially in case of sickness, unemployment, maternity, and disability; and basic income security for older persons.

The labour movement has become associated in Pakistan with a narrow conception of social security based on contributory schemes, where employees and employers both contribute portions of (the former's) wages and (the latter's) profits to provide pensions, healthcare, education, insurance, and other welfare needs of the labour force. Globally, the labour movement's impact has, in fact, far exceeded such

schemes if the symbiotic relationship of trade unionism and the political left is taken into account. This relationship became institutionalised through social democratic and/or Labour parties and Keynesian, welfare and developmentalist state policies.¹⁶ However, with the post-1980s erosion of these global political and economic institutions and the rise of neo-liberalisation, new (transnational) institutional forms have emerged that seek to fill the vacuum.

Albeit, much is still to be desired since the universalist and rights-based social protection framework (upheld by the three global networks, the UN, and its affiliated bodies, including the ILO) sits uncomfortably with the targeted and means-tested framework espoused by the World Bank. This contradiction is evident in the contemporary social protection landscape in Pakistan, where the WB-funded flagship Benazir Income Support Program (targeted, means-tested) at the federal level exists alongside work- and contributions-based social welfare mechanisms (managed by the labour department) and charitable or religious forms (administered by the Zakat and Ushr departments at provincial levels).

A review of the work of the global networks and INGOs suggests that these can, at best, complement public sector efforts at the national and subnational levels. These networks could provide opportunities for enhancing international linkages and better embedding national and subnational level apparatuses into global networks. For instance, this is precisely what WEIGO boasts to have undertaken through its Social Protection program. In its 2017–18 annual report, it highlights in its achievements in collaborations with national-level agencies and transnational actors in data gathering and knowledge transfer on the informal economy in particular: including with the National Institute of Occupational Health in South Africa, the Self-Employed Women’s Association (SEWA) in India, and with the Cuidar project in Brazil.

5. LABOUR IN PAKISTAN: FROM MOVEMENT TO GOVERNANCE

According to an ILO mapping study from 2016, the number of trade unions registered with relevant national and subnational authorities stood at 7,096, with coverage of a mere 2.32 percent (based on the 2016 labour force figure of 61 million). While the country's workforce has increased from 61 million in 2016 to 73 million in 2021, the most recent statistics for union registration are unavailable.

However, a well-established perception among union organisers is that union density has further decreased. They dispute the ILO figure on the grounds that it contains a sizeable number of 'yellow' or 'pocket' unions registered by employers to suppress labour organising. They contend that union density is no more than a mere one percent, and this also goes down significantly if one takes away the unionised labour force in the public sector (electricity distribution companies except K-Electric, development authorities, provincial departments, federal ministries, etc.). Even if one maps the unionised labour force of 1.4 million onto the formal sector workers (9 million in 2016), then, too, the union density is only 15 percent.

In a nutshell, not only the informal sector workforce—which remains beyond the purview of both the state and trade unions—but also the formal sector workforce lack the organisational capacity to engage in collective bargaining or its constitutionally guaranteed freedom of association. Additionally, the plant-based unionisation model—established in view of the factory-based production system (mass and assembly line production of goods in a factory)—has arguably also run its course.

While the model is theoretically rigorous—employees and employers representatives sit down and collectively bargain conditions and terms of work under a legal regime of rights—the economic reality has moved on: the factory or the plant now stands disaggregated and organised at a transnational level.

Factory or plant segments within national jurisdictions are mostly a caricature of their earlier selves (reduced workforce, scattered operations, etc.). They are embedded into the pre-industrial workshop or emergent sweatshop, home-based, street-based, and, increasingly on the rise, digital platform-based modes of production.

Limitations of the plant-based representational model

Under Pakistan's prevalent regime of labour governance, a federation (of trade unions) is the level at which organised labour engages the various state bureaucracies. There is a parallel registration of federations: Islamabad-based National Industrial Relations Commission (NIRC) registers federations that have trans-provincial unions, whereas the provincial labour departments give registration to federations with provincial-level unions. Thus, a multiplicity of unions come together under a multiplicity of federations. Rather than enabling the fragmented labour force to evolve a bare-minimum unity of purpose, plant-based unions and federating unions create structural barriers in the way of unified forms of labour action and organisation. This is evident given the recent downsizing and 'rationalising' trends in the large-scale manufacturing (LSM) sector.¹⁷ For instance, when the Pakistan Elektron Limited (PEL) downsized its workforce, the trade union legally mandated to act as the collective bargaining agent (CBA) for PEL workers remained conspicuous by its absence in the entire episode. Instead, the matter was taken up by a new political formation, the Haqooq Khalq Party, which is closely allied with the Labour Qaumi Movement (LQM), a grassroots campaign turned into an organised network of power loom workers. The PEL trade union is an example of a pocket union. It is a part of the Pakistan Workers' Federation (PWF), which, according to a Federation representative, is considering disaffiliating it.

A simplistic understanding of pocket or yellow unions as staffed by factory owners' hired guns and maintained at the behest of colluding labour department bureaucracy may have limitations. For instance, in interviews conducted among labour organisers in Faisalabad, it emerged that the 'moniker' of pocket union could very well highlight a more profound schism within the trade union movement's two different models of organising: (i) a lobbying-and-advocacy focused representational

model, and (ii) a rank-and-file focused agitational model, as a power loom worker used the category to refer to a union that had failed to provide relief to workers unpaid for their labour in February at the Top Notch Apparels industries.

When their union did not do much, they approached the LQM, and a 15-day *dharna* [sit-in] resulted in payments released to half of the unpaid workers, with the remaining hoping to receive their back pay in the next month. The union termed ‘pocket’ by the loom worker is affiliated with the little-known Pakistan Textile Garments Leather Workers Federation (PTGLWF) headed by veteran unionist Haji Aslam Wafa.

Veteran unionist, newbie ‘troublemakers’

A few dozen yards from the Clock Tower roundabout on the Chiniot Bazaar main road in Faisalabad, a narrow doorway ensconced between two wholesale garments outlets has a staircase to Muhammad Aslam Wafa’s office on the first floor. The office walls are adorned with photos printed from traditional reel-based cameras capturing Wafa’s place in the trade union movement from its heyday in the 1960s to the current state of stagnation.

