

Synthesis Report

Mapping and Labour Compliance Assessment of International
Financial Institution (IFI) supported Projects in Service Sector

In South Asian Countries

(India, Bangladesh, Pakistan, Sri Lanka and Nepal)

Submitted to:

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March 05, 2021

Acknowledgment

This Synthesis Report is the result of concerted efforts of the UNI Global Union Asia & Pacific office, the study team for each country, and the concerned trade union organization for each project.

The contributions of the regional offices of UNI Global Union are huge in providing the necessary inputs and insights in all stages of the assignment, starting from designing to implementing and finalizing the study, particularly in terms of selecting assessment indicators, developing tools, fine-tuning the methodology and reviewing the report.

We thankfully acknowledge the assistance of the CBA leaders who helped through making liaison with the workers/employees and special thanks to the workers/employees who gave their valuable time for interviews and providing information for the study.

Sincere thanks to all project management officials, country officials of UNI Global union for their time and sharing information on their respective areas.

- Capacity Building Service Group (CBSG) in association
All country level consultants

Acronyms

ADB	: Asian Development Bank
BIA	: Bangladesh Insurance Academy
BISP	: Benazir Income Support Programme
CBA	: Collective Bargaining Agreement
CBSG	: Capacity Building Service Group
CLS	: Core Labour Standard
ESF	: Economic and Social Framework
GoB	: Government of Bangladesh
GUF	: Global Union Federation
IDRA	: Insurance Development and Regulatory Authority
IFI	: International Financial Institution
ILO	: International Labour Organization
JBC	: Jiban Bima Corporation
MSME	: Micro, Small and Medium-Sized Enterprise
OHS	: Occupational Safety and Health
RDB	: Regional Development Bank
SBC	: Sadharan Bima Corporation
TU	: Trade Union
UCT	: Unconditional Cash Transfer
UNI	: UNI Global Union

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Executive Summary

UNI Global Union represents workers around the world who are engaged in skills-based work and service sector. UNI aims to ensure these jobs are decent and workers' rights are protected, including the right to join a union and collective bargaining. The strategy UNI applies is ensuring justice and equality for working people. UNI Global Union commissioned this study titled "Mapping and Labour Compliance Assessment of the Projects supported by the World Bank and the ADB and implemented in the five South Asian Countries including India, Bangladesh, Pakistan, Sri Lanka and Nepal to understand labour compliance situation in these countries.

To conduct studies in 5 countries independent consultants have been engaged by UNI Global Union office in Singapore. Capacity Building Service Group (CBSG) in Bangladesh – an organisation - has been given the responsibility for coordination of this multi-country studies. Besides, CBSG has also carried out the study for Bangladesh part.

Regional office of UNI Global Union has selected the projects for the study in each of the five countries where projects in India, Bangladesh and Nepal are financially supported by the World Bank and the project under implementation in Pakistan and Sri Lanka are supported by the ADB.

World Bank financed National Rural Economic Transformation Project: MSME- Emergency Response- COVID-19 project in India: World Bank is infusing 750 million dollars as loans to MSME sector to restart their operations and provide gainful employment which were severely affected by COVID-19 situation. Under the study, three MSME units; Makins India Pvt. Ltd, Hari Om Pvt. Ltd. and Parkson Packaging and Printing Pvt. Ltd. were covered.

World Bank supported Bangladesh Insurance Sector Development Project in Bangladesh: A USD 80 Million-dollar development initiative jointly funded by the World Bank and the Government of Bangladesh (GoB). This five-year long project to improve the capacity of the insurance development and regulatory authority (IDRA) and the Bangladesh insurance academy (BIA); Modernize, strengthening and increasing the efficiency of the state-owned insurance corporations (JBC and SBC) and strengthening project implementation, management, and monitoring.

ADB supported Social Protection Development -Additional Financing Project in Pakistan: The Social Protection Development- Additional financing by ADB is helping Benazir Income Support Programme (BISP) to enable disbursement of unconditional cash transfer (UCT) payments to eligible BISP beneficiaries, and further improve the institution's capacity for financial management and control, and policy research, data analytics and intervention design.

ADB financed Strengthening the Regional Development Bank Project in Sri Lanka: Strengthening the Regional Development Bank to improve micro, small, and medium-sized enterprises' (MSMEs) access to finance through a capital increase for institutional strengthening of the RDB.

The world Bank supported Integrated Public Financial Management Reform Project in Nepal: The Integrated public financial management reform project is a USD 12 million-dollar project funded by the World Bank to Strengthening the effectiveness of Performance of the Financial Management institutions, systems, and procedures at the federal and subnational levels.

The aim of the study is to figure out strong base for lobby and campaign possibilities to safeguard the rights and entitlements for the workers in service sector in line with the ILO core conventions and country specific labour laws.

Mostly qualitative research approach has been followed in conducting the study. The information has been gathered from two major sources: first, interviewing with the worker/employees, management officials, TU representatives; secondly, reviewing the secondary information from the available documents and literature on the subject matter. Findings of the report has been presented as per the compliance assessment framework developed for the study.

The major findings in the most critical areas in the labour compliance assessment are; **Child labour:** India, Bangladesh and Nepal have Child Labour Polices and the level of compliance in these countries are very high in terms of non-recruitment of child labor in the studied projects.

Freedom of Association: In Nepal TU found financially assisted by the government but in other countries there are trade unions but not much active in general. In Bangladesh and in India the institutional level TU have deep affiliation to the ruling political parties and be involved in corruption. In everywhere casual worker are completely excluded from joining to the TU.

Gender: No gender policy has found in any of the projects. The level of gender-based discrimination is highly prevalent in India where female worker get less paid than the male worker. Other than project in Pakistan none of other projects are compliant in regard to arranging day care center and usable breast-feeding corner for the female worker/employee.

