



# Minimum Wage Report

**PAKISTAN**

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# Minimum Wage In Pakistan

Minimum Wage is the wage level (set by Government, either after consultation with the social partners i.e. worker organizations and employer associations or unilaterally) below which it is illegal for the employer to pay his/her employees.

Minimum Wage in Pakistan is set by the following two acts:

- Pakistan Minimum Wages for Unskilled Workers Ordinance, 1969
- The Minimum Wages Ordinance, 1961

Minimum Wages for Unskilled Workers are fixed under the 1969 Ordinance and these are currently PKR7,000 under Labour Policy 2010. The Minimum Wages Ordinance, 1961 applies to all industrial establishments' employees (whether skilled, unskilled or apprentices and even domestic workers) but it excludes the employees of Federal or Provincial governments, coalmine employees or persons employed in agriculture.

There is yet another law that provides for minimum wage fixation for coal mine workers i.e. The Coal Mines (Fixation of Rates of Wages) Ordinance 1960. Provincial Governments issue minimum wage notifications for these coal miners and they may also consult Mines Welfare Board in wage fixation (but it is not necessary)

As for the Minimum Wages Ordinance, 1961, specially constituted tripartite provincial minimum wage boards recommend minimum wage rates to the provincial governments. These tripartite (i.e. where three social partners; worker, employer and government; meet, discuss and solve work related issues together) boards are constituted at the provincial level and they are entrusted with the statutory task of recommending the minimum wage rates for time work; piece work; overtime work; work on weekly rest day; paid holidays and the minimum time rates for workers employed on piece work so as to guarantee minimum wages for such workers on a timely basis. The status of provincial minimum wage boards is only advisory and the power rests with the provincial government to declare these wages. These recommendations become enforceable only when accepted and notified by the respective provincial governments. The Minimum Wage Boards can also periodically review these wages and recommend any amendments to their respective governments however authority again rests with the government whether it adopts and give these recommendations a legal status.

In view of Labour Policy 2010 and Supreme Court Orders, all the provincial governments (i.e. Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan) have fixed the minimum wage rates for different (skilled and semi-skilled) workers and have notified these. Punjab and Balochistan have notified minimum wage rates for 51 and 30 different industries respectively. Similarly, Khyber Pakhtunkhwa government has also issued wage rates for all industries however these notifications don't apply to the Federally Administered Tribal Areas (FATA). Paycheck.pk currently provides minimum wage information for the Sindh province, which notified these wages on November 15, 2010 for 40 industries. We will be providing you with the minimum wage information for other provinces soon.

## Minimum Wage Rates

### Auto Works Shop & Garage Minimum Wages for Sindh w.e.f 2011

Sr. No	Occupation / Trade	Proposed Minimum Rates Of Wages Inclusive Of Statutory / Non Statutory Allowances / Payments	
		Per Month For 26 Working Days	Per Day 8 Hours Working
1.	Co Welder	8166	314
2.	Spray Painter		
3.	Mechanic		
4.	ARC Welder / Gas Welder		
5.	Cashier	8166	314
6.	Denter	8166	314
7.	Welder		
8.	Auto Electrician		
9.	Fitter		
10.	Fabricator	7583	292
11.	Painter		
12.	Machine Operator		
13.	Watchman	7000	269.23
14.	Helper	7000	269.23

Source: The Sindh Government Gazette published dec 30 2010

For More Information on Minimum Wages in Pakistan Kindly visit [www.paycheck.pk](http://www.paycheck.pk)

Authorship of Minimum Wage Database with WageIndicator Foundation, Amsterdam; Amsterdam Institute for Advanced Labour Studies; Indian Institute of Management Ahmedabad.

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## Bidi Binding Industry

### Minimum Wages for Sindh w.e.f 2011

Sr. No	Occupation / Trade	Proposed Minimum Rates Of Wages Inclusive Of Statutory / Non Statutory Allowances / Payments	
		Per Month For 26 Working Days	Per Day 8 Hours Working
1.	Karigar	300	
Note : Provided that monthly wage should not be less than Rs.7500/- per worker.			