Even a cursory look is suggestive of how the fate of trade unionism could be read from this man’s life journey: the oldest photos are of massive street rallies, where Wafa appears as one among many protagonists, and the latest ones from cosy offices of the provincial labour department, show an ageing man well settled in his way of doing things, sharing the limelight with labour bureaucrats, ‘discussing workers’ issues.’ His way of doing things was revealed in conversations with Wafa and another trade unionist Mian Shahbaz, who heads a road transport workers’ union from Faisalabad’s General Bus Stand (GBS). ‘He works differently than the LQM people’, Shahbaz said, urging that Wafa be interviewed about union organising in the textile sector. ‘We don’t believe in agitation. We believe in table talk’, he said. Later, Wafa agreed that his organisational model was based on close contact with the labour bureaucracy and factory administrations.

Since Wafa’s work in the formally organised part of the textile sector, including big and medium-sized mills, his federation is apparently able to rely upon a steady stream

of funding from mandatory union contributions. In return, Wafa is responsible for assisting workers with navigating the labour bureaucracies, including the Social Security Institution, Employees Old-Age Benefits Institution (EOBI) and Workers' Welfare Board (WWB). The case of Top Notch Apparels workers highlights the limitations of such a transactional and representational model.

While Wafa runs his federation, Shahbaz's transport workers union is part of the PWF. Unlike Wafa, Shahbaz cannot rely upon any constant funding stream since the bulk of the workforce that he aspires to represent—drivers, conductors, porters, loaders, mechanics, etc.—is part of the informal segment of the road transport system spatially concentrated around the bus stands. However, much like Wafa, Shahbaz's career trajectory also depicts how the representational model of organising has become hegemonic in trade unionism.

As a bus driver in the 1970s, Shahbaz worked his way through the transport sector, taking gigs as a conductor on 'C-class' Bedford buses catering to the bulk of the working and lower-middle class market segments. Today, as he manages, what he claims is the only nationwide (in terms of aspiration, not in terms of actual reach) road transport workers' union from a generously allocated space within the Faisalabad GBS office premises, he has also managed to acquire considerable financial stability and social clout, with investments in the burgeoning real estate market of the city and in establishing contacts with the city's leading bureaucrats, and by inducting his one son into the union organising scene as the union's youth president. The financial stability and autonomy of the father-and-son duo is crucial in enabling them to continue the organisational work since there's neither a possibility of mandatory contributions (like those withheld by employers in the case of Wafa's unions) nor any innovative arrangements whereby workers at the GBS contribute a share in return for their say in running the union. 'They run away the moment I bring up the issue of contribution', Shahbaz shares his predicament, adding that his capacity was not much more than raising his voice and lobbying for workers' rights.

While the lobbying-and-advocacy focused representational model (personified by the work of Wafa and Shahbaz) remains hegemonic among most traditional

trade unions and federations, it has been challenged by the rank-and-file-focused agitational model adopted by the LQM, whose origins lie outside the traditional trade union scene, building instead on a moral economy framework based on notions of dignified life and work.

In August 2022, on the LQM's call, a two-week-long sit-in protest was held, blocking the airport-bound traffic on Faisalabad's Jhang Road. The sit-in signified the use of two of the most potent activities from the repertoire of the early social movements: strikes and road blockades. In its two-decade-long career in labour organising, the LQM has pioneered the use of both activities.

The net result of the LQM's organising work has been quite effective, at the very least, and revolutionary, at best. If measured based on the ILO's decent work agenda, the achievement of note has been the constitution of a social dialogue and representational framework, where loom owners and district administration have recognised loom workers through the LQM as legitimate actors with whom wage-related negotiations are to be made.¹⁸ As a result, the payment of minimum wage has been ensured, contends Aslam Meiraj, the LQM general secretary. Besides, the illegality and immorality of the earlier practice of forced and bonded labour has been acknowledged, with abolition remaining a work in progress.

The de facto recognition of loom workers as a legitimate collective negotiating force has been nothing short of revolutionary, and this recognition is backed by the presence of an elaborate organisational structure—at loom, sector, district, and division levels.

For instance, in Faisalabad city's Ghulam Muhammad Abad sector, where the LQM office is based out of a small shack rented out through a monthly fund pooled together by loom workers of the sector, the LQM sector in-charge and his associates remain on the ground and only a call away if any worker is in distress. This tight-knit and well-glued organisational machinery enables the LQM to successfully call strikes and deploy roadblock or factory closure tactics whenever immediate grievances are to be resolved.

Representational model post-18th amendment

New challenges have emerged for the representational model in the wake of the 18th amendment. In interviews and at a roundtable conducted for this study, union and federation leadership expressed guarded criticism of what remains an unfinished agenda of devolution of powers, particularly with regards to (i) the use of trans-provincial provisions to suppress collective bargaining efforts and (ii) social security provisioning for migrant labour. For instance, it was highlighted that in the wake of the 18th amendment, there had been instances where employers whose operations were concentrated in one province or city would, nonetheless, show some presence in other provinces, on papers primarily, to invoke the trans-provincial clause in labour law under which workers could be represented only by unions registered with the Islamabad-based NIRC. The roundtable was told that a marble tile-making enterprise used this tactic to suppress unionisation efforts by the All-Pakistan Workers Confederation (APWC).

Another frequent complaint by union and federation leaderships concerns the province-level social security regime regarding migrant workers. Under the prevalent arrangement, the dependents of such workers remain deprived of subsidised healthcare and educational facilities provided by social security institutions in cases where the dependents are based in different provinces.

