

PART I

From Boardroom to Building Site

The Belt and Road Initiative and the M4
Motorway in Pakistan's Punjab Province

EXECUTIVE SUMMARY

The Belt and Road Initiative (BRI), previously known as the One Belt One Road (OBOR), is a key strategic initiative unveiled by Xi Jinping in 2013 that aims to establish several economic corridors between China and Eurasia over land and South East Asia over sea. The initiative has been analysed from various strategic perspectives, with its impact on labour conditions for both Chinese and foreign workers perhaps less so; though there have been instances, such as in Piraeus in Greece, where the issue was brought to the fore.

The M4 motorway project in the Islamic Republic of Pakistan is co-financed by the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB) and the Department for International Development (DFID). The Netherlands is a stakeholder in both the ADB and the AIIB. The ADB is the 'lead co-financer' and it is their safeguard policies that are applicable on the project. The ADB, alongside other Multilateral Development Banks such as the World Bank, has in the past been subject to public scrutiny with regard to its compliance with international human rights standards, as well as the Core Labour Standards (CLS) of the International Labour Organisation (ILO). In response to external pressures, in 2001 the bank became one of the first MDBs to commit to push for full compliance with the CLS and national labour laws. Nevertheless, it has not proceeded to integrate them into its internal policies; this has, as we have seen in the context of the M4 project, diminished the practical relevance of its original commitment to the CLS.

The Loan Agreements between Pakistan and the Asian Development Bank are unequivocal on the issue, stipulating that the borrower "shall ensure, that the core labour standards and the Borrower's applicable labour laws and regulations are complied with during Project implementation". It also stipulates that "contractors, other providers of goods and services, and their subcontractors, engaged under contracts for Works, have Works contracts...".

But the empirical data, consisting of interviews conducted with workers involved in the M4 project, has evidenced the widespread informality of labour relations around the M4 project: many workers were not officially employed by subcontractors, some of which may themselves not be registered companies. This context

and structure also make it much easier to evade compliance with regard to right to unionise and collectively bargain, as well as increasing the risk of other CLS violations, such as the recourse to child labour or forced labour.

While the ADB is imposing extensive reporting obligations on the Borrower for certain other issues (environmental impacts, resettlement policies), it does not extend them to labour rights. We believe that our findings warrant a much more extensive monitoring of labour conditions in ADB projects.

Don't Check the Boxes, Check the People

Remco E. Breuker & Imke B.L.H. van Gardingen

Corporate Social Responsibility. CSR. The notion has been around for quite a while now, an attempt to harmonise the imperatives of business with the needs for their environments to not be damaged by the activities those imperatives give rise to.¹ An uneasy compromise at best, it seems, easy to be cynical about, but that would be a denial of the progress made under the banner of CSR. Perhaps progress is not the proper term here, because it presupposes a linear march onwards to a goal that is better, higher, faster. The excursion of our research team, incidental though it maybe, into CSR has shown us more than anything that rather than progress, some projects that explicitly include CSR notions succeed, while in other cases CSR functions as a fig leaf, or as a toilet spray trying to mask unpleasant smells.

Our foray into the construction of the M4 motorway in Pakistan was prompted by similar notions that underlie the other study in this volume, the role of North Korean forced labour in garment industry supply chains: the role of foreign capital and of foreign companies. The M4 motorway construction project was partly funded by international financial institutions in whom the

1) See for example A.B. Carroll, 'A History of Corporate Social Responsibility: Concepts and Practices', in *The Oxford Handbook of Corporate Social Responsibility*, ed. Andrew Crane, et al. (Oxford: Oxford University Press on Demand, 2008), 19-46. For an overview of the different CSR practices around the world, see Wayne Visser and Nick Tolhurst, *The World Guide to CSR: A Country-by-Country Analysis of Corporate Sustainability and Responsibility* (London: Routledge, 2017).

Netherlands as a state is a stakeholder; as such the CSR guidelines of these funding agencies can be expected to be part and parcel of the project. Even if the labourers on the construction of the M4 were local labourers, the presence of financial institutions such as the Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB) should carry the consequence that not just local laws apply to the working conditions of the labourers, but also the CSR policies of the institution involved, as well as international conventions and treaties to which such institutions are bound.

The M4 motorway construction project also shares another characteristic with the other project in this volume: the presence of China, and to be precise, the inclusion of the M4 motorway into the Belt and Road Initiative (BRI), the PRC's ambitious project to remap much of the world today in a way that benefits the economic, political, strategic, and perhaps even military priorities of the PRC by building roads, ports, motorways.² By building, period. As for Pakistan, its participation in the BRI has taken the particular shape of the China Pakistan Economic Corridor or CPEC, an enterprise of such colossal importance, that it is treated as an extremely sensitive topic in Pakistan, with the media perhaps wanting but not always able to comment openly on the particulars of the project.³ In particular when such comments are deemed critical. As such, the M4 motorway project is not merely interesting on account of the details of the project, the local working conditions, project finances, et cetera. It is an instance of the meeting of Chinese capital and Chinese strategic interests, some European capital, local labour, and the local political and economic situation, and the domestic discourses such projects engender (undoubtedly, there are many more ways to conceptualise the M4 motorway construction project, but this should suffice for our purposes here). It provides us insight

2) See W.A. Callahan, 'China's "Asia Dream" The Belt Road Initiative and the New Regional Order', *Asian Journal of Comparative Politics* 1, no. 3 (2016): 226-43; also see Yiping Huang, 'Understanding China's Belt & Road Initiative: Motivation, Framework and Assessment', *China Economic Review* 40 (2016): 314-21.