Source : The Sindh Government Gazette published Dec 30 2010

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# Road Transport Industry

## Minimum Wages for Sindh w.e.f 2011

Sr. No.	Occupation / Trade	Proposed Minimum Rates Of Wages Inclusive Of Statutory / Non Statutory Allowances / Payments	
		Per Month For 26 Working Days	Per Day 8 Hours Working
Intercity Routes			
1.	Manager	Wages left for mutual bargaining between employers & employees,	
2.	Motor Mechanic	9916	381
3.	Fitter	8166	314
4.	Clerk	7350	282
5.	Driver	7000 +	269.23
		300 Daily Allow	
6.	Conductor	7350 Inclusive Daily Allow,	282
7.	Cleaner	7000 Inclusive Daily Allow,	269.23
Urban Routes			
1.	Driver	8166+	314
		200 Daily Allow	
2.	Conductor	7350+ Inclusive Daily Allow,	282
3.	Cleaner	7000	269.23

Source: The Sindh Government Gazette published dec 30 2010

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# Minimum Wage Legislation

## Frequently Asked Question

<b>1</b>	<b>Is there a separate minimum wage legislation in Pakistan?</b>
	Minimum Wages Ordinance, 1961 & West Pakistan minimum wages for Unskilled Workers Ordinance, 1969. Minimum wages Rules, 1962 have also been promulgated in accordance with the Ordinance 1961.
<b>2</b>	<b>Do one or more minimum wage/s, exists in Pakistan?</b>
	There exists a national minimum wage but as per information available at the Punjab government website, Punjab province also fixes minimum wage rates that differ between industries and skills. It is important to note that minimum wage announced by the government (which is currently PKR 7000) is for the unskilled workers. For skilled workers, minimum wage boards are formed which give recommendations for wage fixing in different industries.
<b>3</b>	<b>At what level are minimum wages determined?</b>
	As per Labour Policy 2010, there exists a national minimum wage. Section 4 of Minimum Wage Ordinance, 1961 allows minimum wage Boards, for each province, to recommend minimum wage rates for adult unskilled workers and juvenile workers employed in industrial undertakings. Section 5 of MW Ordinance gives the power to each province's MW Board to fix MW rate even for workers in industries where there is no effective regulation of wages. As per the information available on the websites of Punjab government, it fixes MW rates even for skilled workers. The list of industries covered also varies from province to province. The Government can fix the wage rate for skilled workers because Section 2(9) defines worker as "skilled or unskilled, intellectual, technical, clerical, manual, or other work including domestic work for hire or reward". So, it has the authorisation to do that.

# Minimum Wage Legislation

## Frequently Asked Question

4	<b>On what basis is/are minimum wage/s declared?</b>
	According to section 5 (3) of minimum wages Ordinance, 1961, minimum wages Board can fix minimum wages for time work and the time rates recommended may be on hourly, daily, weekly or monthly basis.
5	<b>In case of daily/weekly/monthly minimum wage, are number of working hours considered while fixing MW?</b>
	Nothing relating to number of hours is mentioned in the MW Ordinance, 1961. However, as per Factories Act, 1934 (Section 34 and 36), no <u>adult worker</u> shall be allowed or required to work in a factory for more than <u>48 hours a week or 9 hours a day</u> .
6	<b>Who all are involved in setting minimum wage?</b>
	Section 3 of the MW Ordinance, 1961 requires the provincial governments to establish a minimum wages board that will recommend minimum wage rates. Minimum wages Board comprises of a Chairman, an independent member and one member as employer's representative and one as workers representative. All the members are appointed by the provincial government. Provincial government also have to appoint one member as representative of employers and workers each at the industry level
7	<b>How are upratings (adjustments) of minimum wage/s decided upon?</b>
	As per section 7 of the MW Ordinance, 1961, MW Board can review its minimum wage recommendations if there are any changes in economic conditions or the cost of living and further recommend it to Provincial Government.