6. LABOUR RELATIONS AND WORK PROCESS: THE CULTURAL LOGIC OF INFORMAL ECONOMIC PRACTICE

Shah Jahan, in his late thirties, is a labour contractor with a Lahore-based construction firm, where he supervises a team of masons, carpenters, and labourers working on residential and commercial projects. The construction firm is part of the formal economy, registered with relevant authorities (federal and provincial revenue collection authorities, associations of architects and engineers, etc.). Its leadership comprises foreign-qualified architects and business graduates of local private colleges and universities, but when it comes to construction work on the ground, the firm requires personnel like Shah Jahan—a street-smart, carpenter-turned-contractor cultivated through decade-long, on-the-job training under the careful eyes of his father—to ‘get the masons, carpenters and labourers to work properly.’

Beyond the worker-employer binary

Given their supervisory or managerial roles, where exactly do figures like Shah Jahan belong in the political economy of construction work? The law leaves room for interpretation, but there is important case law that sets a precedent on matters of labour relations. In the judgement of a critical 14-year legal battle that started in 2004, the Sindh High Court maintained that the decision to include someone in the categories of employer or worker rested not simply on the official designation of the person but on the nature of duties performed at work. Against this backdrop, figures like Shah Jahan fulfil the legal criteria to be categorised as employers (because of their supervisory and managerial duties). However, from cultural and political perspectives, the exact position of in-between figures must be ascertained based on their relation to those below and above the hierarchy and the cultural meanings

attached to such relationships. The subsections below discuss the findings of primary research (key informant interviews and ethnographic observations) about labour relations and work processes in construction, weaving and garments sewing, domestic work, and the emergent gig economy. These subsectors are selected based on the quantitative trends reviewed in Section 3. The following discussion aims to ascertain trends and mechanisms in the urban and urbanising economy's economic and cultural structures.

Construction and home appliances repair

According to the managing director of a major Lahore-based real estate developer, about 80 to 85 percent of the construction activity in urban centres is undertaken through third-party contracting arrangements. Even the biggest names in the industry, like the DHA and Bahria Town, cannot rely entirely on the construction workers on their payroll. Given the scale of their operations, they will inevitably require to subcontract the services of *thekedars* [labour contractors], who bring their construction teams on board for specific projects. Thus, most developers and builders maintain only a small yet trusted staff of workers, including at least one person with credentials similar to Shah Jahan's who serves as the vital link in the construction supply chain between the formal side of plans, designs and bylaws and the informal realm of *jugar* [quick fixes], *taur tariqa* [proper way of doing work], *samajb* [capability] and *tajirba* [experience].

Even though the law states that subcontracting a job to labour contractors does not equate to the abdication of responsibility towards the workers, the construction firms rationalise their decision to subcontracting precisely on such grounds. 'These folks [daily wagers] have many issues. They are mostly migrants, and whenever some emergency arises back home, they have to leave. It works best for us to let the thekedars deal with these problems', said the managing director. In contrast, Shah Jahan explains that he often has to adjust payments to workers, including his regular team of 12 skilled workers and the additional supply he frequently engages from roadside *adda* [labour markets]. 'Sometimes, I have to pay them slightly more than the market rate to help them cope with emergencies. It's especially crucial these days [owing to the skyrocketing inflation]', he says.

Where skill transfer and training are the primary basis of the relationship, the prevalent cultural understanding is marked by gestures of respect and admiration, conditional upon one's expectations of decency from one's superior. This is evident in the case of technician-*ustaaads* and their teams too. '*Ustaad ka kaam hai sikhana, pichle walay sikhate nahi the, wo bus chote mote kaam karwate the.*' (A teacher's job is to impart skill [to the apprentice]. The former [technician] would not do that. He would just ask me to carry out trivial tasks.) This was the response of a 16-year-old apprentice in the team of a Lahore-based home appliances service centre, an authorisee of a leading home appliance brand Haier. Like the construction sector, the formal economy of multi-national brands like Haier, Gree, Dawlance, etc., relies upon the informally managed economy of technicians, only a minority of whom are formally trained.¹⁹

Power looms and subcontracted garments producers

In Faisalabad's power looms industry, which accounts for about 30 percent of the city's textile workforce, according to an LQM leader, the difference between large looms equipped with up to 50 to 60 machines and small looms with merely one or two machines could be stark. The latter is where one finds the figure of the owner-worker, who has pooled some resources to purchase a few locally assembled power looms and installed them on either rented premises or, in some instances, a portion of their homes. In fact, the LQM leader grew up in a house where his father had installed five machines that the family collectively operated.

It is looms owned by owner-workers and other small to medium looms which serve as the key node between the informal and formal side of textile production, the latter entailing big-name firms like Crescent, Nishat, Interloop, etc., where engineering and business graduates supervise the work process in conjunction with the proverbial *ustaad*-foreman. In an unequally structured market, the big players have the resources and the networks to get the most lucrative export orders, for which they often outsource work to small- to medium-sized loom operators. Apart from these outsourced jobs, these looms primarily work to serve the local market's needs.

Similar structuration is also evident in the textile value chain in garment manufacturing. The neighbourhoods surrounding Jhang Road in Faisalabad and Karachi's Landhi Industrial Estate are two major clusters for informally run garments workshop-cum-factory units. These units combine subcontracted work received from big players with direct orders for low-value, low-return garments categories. Their work process is 'flexible', meaning that workers get piece-rate payments: the more one works, the more they earn. Employers like the one interviewed for this study in Landhi justify this process on the grounds that workers can come and go as they wish, 'unlike the big firms where they have to endure strict regulatory processes.' For their part, employers are blatantly honest about their inability to meet legal requirements. 'Pakistan's labour law and our business model are designed so that small proprietors like me simply cannot meet legal obligations', said the Landhi area factory owner.