Occupational Safety and Health: No specific OSH policy found in any studied projects. During the pandemic situation projects in Bangladesh and Nepal took special COVID-19 preventive measures. Emergency preparedness is very low in all the projects under the study.

In this study, the scopes and possibilities for unionization have been identified for each of the studied countries.

Lastly the study has proposed critical recommendations for improving the working conditions and strengthening the functions of TUs to its most relevant stakeholders including the IFIs, UNI Global Union and the concerned TU for each country. As international financial institution the World Bank and ADB have been recommended to implement the guidelines they have devised for promoting safe and healthy work environment for the workers/employees in all projects funded/supported by these two major financiers. As a global union federation for the service sector UNI is recommended to act as a pressure group IFIs, and where possible the respective government to fulfill their obligations for the workers as per ratified ILO Core Convention and national laws. The concerned TU has been suggested to work closely with the Government to set a national minimum wage for workers in service sector based on cost of living and inflation.

1. Introduction and Background

The International Financial Institutions (IFIs) sit at the heart of the global and regional level of financial and technical resource architecture. The World Bank is a major source of finance for developing countries all over the world and the Asian Development Bank (ADB) has a crucial financial support for the countries in Asian region. In South Asian countries, the national governments availed financial support from The World Bank and The ADB for the development of the service sector, including health, tourism, local governance, financial sector reforms, etc. Hence, these two institutions appeared considerably powerful over the government and non-government bodies of the countries to influence on bringing changes in financial sector.

The ILO Declaration on Fundamental Principles and Rights *at Work* specifically asks the IFIs to promote an atmosphere conducive to the achievement of CLS. Accordingly, although compliance with CLS may not be a condition for lending or providing technical assistance in client countries, the partner organizations are encouraged to analyse the situation relating to CLS in formulating and implementing individual loan projects. The ADB adopted a commitment to ILO as part of its Social Protection Strategy in 2001. Since then, ADB ensures that the CLS is duly considered in the design and implementation of its investment projects. Similarly, the World Bank has also come up with a detailed Economic and Social Framework (ESF) which acts as a guidance note to borrowers in the design and implementation of the projects funded by the Bank. As per the ESF, borrowers must promote good worker-management relationships and enhance the development benefits of a project by treating workers fairly and providing safe and healthy working conditions. These objectives are similar to the ILO's core labour standards, although there are some limitations.

In most development projects in South-Asian countries supported by the World Bank and The ADB are highly labour intensive, therefore, there is a need to explore the current labour rights risks and unhealthy labour practices prevalent in this sector as per ILO core convention.

In this backdrop, the Asia and Pacific Office of the UNI BGLOBAL UNION commissioned a study titled "Mapping and Labour Compliance Assessment of the Projects supported by the World Bank and the ADB and implemented in the five South Asian Countries (India, Bangladesh, Pakistan, Sri Lanka and Nepal).

2. The Study Extent and Coverage

The Research study included a total of five country-based case studies to be carried by five individual consultants while the out-puts of all cases will be presented in a form of combined and synthesized report by Capacity Building Service Group (CBSG), Dhaka, Bangladesh. The study encompasses the following projects in India, Bangladesh, Pakistan, Sri Lanka, and Nepal.

Table 1: Country-wise project and the study team

Country	Project Name	IFIs	Local Consultant
India	National Rural Economic Transformation Project: MSME- Emergency Response- COVID-19.	World Bank	Mr. Kishore Bhirdikar
Bangladesh	Bangladesh Insurance Sector Development Project	World Bank	Md. Al-amin Shishir
Pakistan	Social Protection Development Project- Additional Financing	ADB	Dr. Javaid Iqbal
Sri Lanka	Strengthening the Regional Development Bank Project	ADB	Mr. Channa Indika Fernando
Nepal	Integrated Public Financial Management Reform Project	World Bank	Mr. Amar Khatri

3. Overview of the studied projects

A brief description about each project funded by the IFIs in the five studied countries are given below;

Table-2: Projects Overview

Country	Project Title	Project Overview
India	World Bank financed National Rural Economic Transformation Project: MSME- Emergency Response- COVID-19 project	National Rural Economic Transformation Project: MSME- Emergency Response- COVID-19. The scheme proposes investment of 750 million dollars. The World Bank Note on the scheme mentions that MSME sector in India is affected by cash flow shortage, liquidity constraints, and further inability or difficulties in accessing finance, leading to potential solvency problems for many MSMEs. Under this background, the World Bank scheme will infuse 750 million dollars are provide loans to MSME sector to restart their operations and provide gainful employment. Three MSME units, Makins India Pvt. Ltd, Hari Om Pvt. Ltd. and Parkson Packaging and Printing Pvt. Ltd. were covered under the study
Bangladesh	World Bank supported Bangladesh Insurance Sector Development Project	Bangladesh Insurance Sector Development Project is a USD 80 Million-dollar development initiative jointly funded by the World Bank and the Government of Bangladesh (GoB). This five-year long project has three different