# Minimum Wage Legislation

## Frequently Asked Question

<b>8</b>	<b>Which are the components of minimum wage in your country?</b>
	In accordance with section 2(g), wages have both the fixed and variable components. These include dearness allowance, house rent, conveyance allowance, cost of living allowance and special allowance....all of these are variable components. Above these variable allowances, MW includes also the fixed allowances.
<b>9</b>	<b>How frequently is the fixed component of minimum wage updated?</b>
	As per the section 7 of minimum wages Ordinance, 1961, no recommendation regarding review of minimum wages will be considered before 1 year and after 3 years. Only under very special circumstances revision of before a year can be considered. However, it is important to note that this is only for a recommendation that Board sends on its own to the Government. Government can send the reference to the Board anytime for revision of wages.
<b>10</b>	<b>What are the yardsticks on which minimum wage revisions are based?</b>
	According to section 7 of the minimum wages Ordinance, 1961 minimum wage rates are reviewed if there is any change in the economic conditions or cost of living or other relevant factors. Cost of living here can be interpreted as consumer prices because whenever there was a change in level of consumer prices minimum wage rates were revised (raised). Economic conditions can be interpreted as decent living standards.
<b>11</b>	<b>What is the national poverty line? (In national currency)</b>
	National poverty line is 2500

## Minimum Wage Legislation

### Frequently Asked Question

<b>12</b>	<b>How often is poverty line updated?</b>
	Poverty line is updated every Year
<b>13</b>	<b>When was poverty line last updated? (Specify YYYY/MM)</b>
	Poverty line was last updated in 2009
<b>14</b>	<b>What is the percentage of minimum wage relative to the current poverty line?</b>
	Minimum wage is more than twice of the poverty line.
<b>15</b>	<b>What is the incidence of MW(s) in the national labour force (wage earners only)?</b>
	66% of the wage earners are drawing below the poverty line.
<b>16</b>	<b>Who regulates minimum wage compliance?</b>
	As per section 21 and 22 of West Pakistan minimum wage Rules, 1962 government may appoint labour inspectors to regulate and inspect the compliance of minimum wages by making as many visits to industries. Governmental Body/Authority - As per section 9-A of MW Ordinance, 1961 the provincial government may appoint any person as the Authority for the area to hear and decide on all the claims (complaints) regarding non-payments or delay in the payment of wages. Industrial Relations Ordinance, 2008 requires every industry to have a collective bargaining agent who deals with matters relating to employment, work conditions or enforcement of any right.

# Minimum Wage Legislation

## Frequently Asked Question

<b>17</b>	<b>Which legal sanctions can be applied if compliance is lacking?</b>
	According to section 9(3) of minimum wages Ordinance, 1961 specifies the following penalties - either up to 6 months imprisonment or a fine or even both along with the payment of arrears made to the employee
<b>18</b>	<b>Are employer and/or trade union representatives involved in compliance procedures?</b>
	According to Industrial Relations Act, 2008 Collective Bargaining Agent (registered trade unions) is responsible for dealing with matters relating to workers rights guaranteed by law.
<b>19</b>	<b>To whom/where can individuals complain, if they think they are earning less than minimum wage?</b>
	As per section 42 of the industrial Relations Act, 2008 a worker may bring his grievance relating to any right guaranteed to him under any law in front of his employer either in writing or himself or through collective bargaining agent within 3 months from the day on which complaint (grievance) arises. As per section 9-A (2) of MW ordinance 1961, if no action has been taken by the employer (in case of delay of payment) within 6 months of the complaint, the worker can appeal to the Authority appointed by the provincial government. As per the section 23 of the West Pakistan Minimum Wage Rules, 1962 worker can send his complaint regarding non compliance of minimum wages to the government through Inspectors or any authorized official. As per section 42 of the Industrial relations Act, 2008 a worker can bring his complaint relating to any right guaranteed to him by law, to the Collective bargaining agent. Collective Bargaining Agent is a registered trade union.

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