Old city bazaars

In the early 2000s, after Zubair finished his 10th grade with just average results in the board examination, his parents decided to take him out of school. Coincidentally, an old acquaintance of his grandfather agreed to place him as a trainee at one of their many businesses—a wholesale dealership of cheap knockoff versions of a big western brand of watches in Lahore's Shah Alam market. Growing up in Okara city, Shaukat had to follow in his father's footsteps, who left school in the early 1990s and found work in Lahore's Akbari Mandi, a hub of wholesale trade in rice, pulses, and spices. He started as a pushcart vendor, moving loads between grain warehouses and shop fronts inside the market and to the warehouses of goods transporting agencies along the Circular Road that serves as the outer radius of the old city. Fast forward to 2023, Zubair now heads a team of at least 14 shop-level salespersons while overseeing all cash flows at this cash-only business and coordinating with vendors who provide raw materials and contractors whose teams of skilled workers assemble the knockoff watches. Shaukat now works for a mid-level wholesale business, where he has gained the trust of his employer, symbolised in the spare keys given to him to open and close the shop and to manage cash flows and incoming and outgoing orders in the absence of the employer.

Zubair's and Shaukat's employers, and most of the retail and wholesale activity

undertaken in old city bazaars, fall neatly into the informal sector category and remain beyond the purview of the Standing Order of 1968. However, the career trajectory of the two men—humble beginnings leading them to managerial and supervisory roles—offers further lessons about the economic and cultural logic of the urban economy.

Whereas their employers are perceived as mid-level businessmen in the two markets, there are also a handful of big fish above their employers and a proliferation of minnows below them that constitute the basic structure of these markets as not much different from the pyramidal structure of construction and textile sectors. In Akbari Mandi, the big fish are the businesses that deal directly with big millers and have the capacity and wherewithal to procure and hoard massive reserve stocks. Karachi's Arambagh Furniture Market and Old City Timber Market are businesses with in-house production capacity or the power to set market-wide wages and prices. In Timber Market, the leadership of the market committee rotates among the few prominent players with a turnover of PKR 5 million or above. Small proprietors and street vendors are much removed from these big fish and way below the mid-level companies in the organisational hierarchy of bazaars. The small businesses operate from rented premises, including roadside stalls, *khokhas* [small shacks], or shops with just enough room to have a table, a few chairs, and some wares for display, which often extends onto shop front pavements. At the base is the labour force comprising shop front salespersons and various categories of manual workers who move goods around, sometimes on pushcarts and occasionally on their backs as they have to run up and down stairs in vertically rising warehouses across the old city.²⁰

During a semi-structured interview, one of the seconds-in-command refers to Zubair, in a telling sign of the cultural logic at play, as an elder-brother-cum-fatherly-figure and the rest of the team as brothers. 'We do not refer to one another as *mulażims* [employees]', he said, with a facial expression indicating that the term signifies a lack of respect. 'Some businesses here, like Sheikh Sahib's across the alley, are rude to the staff. They don't take good care of them', he said. Regardless of whether Sheikh Sahib is rude, what matters is that there is an expectation on the part of the sales team that their superiors ought to take care of them and show

respect to them. This economy of care manifests in routine gestures like catering food for the sales team and eating with them on the shop floor. Similar gestures are expressed by Shaukat when he explains the processes of labour recruitment and retention and the informal safety nets at the disposal of workers in the Akbari Mandi. ‘It is nearly impossible for a new person to get work in the market without a *taaluq wasta* [connection]’, he said, adding that most of the workforce in the Mandi came through extended kin networks from Narowal district in the north-east or the Okara, Sahiwal, and Vehari belt in the south-west of Lahore. ‘Trust is the most important thing. He [the owner] does not personally know all the labourers. He knows me and trusts me to engage good workers’, he said, highlighting his crucial position between the commercial capital personified by the wholesaler and the most vulnerable labour force. ‘Once a worker establishes trustworthiness with the owners, they care for them in emergencies. If I have an urgent need in times of *khushi ya ghami* [joy and grief], I can expect him [the owner] to help me and to help anyone I vouch for as well.’

Suburban homes and workplaces

Kausar Bibi, Bushra Bibi and two other domestic workers who requested anonymity (to protect their identity since they were employed through a recruitment agency) belonged to first-generation migrant households that account for most of Lahore’s urbanisation in the last two decades. Coming from families of agricultural and craft workers, after teen-year marriages, they and their husbands had to leave their hometowns in the southern Punjab belt of sending districts (Vehari, Bahawalnagar, Sahiwal, Kasur). Kausar and her husband rented a one-room quarter in Charar Pind; Bushra and her family moved to a similar accommodation in Samsani Pind and the two employees of the recruitment agency in a settlement near Thokar Niaz Beg—these are quintessential informally-urbanised, low-income settlements in the vicinity of Lahore’s two major suburban sprawls (south-east and south-west). Kausar and Bushra took up domestic help in kothis or bungalows, the two terms they use for the houses of their employers, and their husbands took up daily-wage work in construction, street vending, etc. The recruitment agency that has found work for the other two workers boasts of providing ‘solutions to prestigious names in corporate and not-for-profit sectors.’

When interviewed for this study, Bushra juggled between paid domestic work at the employer and unpaid care work for her three unemployed adult male children. Because of her husband's demise a year ago, their household income has reduced drastically. Since she works in someone else's domestic space, she has to navigate a range of emotions of the members of employing household, over and above the unpaid care work at her own home.

According to an organiser with the Domestic Workers Union, a PWF affiliate, a small minority of domestic helpers work with just one employer. Bushra is one of them. By and large, domestic workers divide their daytime between multiple homes, as in the case of Kausar, who used to work at three different places before she fell sick with various ailments, requiring surgical interventions. She was recovering at her Charar home at the time of the interview. Multiple employers meant multiple domestic spaces and emotions to navigate. Unlike Bushra, however, Kausar can rely upon the unpaid labour of her children, kin (a sister), and neighbourhood women who also work as domestic workers. There's an economy of trust and care operational here, too, enabling domestic workers to make claims on their employers in times of distress. For instance, Kausar was able to meet her hospitalisation expenses with the help of her employers and sent her daughter and sister as substitutes when needed.

The two women who found work through the recruitment agency have unique challenges emanating from third-party contracting arrangements: their workplaces often shirked legal responsibilities on the grounds that these matters pertained to the recruitment agency. The third-party contracting even deprives these personnel of appealing to the cultural logics of trust and care since their workplace relations are often marked by invisibility, formality, and stranger sociality.