Country	Project Title	Project Overview
		development objectives- Improving the capacity of the insurance development and regulatory authority (IDRA) and the Bangladesh insurance academy (BIA); Modernization, strengthening and increasing the efficiency of the state-owned insurance corporations (JBC and SBC) and strengthening project implementation, management, and monitoring. The total workforce within the institutions covered under the project is 3,500.
Pakistan	ADB supported Social Protection Development -Additional Financing Project	The Social Protection Development- Additional financing by ADB is helping Benazir Income Support Programme (BISP) to (i) enable disbursement of unconditional cash transfer (UCT) payments to eligible BISP beneficiaries, and (ii) further improve the institution's capacity for financial management and control, and policy research, data analytics and intervention design. It is a USD 200 million-dollar project. Around 2,400 staffs and employees are involved in the project.
Sri Lanka	ADB financed Strengthening the Regional Development Bank Project	The Strengthening the Regional Development Bank (RDB) Project is a 50-million-dollar project is aimed at improving micro, small, and medium-sized enterprises' (MSMEs) access to finance in the Democratic Socialist Republic of Sri Lanka through a capital increase for institutional strengthening of the RDB. There are around 3,200 formal and informal workforces are involved under the project.
Nepal	The world Bank supported Integrated Public Financial Management Reform Project	The Integrated public financial management reform project is a USD 12 million-dollar project funded by the World Bank to Strengthening the effectiveness of Performance of the Financial Management institutions, systems, and procedures at the federal and subnational levels. Total involved workforce under the project is 8,000.

4. Objectives of the study

The main objectives of the Study are the following but not limited to:

- Conduct a labour compliance assessment of the selected IFI projects in the service sector and document at least one case study of labour violation for each of them.
- Identify the most prevalent cases of social and labour rights violations occurring at the sites of the selected IFI projects
- Assess the possibilities and capacities for lobby and campaign intervention by trade unions in the selected IFI projects.
- Conduct stakeholder mapping and identify the main stakeholders in the selected projects and analyse the nature of the linkages among the key stakeholders.
- Explore the lobby and campaign possibilities connected to the selected IFI projects relevant for the GUFs
- Select the critical labour and social issues that can be the primary focus and entry point for lobby and campaign interventions in the selected IFI projects

5. Methodology

This report draws on two sources of information: first, the information gathered from interviews with the worker/employees, management officials, TU representatives; secondly, the desk review with consultation of the existing documents and literature on the subject. The study also considered the findings from the observation of the field team.

To prepare this document, the following documents have been especially relevant:

- The labour compliance assessment framework (Annex-I)
- Categorization of the level of labour compliance (Annex-II)
- ILO Convention on Core Labour Standard (CLS)
- Country specific labour law
- Findings of the interview

The information gathered from the interviews was obtained from the physical visit to each of the project areas under studies.

6. Implementation Challenges of the study

The study is conducted in this COVID situation and in diverse areas which sometimes causes challenges for the consultant in gathering information. The major challenges for implementation of the study are given for each country under the study:

Table-3: Challenges of the Study

Country	Challenges
India	<ul style="list-style-type: none"> • Limited time period for field investigation • MSMEs are located distant location from each other • Union leaders are not interested providing critical information
Bangladesh	<ul style="list-style-type: none"> • Government officials need prior appointment • Political affiliated TU leaders, do not want to express anything that goes against the government • The time for conducting field study was limited • Secondary information regarding the insurance sector is limited • Project officials didn't come in any help as the project do not have any concern regarding the compliance issues Many institutions had to cover for the study
Pakistan	<ul style="list-style-type: none"> • Difficulty in getting access to BISP official documents • Difficulty in conducting interviews with employees
Sri Lanka	<ul style="list-style-type: none"> • Interviewing the casual employees are challenging • Taking photos are mostly not allowed • Limited source of secondary information
Nepal	<ul style="list-style-type: none"> • Language issue in the report 'labour' or 'employee'. • Refusal to share any data or personal view with the researcher. • Refused to give signature consent to publish the data in the report. • Refused to take picture.

7. Cross-country findings on the level of labour compliances

Analyzing the findings for the nine specified compliance areas the level of compliance for each project under the studied country have been presented in four color coded parameters.

7.1 Child labor

Child labour issue has been an area of investigation in all 5 countries. The findings show that India, Bangladesh and Nepal have Child Labour Polices in the respective Institutions/Projects under study. The study teams in these countries have not found presence of any child labour at the workplace. In these 3 countries the compliance on child labour is very high in the Projects under study. In case of Pakistan the Project under study does not have Child Labor Policy. In Sri Lanka the minimum age of child labour is 16 which does not comply with the ILO Convention on Child Labour. Therefore, the level of compliance appeared to be medium, and it needs concrete actions for further improvement.

Child Labour
ILO Minimum Age Convention, 1973 (No. 138)
ILO Minimum Age Recommendation, 1973 (No. 146)
ILO Worst Forms of Child Labour Convention, 1999 (No. 182)
ILO Worst Forms of Child Labour Recommendation, 1999 (No. 190)

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Child Labor Nepal	India	No child labor seen in Chakan area MSME		High
	Bangladesh	None found under 18 years in JBC and SBC		High
	Pakistan	No child labor policy	Social compliance violation	Medium
	Sri Lanka	No screening of Child labor usage in loan approval process	C138 - Minimum Age Convention, 1973 (No. 138) In Sri Lanka, the Minimum age is 16 without Night work. The Employment of Women, young persons, and Children's act 47 of 1956	Medium
	Nepal	Not any child labor found in sample organization		High

6.2 Forced labour

Millions of people worldwide are trapped in some forms of forced or bonded labour. To assess the condition of forced labour in the Projects under study looked into 4 areas of compliances including: coercion; violence; non-voluntary overtime; and debt bondage. In Bangladesh, the higher-level officials sometimes made the nonpermanent employees to do their personal work which appears as coercion. In other 4 countries non-voluntary overtime work is apparent in the respective projects. No evidence of violence and debt-bondage are found in any of the 5 countries.

Forced Labour		
ILO	Forced	Labour
Convention, 1930	(No. 29)	
ILO	Abolition of	Forced
Labour Convention, 1957	(No. 105)	

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Forced Labor	India	No direct evidence of forced labor found. But contract workers are made to work for 12 hours without proper overtime wage. The piece rate workers are not paid the wage for their work, these workers also do not get overtime. Sometimes there is non-voluntary overtime imposed and workers are threatened.	ILO forced Labor Convention C029	
	Bangladesh	Management staffs sometimes coerce on the non-permanent employees.	Article 101 of Bangladesh Labor law, 2006 ILO C029- Forced Labor Convention, 1930	
	Pakistan	Non-voluntary over-time	Violation of Article 2 of ILO's Convention 29.	
	Sri Lanka	In loan screening process there is no evidence to confirm that the bank ensures the sub borrower is complying or not.	C029 - Forced Labor Convention, 1930 (No. 29)	
	Nepal	Not any cases of forced labor for Permanent employees. Temporary employees are involved in extra workload.	Article 29 of Constitution of Nepal ILO Forced Labor Convention (CO29)	

6.3 Freedom of Association

Freedom of Association refers to the rights of the worker to freely form and join Trade Unions. The collective bargaining process of negotiation involve both unions and employers. The presence of strong Collective Bargaining Agents (CBA) / Trade Unions help to improve working conditions, performance, and reduce inequalities among the workforces. The studies explore the areas of freedom to join/form unions; supports for union operations; interference / discrimination against union members and leaders; Collective Bargaining Agreement (CBA); and strike. On the issue of Freedom of Association, the country specific scenario is presented below:

Freedom of Association

Freedom of Association and Collective Bargaining ILO Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87) ILO Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

India:

The compliance level of freedom of association and collective bargaining in the Project studied appears to be very low. The prime reason is continuous interference of the employers against unionization process. The owners bribe union leaders to keep the unions inactive, they clearly exercise discrimination against the workers who are members of unions. The contract workers are not allowed to join the union who composed of 80-85% of total workforce. The process of collective bargaining is not encouraged; and often delayed fading the issues away.

Bangladesh:

There are functional unions in the institutions studied but all are affiliated with the ruling political party. It resulted unequal treatment of the employees who belong to the opposition parties. The employees under contractual agreement are not allowed to become member of the Union. The compliance level on this aspect is medium in case of Bangladesh.

Pakistan:

The Project under study has no trade union and CBA. Hence, the right of the workers for forming and joining union is denied. The Project is apparently non-compliant to ILO Core Labour Standard Convention.

Sri Lanka:

The members of trade unions are denied from employment benefits unduly. An adverse situation prevails in collective bargaining between the employers and unions. The overall situation in the Project shows low level of compliance.

Nepal:

There are more than one union exist in one organization and they are functioning well. The coordination between management and union leaders regarding decision on labour issues is happening regularly. The Government provides a minimum amount of funds to unions in the Government institutions for conducting union activities. The Unionization in the private sector is not well organized and in terms of compliance the Project fall under medium status.

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Freedom of Association	Indian	In general unionizing is low in Chakan area. The companies use and put bottlenecks in formation of unions. The companies and state officials target workers who try to build unions. Contract workers are not part of unions at all. Therefore around 80 to 85% of workforce is not part of trade unions in MSMEs in Chakan and nearby areas. Further, the companies use strategies to stop unionization through measure such as removing workers from jobs. There is also interference / and discrimination against union members and leaders. Collective bargaining processes are either delayed or not encouraged.	ILO Convention, C144 - Tripartite Consultation (International Labor Standards) Convention, 1976 (No. 144)	
	Bangladesh	Political identity of an employee gives more safety than his/her membership in the CBA. Only permanent staff can be a member of the union All general employees are the member of the employee's association. Both employees' association are affiliated to the ruling political party CBA leadership has good relationship with the administrative and management officials. Many members of the employee's association are not aware of the functions of the CBA. CBA leadership	Article 2 and 23 of Bangladesh Labor law, 2006 (Promotion can be postponed for one year as punishment) Article 1 and 2 of the ILO C135 – Workers Representatives Convention, 1971 (Not ratified)	

		<p>need capacity building training for developing their bargaining and negotiation skills. As political affiliates of the ruling party, CBAs comply with the government decision mostly.</p> <p>In JBC and CBA election is post-phoned since 2011.</p>		
	Pakistan	<p>BISP has loose association of employees</p> <p>No labor union</p> <p>No CBA</p>	<p>Violation of ILO's Conventions No. 87 & 98</p> <p>Violation of Article 17 of the Constitution of Pakistan</p>	
	Sri Lanka	<p>March 2020 RDB Trade Union action Management issued a written notice to all workers that their absence from work result in a pay cut.</p> <p>Labor Tribunal case where an active Trade union member was denied promotion due to his involvement in the Union.</p> <p>Current Loan preapproval process. No process to assess if these rights are allowed at the Businesses of the sub borrowers.</p>	<p>C087 - Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87) and C098 - Right to Organize and Collective Bargaining Convention, 1949 (No. 98)</p> <p>Shop and Office act, Wages board and Factories Ordinance of Sri Lanka</p>	
	Nepal	<p>Well Freedom of associations</p> <p>More than one association is present in one organization.</p> <p>Private organization do not have union.</p>	<p>Article 34(3) of constitution of Nepal 2015</p> <p>Section 2 (8) of Labor act 2017</p> <p>Freedom of association and protection of the right to organize convention, 1948 (no. 87)</p>	

6.4 Discrimination

Many workers around the world suffer from discriminatory practices which not only cause violation of basic human rights but also widen the social and economic deprivation for them. The aspect of discrimination spreads over race and origin of the person; gender identity; disability; and others including HIV & AIDs, religion, and political affiliation.