New digital technologies and platforms

According to a study by the Centre for Labour Research in Pakistan (CLR), at least 2 percent of the Pakistani workforce is now engaged in emergent gig- or platform-based economic activities. 'Gig' or 'platform economy' is a term coined to capture new forms of work and work management made possible by emerging digital technologies (affordable and widely available cellular data services and smartphones). In Pakistan, the gig economy has seen exponential growth in food

delivery, ride-hailing, courier and domestic services sectors. The employers (like Foodpanda, Careem, Airlift, Cheetay, etc.) represent the confluence of Silicon Valley-based technology entrepreneurs and globally dispersed venture capitalists and investors. To put things in perspective, Pakistan's total net foreign direct investment (FDI) inflows were \$2.1 billion in 2021, and in the same year, Pakistani startups raised \$350 million in global financial markets—an annual investment that has gradually increased from \$75 million in 2015. However, industry insiders highlight that a common practice among startups is to keep their USD investment funds in offshore destinations to avoid payment of taxes and to 'keep their dollars safe.'

Though the number of workers engaged and investment raised in the gig economy is modest, what is noteworthy here is (a) the growing trend in both instances and (b) the structure of the gig economy is, by and large, similar to the pyramidal structure identified here for most other economic sectors: a top tier comprising the globally connected managerial/entrepreneurial class (top managements, investors, technologists and other related professionals), the middle tier ranging from big players in local businesses to small-time new entrants (this ranges from home-based kitchens on Foodpanda to vendors who own or have leased a few automobiles to ply on Careem), and, lastly, low-skilled and low-paid workers on the bottom—the 'reserve army of labour' that remains unabsorbed in any other economic sector that is spread across the 'services and sales workers', 'plant and machine operator' and 'elementary' categories of the LFS.

While platform-based companies sell their business models through slogans of flexibility and self-sufficiency ('being your own boss'), the experiences of workers—the bottom majority—show that behind these flashy slogans, the everyday reality has been comprised of deteriorating commissions and increasing work hours (12- to 14-hour daily shifts are routine, with some reporting working 16-hour days in a week to meet monthly expenses). Additionally, the lack of comprehensive insurance mechanisms means that workers are left to deal with all risks independently (seasonal variance in demand, natural disasters or extreme weather events, political turmoil, routine hardships, etc.). In interviews with workers across the urban centres of Lahore, Karachi, Islamabad, and Faisalabad, many reported having college and university degrees but resorting to the gig economy due to a lack of 'good' jobs.²¹

Cross-sectoral trends and mechanisms

The preceding cross-sectoral review highlights two crucial trends. Firstly, with slight modification here and there, a pyramidal economic structure can be identified in the informal urban and urbanising economy, with a top tier of big sharks with economic muscle and political clout to control supply chains and to set wages and prices (DHAs and Bahria Towns, Careem and Foodpanda and their global partners, retail/wholesale bazaar oligopolies). Underneath them are their junior partners in the middle whose business operations are considerably well established with constant revenue streams from regular customers, signifying lucrative social capital (construction, design and architectural firms, vendors and restaurants, mid-sized wholesalers, urban middle-class employers of domestic helpers, etc.). Below these, there are (i) the minnows (labour contractors, small shopkeepers, owner-drivers, owner-workers) that lack economic capital and have only a basic level of social capital, enabling them to just survive from one cycle to another, and (ii) the army of manual workers at the bottom. Secondly, there is no direct or unilinear relationship between those at the various levels of this hierarchy. Instead, (i) the interests of minnows and workers at the bottom are likely to converge in economic stagnation (rising costs, low returns) and diverge, often sharply, in times of growth. It must be highlighted that the cultural and economic gap between the minnows and the big sharks and their junior partners will almost always be much more significant than that between minnows and those at the bottom.

Vulnerability: The dark side of the economy of trust, care and flexibility

The ILO defines vulnerable workers as ‘those for whom employment is precarious, poorly paid and sometimes dangerous, and who often suffer from some form of discrimination.’²² However, it would be remiss to stop there. Instead, the point to note is how this vulnerability co-exists with the cultural logics of trust and care outlined above.

In most bazaars and other services sectors covered in this study, the most vulnerable workers are scattered all over the place. It is quite easy to access these workers to inquire about their work conditions since they do not work under a

regimented labour regime of the factory. Yet, the following accounts of focused groups conducted in bazaars and with construction and transport workers reveal important insights about the role of intermediaries, the character of collective agency at the disposal of the most vulnerable, and the disciplinary logic inbuilt into the spatiality of work.

In Karachi's Arambagh and Light House markets, workers congregate in small groups when they do not have the stuff to move around during breaks. They assemble on the back of loader vans, rickshaws, stairs, benches attached to roadside tea or sherbet stalls, etc. In focused groups conducted at the two markets with workers thus assembled, it emerged that the most vulnerable, nonetheless, have some form of collective agency organised around extended-kin, neighbourhood- or hometown-based networks. Similar networks were evident in discussions with trainee technicians and construction workers in Lahore. For instance, one of the groups in Arambagh Market was of workers who identified as the Baloch of Lyari, another in Light House was of Pashtun migrants from Mansehra, and Shaukat in Akbari Mandi was part of a collective of workers from Okara and its vicinity.

The various kinds of manual workers—*pandis* [wage labourers], *pheri walay* [porters] and *bath rebri walay* [porters with pushcarts]—pool and share their limited resources, and the work of pushing and moving loads is organised in small 'parties' and *tolis* [groups].²³ This enables mostly migrant workers (whose families stay back) to maximise earnings by finding work outside their immediate networks, minimising survival costs by sharing housing quarters, and devising a rotation-based system for routine chores like cooking and laundry. In a nutshell, since bargaining wages or other conditions of work remains beyond the ability of such collectives, the scope of their collective agency remains limited to 'survival strategies.'²⁴

Nonetheless, such survival strategies and collective action have a downside. By enabling workers to unite around their extended kin, neighbourhood- or hometown-based networks, the prevailing cultural logic of trust and care sets the outer limits of the small collectives. Under this logic, the others, those not part of these networks, are to be seen with suspicion until they prove trustworthy. These suspicions are cemented through panics around 'widespread theft and larceny'

and, in some instances, have resulted in the democratisation of surveillance. For example, in Lahore's Shah Alam market, the *pandis* stand out due to their flashy safety vests carrying their registration numbers (given by the local police). The wearing of vests and police registration of their whereabouts was made mandatory on the directives of the market association after 'rising complaints of theft.' In the same market, the most vulnerable labour was organised around a racialised logic, whereby the Pashtun migrant workers from Waziristan were stereotyped as more productive and efficient, and the Punjabi workers as *kaam chor*, *aram pasand* [foot-draggers].

Effectively, this enabled the businesses to depress wages since the Pashtun group of workers (given their heightened vulnerability compared to their Punjabi counterparts) would agree to load and unload truckloads of shipment at lesser rates. Similar mobilisation of racial tropes was reported in the case of garment workers in Landhi factories, where migrants from the Seraiki belt (Bahawalnagar, Bahawalpur, Rahim Yar Khan) are preferred over the Pashtuns from the 1980s generation.

The Pashtun factory owner interviewed for the study effectively indulged in internalised racism when he said, 'Our people have become entitled. They don't want to work anymore. They just want to be supported by their better-off kin.' These racialised practices are not much different from the caste-based notions of purity and impurity and evaluations of character that structure domestic work. Besides secondary research,²⁵ insights from interviews with an employer (of domestic help) and a manager at a charitable foundation's skills training institute for working women highlighted these attitudes. 'The women domestic workers are used to this kind of work. They like to move around and gossip with ladies as they go from house to house.'

In an interview with a TEVTA-certified home appliances technician (a medium-skilled associate professional on the LFS occupation scale), it was evident that the moral economy of care binding together *ustads* and apprentices was contingent upon the proper conduct of the latter: *jo theek se kaam karta hai, hum ussi ko sath chala sakte hain* [we can only keep those workers with us who come up to our standards].

Thus, the cultural logic of trust hinges upon how well a worker fits into the good worker cast (obedience, submission, and work ethic all contribute here). The gap between compliance, on the one hand, and ‘not fitting in’, on the other, could be heightened surveillance, disciplining and extreme forms of vulnerability.

In all group discussions, the conversations were monopolised by either direct supervisors or better-resourced workers (senior technicians versus trainees, and loader van and rickshaw drivers versus pushers and manual pushers, etc.), signifying how economic capital (skill and experience) translates into cultural capital (conversational fluency with outsiders). In fact, on occasions, it became apparent that the discussions were themselves occasions for labour disciplining and policing.

For instance, in a discussion featuring a young *pberī wala*, Shaukat and a shop owner’s kin who worked part-time there, it emerged that the former was studying for a bachelor’s degree program at the Allama Iqbal Open University and was looking for a scholarship to undertake graduate study abroad. When he was encouraged to speak more about his aspirations, the shop owner’s kin started taunting Shaukat well before he could speak up. ‘He thinks it is easy to find a scholarship. Tell him how hard and difficult it is to survive abroad! These days, people just want to go abroad, thankless for all they have here.’ The encounter showed how disciplinary techniques often operate at a visceral or affective level, where the most mundane gestures or encounters could be the difference between loss or security of livelihood.

In a significant difference from the rest of the informal sectors, the emergent gig economy is spatially segregated and mediated through the cyber interface (smartphone applications). Thus, the vulnerability of the bottom majority in these activities is not contingent upon the cultural logics of trust and care. This is a double-edged sword since it implies that workers cannot rely upon the extended kin, neighbourhood- or hometown-based social networks (of solidarity) identified here with the informal sector activities.

7. FROM MINIMUM WAGE TO LIVING WAGE

Notwithstanding their methodological differences, most mainstream Pakistani economists agree that income- and wealth- inequalities have risen exponentially over the last few decades. For instance, according to Abid Burki et al. (2020), between 1991 and 2018, real wages have increased for workers in the top quintiles, at rates of 167 percent, 53 percent and 33 percent for the top 1 percent, 5 percent and 10 percent, respectively.²⁶ On the contrary, for the bottom percentile, the change has been a decline of 25 percent.²⁷ Their study shows a similar pattern of stark income inequality between the top and bottom quintiles through household consumption data.

From 2001–02 to 2015–16, they found that the top 10 percent of households captured 24 percent of the total income growth compared to those in the bottom 50 percent, which captured 32 percent of the income growth. A similar pattern is evident in assessments of wealth inequality: the bottom 60 percent of Pakistani households own just one-tenth of the national wealth. In comparison, the top 10 percent possesses 60 percent wealth. Thus, the Pakistani rupees going towards the bottom quintiles have declined in absolute as well as relative terms, and the wealth flows to the top quintiles have increased exponentially.

Similarly, the UNDP's Pakistan National Human Development Report 2020, with Hafeez Pasha as its lead author, found that the poorest 1 percent of Pakistani households hold only 0.15 percent of national income, compared to the wealthiest 1 percent, which had 9 percent of national income in 2018–2019.²⁸ These inequalities are also reflected in Pakistan's poor performance on the labour development index of 0.442 and in the PKR 2,665 billion worth of elite privileges because, according to the UNDP study, the beneficiaries have preferential access to state machinery, or they have successfully undertaken 'state capture'. In comparison, the study notes that the entire cost of an extensive social protection program could have been covered in just about a fourth of the amount given in elite privileges.

To replace the concept of minimum wage with the living wage, the idea of life must not be reductive based on mere survival. Instead, it must be a broad concept in line with the predominant ideas around living wage. For instance, the ILO definition of a living wage is a benchmark or a ‘moving target’ rather than an endpoint.²⁹ Thus, a living wage hinges upon the idea of a decent and dignified life based on workers’ aspirations while ensuring that wage setting is not seen in a narrow reductive manner as a technical issue; rather, it is seen in conjunction with the overall state of the national economy. Therefore, economic growth (GDP), productivity (GDP per capita), and equity (how income and wealth are distributed) must all be taken into account. Solutions should incorporate measures that enhance education and skills, improving labour productivity, the size of the economic pie, and, thus, labour share.