Racial, regional, and religious identity appear major grounds of discrimination to workers in India. The contractual workers are discriminated in terms of wage and other benefits compared to permanent workers; and female workers are significantly paid less than male workers. Considering these discriminatory practices, the level of compliance in the Project is very low.

Discrimination

ILO Equal Remuneration Convention, 1951 (No. 100) ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

In case of Bangladesh favoring political affiliation of the employees contribute to get discriminatory treatment towards the one who are not; it starts from recruitment, promotion, transfer and bonus. Workplace is not suitable for the employees having adoptive disability. Bangladesh stands as low in compliance.

The Project in Pakistan has no gender policy. The level of female employment is very low. There is 2% quota of employment for disabled person which is fully observed by the BSIB Project. The appointments BSIB are usually based on political affiliation, relation/contact, and recommendation rather than following the basis of hiring principles of the Government. Pakistan falls in the category of very low compliant country.

The Project in Sri Lanka has discriminatory practice of giving proportionately unequal benefit, bonus and other entitlements to the general employees as compared to higher level staff. On discrimination issue the country ranks medium in compliance.

In Nepal discrimination is visible in the areas of race, origin, religion, disability, and gender. There is discriminatory practice based on political affiliation of the employees who get preferential treatment in limited scale. The country falls in the category of medium level compliance.

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Discrimination	India	Existence of Regionalism and inter departmental rivalries are used to discriminate workers. The biggest discrimination exists between permanent and contract workers. There is gender-based difference in salaries and women are paid less than men workers, especially among the contract workers. Outside workers are hired more as they can	ILO – Discrimination (Employment and Occupation) Convention, C111, 1958	

		be controlled, and more work can be extracted from them.		
	Bangladesh	<p>Employees face discrimination based on their employee's political identity. Employment benefits are not equality distributed among the head office and zonal offices' employees. Non-permanent member cannot be the member of the CBAs.</p> <p>Workplace is not suitable for the adoptive disabled employees.</p>	<p>Article 277 of Bangladesh Labor law, 2006</p> <p>Article 345 of Bangladesh Labor law, 2006</p>	
	Pakistan	<p>No gender policy</p> <p>Limited representation of women in lower cadre posts</p> <p>Non-observance of merit in appointments</p>	<p>Violation of ILO Convention No. 111</p> <p>Violation of Article 25(2) of the Constitution of Pakistan</p>	
	Sri Lanka	<p>The Bank has Variable bonus scheme and voluntary work on 6 Saturdays. Top management despite not meeting the last condition has obtained special approval to receive the bonus.</p> <p>Asst. Manager and Chief Manager vacancies are not filled for 4 years and 2 years, respectively.</p> <p>Frequent violation of the Transfer process.</p>		
	Nepal	Any kind of discrimination based on remuneration, leave etc. is not noticed.	<ul style="list-style-type: none"> C111 Discrimination (Employment and 	

		Employees feel somewhat discriminated based on locality, origin, gender, and political affiliation.	Occupation) Convention, 1958 Article 18 (3) of Constitution of Nepal 2015 Section 2 (6) of labor act 2017	
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6.5 Wage

In analyzing the wage situation in 5 countries, the issues of minimum wage, overtime payment, deduction of wage, and other benefits have been investigated. All countries pay wage/salary as per the rule of the Government and respective Projects. In case of over time the Projects in **India** do not pay for overtime work to contractual labour. In the COVID-19 pandemic period the Project in India cut down the wage of the workers. In **Bangladesh**, the workers do not get paid for their overtime duly, in few cases they are paid a lump sum amount. In Transport sector the workers get double their wage while working overtime. In **Pakistan** there is no violation in wage, all workers get right amount of wage as per their service rule. The minimum wage in case of informal employees in the Project in **Sri Lanka** is far below than the minimum wage defined by the Government. The Government financial sector in **Nepal** follows the wage structure fully, while the private sector does not comply with the wage structure.

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Wage	India	Minimum wage rules are followed. But contract workers do not get overtime as double. Increments for permanent workers are not given regularly. Overall, contract workers have to work hard to get wages. Further, sometimes unnecessary deductions are made from contract workers' salaries.	ILO Convention, C100 - Equal Remuneration Convention, 1951 (No. 100)	
	Bangladesh	As a government employee all get entitlements and benefits as per position grade under government rules. None but the driver is only paid for overtime though all workers are subject to overtime.	Article 100 to 119 of Bangladesh Labor law, 2006 ILO C001 – Hours of Work (Industry) Convention 1919	

		All employees get BDT. 200 as daily food allowance since 2019.		
	Pakistan	Wage is paid as per service rule.		
	Sri Lanka	There are around 500 casual employees in the salesforce. No overtime Sub borrower level no check if Salaries are within Min Wages, if pay slip is issued.	Shop and Office act EFP ETF Act Factories ordinance Wages board	
	Nepal	Wage scale is present. No overtime paid in pandemic period.	1949 Protection of Wages Convention (No. 95)	

6.6 Working Hours

The working time is a critical aspect of welfare of the employees at workplace. Following the proper working hour ensures safety and health, enough rest between shifts and enable the employees to have work-life balance. For the analysis of this issue regular hours and work time and leave entitlement at workplace are investigated. The Projects in India make casual workers work for an extra 4 hours after 8 hours of regular shift for which they are paid the same rate as regular pay instead of overtime rate. The Projects in Bangladesh Pakistan, Sri Lanka and Nepal follow 8 hours. However, in Nepal working for 2 hours before and after the office hours is not considered as over time. Based on the above scenario the compliance rate of India appeared to be very low, Bangladesh is complying fully, Sri Lanka and Nepal fall under the category of medium and Pakistan is in low compliance category.