That workers in the elementary and low- to medium-skilled occupations discussed above are not earning a living wage is a moot point. From the trip-based to daily-wage earners documented in this study, the wage rate quoted by employers and employees alike ranged from a minimum of PKR 300–600 per trip (group-based arrangement in Lahore’s Shah Alam and Akbari Mandi markets)—which adds up to about PKR 1,200–1,400 a day for elementary, individual workers and PKR 1,700–1,800 for skilled masons, carpenters, technicians—to a maximum of PKR 2,000–3,000 (Karachi’s Timber Market). Elementary to low- and medium-skilled workers work 12–14 hours daily to earn these wages. On top of that, salaried workers (home appliances technicians) reported having to take private jobs on weekends since monthly salaries of PKR 35,000 (senior technician) and PKR 25,000 (entry-level technicians) were simply ‘inadequate.’

In a nutshell, the elementary workers documented here spend 12–14 hours of their workday just for their subsistence; the low- to medium-skilled workers, on the other hand, make enough to meet the daily living wage calculated by the Global Living Wage Coalition (GLWC).³⁰ However, given the subcontracted and flexible work arrangements, these workers cannot guarantee to find work every day. In the case of power loom workers, this was illustrated in interviews at the Ghulam Muhammadabad cluster (Faisalabad), where it emerged that the weekly earning could go only as much as PKR 6,000–7,000 with around 12-to-14-hour shifts. You miss a shift, and the weekly earning go down accordingly.

Even when the average daily earning may come up to the GLWC estimate, it is a theoretical impossibility that daily earnings will neatly translate into a monthly living wage for the low- and medium-skilled workers subcontracted on per piece or daily wage arrangements. Secondly, in an extreme situation where a worker manages to work at such rates for 30 days of the month to earn over or around PKR 52,749 to meet the GLWC standard, various provisions of the ILO decent work standards would stand violated (work hours, weekly offs, rest periods, adequate recreational and family time).

8. RECOMMENDATIONS AND CONCLUDING NOTES

For labour organisers, rights activists, and liberal-left political workers

- Efforts to organise informal sector activities would benefit by considering the cultural logics of trust, care, and workers' aspirations.
- Instead of a priori binary understandings of employees and employers, assessing the pyramidal economic structure can help arrive at accurate assessments of collective identities and interests around which conflict and cooperation are structured in informal sectors.
- The set of actors whose interests converge can be conceptualised as part of a collective on one side of the conflict. For instance, small owners and owner-workers across sectors can more fruitfully be conceptualised (at least in times of economic crisis) as possible allies rather than adversaries of workers at the bottom of the pyramid.
- Organisers would benefit from being aware of extended kin, neighbourhood, region, ethnicity and caste-based markers of solidarity and differentiation around which collective identity formation occurs. This will enable new ways of seeing work and workers in the informal economy. For instance, instead of interpreting the lack of enthusiasm for unionising among various informal sector workers as a sign of lack of motivation for decent work (a frequent complaint of organisers), it could more fruitfully be seen as a symptom of caste-based systemic discrimination and socialisation (domestic workers), lack of adequate incentives or spatial disaggregation of work (road transport or construction sectors), or panoptical organisation of workplaces (bazaars). Innovative and informed strategies can then be devised accordingly.

- Organising domestic workers could be done at the neighbourhood level (where they can be gathered around space-based solidarities and right-to-the-city campaigns) beyond the point of work alone (where multiple employers remain a challenge).
- Organising informal sector workers could mean finding ways to aggregate those on the bottom with those in the mid-tiers (small shopkeepers, managers and supervisors in the bazaars, owner-drivers or small to medium businesses in road transport, and labour contractors in construction) on a bazaar-, market- or sector-wide agenda of decent wages, decent work hours and humane work conditions.

For state and governmental bureaucracies

- Lack of documentation and a missing feedback loop between existing scant documentation (LFS, for instance) and lawmaking remains a critical challenge that must be taken head-on. Regular sector-wide census ought to be conducted to ensure accurate information on labour relations and hierarchies.
- The federal government's practice of unilaterally announcing wages ought to be immediately discontinued. Instead, wage boards should be empowered, shifting their mandate from assessing minimum wage to living wage.
- The tradition of tripartite conferences must be revived at the provincial level. It must be ensured that such platforms do not become exclusionary (social movement organisations, like the LQM, must also be engaged).
- Skills and technical education programs ought to be radically revised. The existing models based on public-private partnerships and loan schemes are ill-equipped to deal with the country's macroeconomic challenges. The informal *ustad-shagird* apprenticeship networks, which cater to the bulk of the demand, could be tapped and mainstreamed with public support and expert guidance.

For state and labour organisers

A national dialogue must be started immediately for comprehensive reforms of labour laws. These reforms must be directed at rationalising and organising laws around the following themes: (i) social welfare and protection as a universal citizenship-based entitlement rather than a means-tested or work-based privilege, (ii) living wage as a moving target (based on decent and dignified life), and (iii) labour relations and collective bargaining (removal of structural barriers around religion, caste, gender, ethnicity, etc., as the guiding principle) and rethinking the current plant-based model and alternative sectoral models of organising.

Concluding notes

The existing and emerging forms of work feature widespread precarity and vulnerability for those at the bottom of the pyramidal economic structure. The minnows like the owner-workers, owner-drivers, labour contractors, small shopkeepers, etc., are relatively better off than the unskilled elementary workers at the very bottom, but given the reliance on their own or family labour and credit-based business model (where they procure goods on credit using trustworthiness and pay off the credit through sales revenue) makes even these minnows vulnerable to seasonal shocks.

The big sharks on the top of the pyramid are characterised by their vast transnational social network (among suppliers, vendors, millers, and other actors in the supply chain of these markets) and substantial capital investments, both of which enable them to acquire political clout and capital through market committee, traders' and professionals' associational politics. These players set the prices for various commodities, including labour.

The economic structure remains deeply gendered and racialised insofar as certain forms of work have become feminised (e.g., care-related; and unpaid or underpaid work), and caste remains a key marker of status, differentiating low- from high-skilled jobs and acting as a structural barrier for low-caste groups. The cultural logics of trust, care, and worker aspirations often simultaneously act as informal safety nets and drivers of vulnerability.

These findings should be read alongside capital's changing character in its contemporary transnational form, which is more mobile, concentrated in nonproductive services sectors and in speculative investments where human labour plays a somewhat limited role in generating profits.

Once these changing forms of labour and capital are acknowledged, it becomes evident that any national-level project of re-embedding capital into social and political institutional constraints will require redistribution and productivity enhancement. Put differently, the size of the pie and labour's share in the pie should be increased simultaneously through holistic macroeconomic and political approaches. These include (i) state regulation (and intervention) to redirect capital from nonproductive and speculative to productive and high-value industrial uses, and (ii) collective efforts by organised labour, labour and social movements, and political left to claim a bigger and better bargain for labour in its contemporary form.

Endnotes

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- 3 United Nations Development Programme. (2020). *Pakistan national human development report 2020*; Pakistan Bureau of Statistics. (2020). *Labour force survey 2018–19*.
- 4 A. Bayat. (2013). *Life as politics: How ordinary people change the Middle East*. Stanford University Press.
- 5 Pakistan Bureau of Statistics. (2011). *Labour force survey 2009–10*; Pakistan Bureau of Statistics. (2015). *Labour force survey 2013–14*; Pakistan Bureau of Statistics. (2022). *Labour force survey 2020–21*.
- 6 The Pakistan Bureau of Statistics (PBS) defines the working-age population as 10 years and above, in contrast to the international standard of 15 years and above. Thus, the working-age population and the labour force participation rates in official surveys include children aged 10–15 who have been pushed into the labour market.
- 7 According to the international industrial standard categorizations followed by the PBS, the category of 'community, personal and social service activities' includes activities in education, health, accommodation and food, and information and communication sectors, besides professional, scientific and technical activities, administrative and support service activities, public administration and defence, compulsory social security, arts, entertainment and recreation, and activities where households are employers.
- 8 The LFS 2020–21 defines the informal sector as 'where the industrial units are not registered as per factory act, and employment size is less than ten employees, and there is no regular employee.' For its enumeration, the formal sector (non-agriculture) comprises 'government or state-owned enterprises or international organizations/foreign embassies and those working for incorporated companies or establishments registered with relevant authorities.' The informal sector (non-agriculture) 'comprises

those employed in enterprises that are neither incorporated nor registered with authorities ... or employed in private households.' The LFS does not distinguish along formal or informal lines in the agriculture sector – a serious lacuna since it prevents a holistic assessment of informality in the economy.

- 9 The author obtained the figure based on the ILO criteria of workers lacking social security benefits according to the following statistics from the LFS micro-data: 50,999 (employees without benefits) + 30,478 (non-agriculture employers and own account workers with less than 10 employees in informal sector) + 5,439 (non-agriculture contributing family workers) = total 86,916, which is 82.39 percent of the total non-agricultural workforce (105,495).
- 10 The author's calculation is based on the following formula: 53,688 (employees without contract) + 30,478 (non-agriculture employers and own account workers with less than 10 employees in informal sector) + 5,439 (non-agriculture contributing family workers) = total 89,605, which is 84.94 percent of the total non-agricultural workforce (105,495).
- 11 These daily wagers flock to roadside makeshift labour markets and are at the bottom of the hierarchy in construction work.
- 12 J. Charmes. (2019). *The unpaid care work and the labour market: An analysis of time-use data based on the latest world compilation of time-use surveys*. International Labour Organization.
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- 15 C. Behrendt et al. (2022). *Mobilizing social and solidarity economy units towards universal social protection*. ILO Brief. International Labour Organization. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_844037.pdf
- 16 Keynesian policies seek to generate (rather than suppress) collective demand primarily through job creation, welfare policies are based on universal entitlements and developmentalism (a trend associated with the post-colonial global south in particular) refers to the state's active steering role in the economy for industrial growth and improvement in terms of trade, etc.
- 17 According to the PBS monthly reviews in March 2023, the LSM sector has seen an alarming decline of 25 percent on a year-to-year basis.

- 18 The lack of progress on the remaining nine ILO indicators has more to do with macroeconomic conditions (rising fuel and electricity tariffs, costly imports, etc.).
- 19 According to LFS 2020–21, around 85 percent of the trained workforce (17.8 million) have received informal training.
- 20 These most vulnerable segments belong to the elementary or temporary worker category in the LFS. The earnings of these workers are tied to the availability of work and on a per-trip, per-day, per-container, per-piece, etc. basis.
- 21 For these and other workers interviewed for this study, a good job or ideal work meant one of the following things: an office job, ideally in the public sector, or *apna kaam* [small business] where one does not have to be answerable to someone. Underlying these preferences were desires for dignity and the ability to earn enough to afford a decent life.
- 22 R. Gammarano. (2018). *Paid employment vs vulnerable employment: A brief study of employment patterns by status in employment*. International Labour Organization. https://ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_631497.pdf
- 23 Both terms are used to identify a group of workers.
- 24 J. C. Scott. (1992). *Domination and the arts of resistance: Hidden transcripts*. Yale University Press; A. Bayat. (2013). *Life as politics: How ordinary people change the Middle East*. Stanford University Press.
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- 27 A. A. Burki. (2021, June 29). Rising wage inequality in Pakistan. *Express Tribune*. <https://tribune.com.pk/story/2307789/rising-wage-inequality-in-pakistan>
- 28 United Nations Development Programme. (2020). *Pakistan national human development report 2020*.
- 29 ‘The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.’ See International Labour Organization. (2022). *Setting adequate wages: The question of living wages*. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/briefingnote/wcms_857876.pdf

- 30 Global Living Wage Coalition defines living wage in this way: 'The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events.' See <https://www.globallivingwage.org/about/what-is-a-living-wage/>