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Working Hours	India	12 hours is the idea of a working day. Most companies operate only two shifts rather than three. Further, the contract workers don't have any casual leave and prescribed holidays. They don't have a weekly off and salaries are not paid for that day as the work is on daily contract.	ILO- Hours of Work Industry Convention C001, 1919	
	Bangladesh	Working time is in-total 8 hours including 1 hour lunch and prayer break.	Article 100 to 119 of Bangladesh Labor law, 2006	
	Pakistan	Management can change working hours No over-time policy	ILO's Convention No. 30	
	Sri Lanka	At sub borrower level compliance assessment is weak and not embedded to the process	Shop and Office act Factories Ordinance	
	Nepal	Only 40 hrs. of working (includes 7 hours from Sunday to Thursday and 5 hours on Friday). Before office and after office 2 hours work is not considered as overtime now No fixed break time. Not breastfeeding break in written form.	ILO regular daily and weekly working hour (C1) Section 7 of Labor act 2017 Nepal ILO holidays with pay convention (Revised), 1970 (C132)	

6.7 Ethical Hiring

Employment starts with the hiring process; ethical issues in hiring is critical for any institution. In India, the Projects engage the third party in hiring process who have not had any ethical consideration to follow. In Bangladesh and Pakistan hiring process is done by following the Government rule. In case of Sri Lanka the political interference and influence happen which hinder fair recruitment of the employees. Employment in Government sector in Nepal is relatively free from discrimination; in private sector hiring process is influenced by personal acquaintances. In terms of fair hiring India and Sri Lanka fall under very low level of compliance; Bangladesh and Pakistan are in medium level; and Nepal is in low level.

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Ethical Hiring	India	No new permanent workers are hired. The hiring of contract worker is done through a labor contractor. These workers are denied proper social security. A same company uses multiple labor contractors to hire workers and piece rate workers. No pay slips are given to these workers.	ILO Convention, C142 - Human Resources Development Convention, 1975 (No. 142)	Very Low
	Bangladesh	Employees are recruited as per government rules. General employee only gets an orientation about their job. Usually, general employee does not get any professional training facilities. Under World Bank's insurance sector development project some employees have received a 5 day long Basic Computer Literacy Training.		Medium
	Pakistan	Hiring on deputation is not on merit	Violation of ethical hiring principles	Medium
	Sri Lanka	Several cases of unfair practices including political interference in promotions and recruitment practices recorded and reported by the CBEU. No meaningful assessment into Labor compliance to minimum legal	EPF act Minimum wage law ETF act Payment of Gratuity act	Very Low

		requirements at sub borrower level. Hiring people for informal work within the Bank in violation of the basic labor rights.		
	Nepal	Hiring of permanent government employees is fair and discrimination free. In private sector hiring takes place from acquaintances and relatives.	Section 2(6) of labor act of Nepal 2017	

6.8 Gender

Gender is an essential factor for assessing compliance in workplace. The areas covered under Gender equality are existence of gender policy including sexual harassment and abuse; equal opportunity for women; and maternity leave and nursing time. There is no separate gender policy found in the Projects of India, Pakistan, Sri Lanka and Nepal. In Bangladesh the Project follows the relevant clauses on gender in Labour Law 2006. Women in all positions in labour union and the Projects are very low across all Projects in 5 countries. In India among the casual workers 40% are women and they do not get maternity leave, they are also paid less compared to their male co-workers. Except Pakistan, projects in other countries do not have child day care center and usable breastfeeding facilities.

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Gender	India	There is less representation of women in trade unions. The data on sexual harassment among contract workers is not even available. Women workers in management cadre is very low. Further, there are no gender policies for women workers on contract and they do not get maternity leave or nursing time.	C100 - Equal Remuneration Convention, 1951 (No. 100)	
	Bangladesh	There are breastfeeding corner in both JBC and SBC but not in use. There is no baby care center in JBC and SBC Women employee demanded more transport	Article 94 of Bangladesh Labor law, 2006 ILO C156 - Workers with Family Responsibilities Convention, 1981	

		facility especially for the female employee.		
	Pakistan	No gender policy Proportion of women in lower position is less than men	Violation of social compliance Article 25(2) of the Constitution of Pakistan	
	Sri Lanka	No Gender policy within the bank No formal Gender related incident reporting No evidence of training conducted on Gender issues and capacity building.		
	Nepal	The case of gender discrimination is not observed No child care facility in office No separate gender policy	Article 38 (2) of constitution of Nepal 2015	

6.9 Occupational Safety and Health

Improved occupational safety and health can help enhance productivity, reduce number of accidents in workplace. Both the employers and employees have the rights in relation to occupational health and safety. Key assessment issues are: OSH policy and procedures, basic health services, emergency preparedness, safety, and security from chemical and hazardous materials. All 5 countries do not have any OSH Policy. The emergency preparedness appeared to be weak in all Projects such as adequate number of fire extinguisher, regular fire drill, usable fire exit, well prepared first aid box, and inadequate health care services. In response to COVID-19 the Projects in Bangladesh and Nepal have taken prevention measures including installation of handwashing stations, provide hygiene and safety kits (masks, sanitizer) to employees. India, Pakistan, and Sri Lanka have not taken any specific measures to prevent COVID-19 for the employees. In Sri Lanka no separate toilet for women is observed in the Project areas.

Occupational Safety and Health

ILO Conventions 148 on Working Environment; 155 on Occupation Safety and Health; 187 on Promotional Framework for Occupational Safety and Health; Protocol 155 to the Occupational Safety and Health Conventions; ILO Recommendations 97 on Protection of Workers' Health; 115 on Worker Housing; 156 on Working Environment.

Labor issues	Country	Summary of Findings	Summary of non-compliances	Level of compliance
Occupational Safety and Health (OSH)	India	In general, small units like Hari Om and Makins do not have good procedures of OSH. Accidents are treated without proper care, especially among contract workers. There is no safety training or regular health checkups, especially in Hari Om and Makins India companies.	The World Bank Guidance Notes on Borrower on the application of the Environmental and health.	
	Bangladesh	Authority of JBC and SBC rarely conduct fire drill and many staff do not know the safety precautionary during fire incidence. There is an emergency staircase but not in use. There is no first aid boxes and medical professional for providing emergency healthcare support. General employees do not know how to use fire extinguisher.	Fire: Article 62 of Bangladesh Labour law, 2006 First Aid: Article 89 of Bangladesh Labour law, 2006 ILO C155 - Occupational Safety and Health Convention, 1981	
	Pakistan	No OSH policy	Social compliance violation	

		No SOPs to hire private buildings No hygiene policy		
	Sri Lanka	Staff toilets not segregated in some branch officers. No sick room in any of the bank's officers including its head office. No assessment on the loan approval process on safety and health safeguards of the employees of the sub borrowers. No preventive maintenance or annual BCP drills. all ad-hoc basis. No OSH Policy. No evidence that Loan screening process covers OSH standards at the sites of the projects.	Wages Board, Factories ordinance and Shop and office act	
	Nepal	COVID safety measures are taken well. Security installation like fire extinguisher is kept in office. First aid box and training, emergency exits are not well facilitating. Safe drinking facility is available. Toilets should be developed as per the gender sensitivity	Occupational safety and health recommendation, 1981 (R164) P155 no record of work-related accidents	

8. Issues to be address immediately

The study revels gaps in complying the core labour standards and the law of lands for each of the studied countries.

Table-4: Issues for immediate address

Country	Issues
India	<ul style="list-style-type: none"> • State machinery hospitals need to work efficiently for workers across different labor segments • Setting up of gender committees and gender policies that work for both permanent and contract workers needs to be lobbied • Demand for a national living wage instead of just minimum wages • Overtime benefit to be double past 8 hours of work and make overtime rate of double applicable to all types of workers
Bangladesh	<ul style="list-style-type: none"> • CBAs needed to be reformed in terms of non-political/ non-partisan principal • Awareness regarding the labor rights among the general TU members need to be raised • TU should come forward to protect the rights of the outsourced/non-permanent workers • Government insurance companies should have health insurance scheme for its employees. • Workplace should have first response medical facilities (First aid boxes, medical officer, ambulance)
Pakistan	<ul style="list-style-type: none"> • Regularization of employees of BISP, who have been working since 2009 and have not been regularized and resultantly could not get pension benefits, Provident Fund benefits and employees welfare grants and other benefits like other public sector employees.
Sri Lanka	<ul style="list-style-type: none"> • The serious violation of labour rights of the large number of informal business development jobs within the bank • The very weak or virtually absent Social safeguards including labour safeguards within the IFI funded projects have to immediately re-dressed. • Segregated Female/Male toilets to rectify the violation of the Shop and Office act • Strengthened Risk and Audit oversight on Social and Labor compliance
Nepal	<ul style="list-style-type: none"> • Childcare facility should be made available in every organization. Due to the lack of this women employees are getting problem to attend in the office. In some cases, they have to leave the job. • Also breastfeeding break should be also made legally valid.

9. Scope and possibilities of unionization

The core focus of the study is to identify the potential ground of unionization and where there already have active unions finding the scope for further strengthening. The possibilities of unionization by countries are given in the following matrix.

Table-5: Scope of unionization

Country	Scope and possibility
India	<ul style="list-style-type: none"> • Exploitation of workers has reduced due to presence of a trade union • Threatening has reduced and the company also gave increments two times to permanent workers. • No need to recruit fresher's from outside but people from the workers cadre need to be promoted to management jobs. • Piece rate workers need to be recognized at par with permanent workers • TU's should use human rights discourse as their politics and demand the governmental schemes to be linked to workers directly
Bangladesh	<ul style="list-style-type: none"> • Awareness needs to be raised among the general employees regarding their lawful rights • Trade unions should be formed for the private insurance sector employees • National and international trade union organization should take capacity building initiatives for the CBA leaders • A national level trade union federation needed to be formed for financial service sector
Pakistan	<ul style="list-style-type: none"> • The All-Pakistan BISP Employees Welfare Association (APBISPEWA) is a loose association of employees. • There is a possibility of strengthening it through interaction with local affiliates of UNI in Pakistan. • A meeting was already arranged with the UNI Focal Person which was very fruitful in terms of way forward;
Sri Lanka	<ul style="list-style-type: none"> • The TU can strengthen its reputation and gain much respect among its key stakeholder that include the Management and its members by participating in this kind of compliance studies across the Unionized banks in Sri Lanka. • The study has clearly demonstrated that even in such a regulated industry many gaps and violations exist, and the Trade Union can play a lead role to identify those gaps and lobby and campaign for the fixing of these issues and can be seen as the catalyst for Labour safeguards being introduced and strengthen within the banking sector. • The Gaps and violations noted within the Bank which has a very strong trade union clearly underscores the need for Trade unions to also increase their awareness and the widening role they can play as part Civil Society lobby groups and demonstrates the strong need for organised labour movements as key security net against exploitation and in-equality.
Nepal	<ul style="list-style-type: none"> • Representation of casual form of labour in the TU is needed • To preserve and provide the rights of labour • Developing the skills of collective bargaining is highly needed

10. Recommendations

Different stakeholders under the study have suggested specific recommendations for improving the level of labour compliances in the projects. For taking appropriate measures by addressing the gaps that have been identified in the study the following recommendations are proposed targeting the IFIs, UNI Global Union and TUs prevails in the projects.

10.1 Recommendations for IFIs

- The World Bank has Economic and Social Framework (ESF) as guideline to promote good worker management relationship, safe and healthy working conditions for the workers in its supported projects. This guideline needs to be adopted in all projects funded/supported by the World Bank.
- The World Bank should have stringent monitoring mechanism for each of its project to ensure full compliance of ILO Core Labour Standard.
- The Asian Development Bank (ADB) has adopted a commitment to ILO-CLS as a part of its Social Protection Strategy in 2001. ADB needs to ensure that every ADB financed project will comply with the recognized international and country specific labour compliance issues in full extent.
- Both World Bank and ADB should recognize the TU/CBA as stakeholders of any projects supported by them to ensure freedom of association and collective bargaining rights of the workers.

10.2 Recommendation for UNI Global Union

- As a global union federation for the service sector UNI should act as a pressure group IFIs, and where possible the respective government to fulfill their obligations for the workers as per ratified ILO Core Convention and national laws.
- UNI should lobby with the concerned IFIs to include TU as stakeholder in the Projects supported by IFIs.
- UNI needs to map the existing TUs and other workers/employer's association for service sector in order to mobilize them under national federation for each country.
- UNI should lobby with ILO and concerned government to stop the gradual increase of outsourcing recruitment of low-end employees where basic labour rights are ignored.
- UNI should support the TUs and CBAs to strengthen their capacities in governance, art of negotiation with the management, with the Labour Ministry of concern countries, and mobilization of the workers.
- Maintaining regular intra-communication among the secretariats of UNI Global Union, and conduct different seminar and workshop for making the scope of the common ground of understanding and work.
- Analyze the far-reaching impacts of the outsourcing practices and commencing advocacy in different levels for supporting employees/workers' interest in maintaining the ratified conventions of the ILO. While developing any action or strategy for such employees/workers, this factor should be taken into consideration.
- Conduct intensive research on the concerned country Labor Law and advocacy for reviewing the current regulatory framework in place, keeping in mind the rights given for the general employees/worker under ILO core conventions.

10.3 Country specific recommendation for TUs

India

- TU must work with the Government to set a national minimum wage for workers in service sector based on cost of living and inflation.
- TU should form specific committees to prevent violence, harassment, and abuse of the workers.
- TU needs to be aware the workers on their rights and entitlements.
- TU should build stronger networks with other trade unions and different social groups fighting for workers' rights.
- TU must make sure that the casual workers are included in the union.

Bangladesh

- TU must raise awareness among general employees about the rights and entitlement and the importance of TU movements.
- TU should work to unionize the private sector employees.
- TU needs to come out of political affiliation and work independently to support all employees.
- TU should play an active role to activate the committees for preventing harassment and abuses at workplace.
- TU needs to make sure that the regular election is held on time and proper governance of the Union is maintained.
- TU should ensure the inclusion of the contractual employees in the association.

Pakistan

- TU needs to conduct internal training programme with the active members for building their unionization capacity.
- TU should strengthen their collaboration with the management and Government.
- TU must increase networking with the right based platforms.
- TU needs to pressurize the Project Management to adopt gender and OSH policy.

Sri Lanka

- TU should increase collaboration with the management to build good relation and discuss the priority issues of the employees.
- TU must work towards preventing political interference in staff recruitment, promotion, and transfer.
- TU needs to monitor the adherence and implementation of labour supported guidelines in the institution.
- TU should work on addressing the rights of informal workers.

Nepal

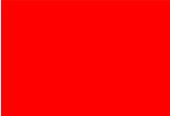
- TU should extend unionization in the private sector.
- TU needs to increase their skills on collective bargaining with the management.
- TU must strengthen their cooperation with the other workers' associations.

Annexes:

Annex-1: Compliance assessment framework

Labour issues	Topics considered during assessment
Child labour	<ul style="list-style-type: none"> • Child labour policy • Child protection measures
Forced labour	<ul style="list-style-type: none"> • Coercion • Violence • Non-voluntary overtime • Debt-bondage
Freedom of Association & Collective Bargaining	<ul style="list-style-type: none"> • Freedom to join/ form unions • Support for union operations • Interference / Discrimination against union members and leaders • Collective bargaining agreement (CBA) • Strikes
Discrimination	<ul style="list-style-type: none"> • Race and Origin • Gender-based discrimination • Disability • Others; HIV & AIDs, Religion, Political affiliation,
Wages	<ul style="list-style-type: none"> • Minimum wage • Overtime payment • Deduction • Other benefits
Working Hours	<ul style="list-style-type: none"> • Regular Hours and Overtime • Leave
Ethical Hiring and Contracting	<ul style="list-style-type: none"> • Recruitment procedures • Contracts, Payslips • Training
Gender Equality	<ul style="list-style-type: none"> • Gender policy (esp. including Sexual Harassment and Abuse) • Equal opportunity for women • Maternity leave & Nursing time
Occupational Safety and Health (OSH)	<ul style="list-style-type: none"> • OSH management system (incl. policy & procedures) • Health Services (esp. First Aid, Medical checks, HIV & Aids) • Chemical and hazardous materials • Worker safety • Facilities • Emergency preparedness

Annex-2: Categorisation of level of labour compliance

Colour Code	Level of compliance	Definition
	Very low	The company does not comply on several key issues under the topic and does not appear to be taking any concrete action towards compliance.
	Low	The company does not comply on some key issues under the topic. The company is conscious of the issues but is still lax on concrete actions towards compliance.
	Medium	The company complies on several key issues under the topic with concrete actions. However, it still needs to take some actions towards continuous improvement.
	High	The company complies on most key issues under the topic with concrete actions and has established good continuous improvement measures.