3) See Sadaf Mustafa and Ammad Zafar, 'China Pakistan Economic Corridor: Importance and Challenges for Pakistan and China', *International Journal of Social Science and Economic Research* 2, no. 11 (2017). A more critical position is taken in this study: Muhammad Saqib Irshad, 'One Belt and One Road: Does China-Pakistan Economic Corridor Benefit for Pakistan's Economy?' *Journal of Economics and Sustainable Development* 6, no. 24 (2015).

in how these meetings may unfold, where the fit is comfortable and where not, what ramifications such transnational projects have, both locally and internationally. All the more so, since the BRI is hardly uncontested, because, as we shall discuss in this part of the report, its projects (of which there have been already many thousands) have consistently been associated with labour issues, labour rights infringements, economic blackmail, and even accusations of economic imperialism or colonialism.⁴

Our report was written based upon a fairly simple plan of action. After building the context for the research to be embedded in (labour conditions in Pakistan, the BRI, the CPEC, the role of the IFIs, et cetera), a number of persons who had actually worked as labourers on the construction of the M4 motorway were interviewed in a structured manner. Following the desk research of comparing the stated CSR policies of the IFIs and the construction companies involved (if indeed such policy documents were available) with what could be determined through the media, NGO reports, and interviews with a diverse array of local experts, comparing the day-to-day experiences of the labourers themselves seemed like the next logical step to take.

It was. Supported by the clause in the Loan Agreements between Pakistan and the Asian Development Bank that require the borrower (the Pakistani state) to “ensure, that the core labour standards and the Borrower’s applicable labour laws and regulations are complied with during Project implementation,” the interviews were conducted.⁵

Our findings put paid to the notion that the “core labour standards and the Borrower’s applicable labour laws and regulations” were complied with during the implementation of the project. Although further research with a bigger sample of labourers who are willing to be interviewed would seem a first and logical step forward, the data we collected is unequivocal in its observation that the widespread informality of labour relations around the M4 project led to a situation in which labour rights were not only infringed

4) For a recent overview of literature, see Huam Hon Tat et al., ‘Globalization, Colonialism and the Belt and Road Initiative (BRI): A Review of Literature’, *The Journal of Social Sciences Research*, special issue 2 (2018): 98-103.

5) You can find said agreement here: <https://www.adb.org/sites/default/files/project-document/176053/48402-001-lbj.pdf>, p.23. Accessed on 30-03-2019.

upon, but turned out to have been wholly or partially unknown to the labourers themselves. “Enlighten the people generally, and tyranny and oppressions of body and mind will vanish like evil spirits at the dawn of day,” according to Thomas Jefferson, and we find it hard to disagree with him here. Vanquishing infringements on labour rights will cost blood, sweat, and tears, not to mention time, but awareness on the part of the labourers is probably the first step in order to arrive at a practice of Corporate Social Responsibility that is not merely a mantra-like recitation of desiderata, but a practical concept. Guidelines that have value on the ground and not merely in the board room.

Returning to the notion of Corporate Social Responsibility, it stands out that the way the concept has been worded, it avoids mentioning the people involved: the workers themselves, their dependants, local inhabitants and such. Their rhetorical absence ties in with one of the observations we made in the course of our research: the absence of the workers in the monitoring procedures of the IFIs. While the IFIs and parties such as the ILO have been concerned with structurally improving labour condition for Pakistan’s workers (by for example increasing the number of inspectors in the labour inspection),⁶ none of the workers who were interviewed for this report was ever approached by a labour inspector, an inspector for an IFI, or by company inspectors.

The inspectors were seen on site by the workers, and it seems with a reassuring frequency, but as far as we have been able to determine, they did not seek to talk to the labourers themselves. We realise, that concern for the labourers’ safety may have been a consideration here: perhaps it was thought that being seen talking to an official inspector could lose a worker his/her job when the resulting report turned out negative. Still, other ways of collecting empirical facts (for that is what the labourers gave us in the form of the interviews) are possible. Just noting the visible facts is not enough, just checking the boxes is not sufficient: the people whose livelihood often depends on how CSR policies are -or are not- implemented on the ground are those who should be heard first. In this day and age, there is an obligation to know for companies, IFIs,

6) See http://www.ilo.org/islamabad/whatwedo/projects/WCMS_395777/lang--en/index.htm. Accessed on 30-03-2019.

governments, and consumers alike. This implies the strictest kind of due diligence, which is detailed, concrete, conscientious, thorough, strict, and on-site and on-hand. Instead of Corporate Social Responsibility, with the one-direction flow of action the name implies, we should perhaps rather try to visibly bring back the 'humans' into the equation. The obligation to know translates into the obligation to be there alongside the persons CSR policies are supposed to protect in the first place. It is after all hard to explain that inspectors who took the trouble to visit the construction sites - also from abroad, one imagines - did not take the trouble to talk with the labourers in a way that would have enhanced their empirical understanding of the conditions prevalent on the construction site. Again, if this needs to take the form of off-site interviews that are kept strictly anonymous to protect those workers who are willing to share their experiences, then this is the way to go. It should not be necessary to note, though, that in itself, having to take recourse to such measures in order to get a concrete, fact-based understanding of what is going on, is in itself of course an embarrassing condemnation of each and any CSR policy already in place.

Background, Financing and Local Context

Rosa Brandse, Michael Lee & Shirley Lee

This chapter looks at the parties and contexts that are directly involved in the construction of the M4 motorway, which is a project that falls within the vision of the China-Pakistan Economic Corridor (CPEC) for strategic infrastructure development.

Progress on the M4 motorway began in 2007 as part of the “National Trade Corridor Highway Investment Program.” To be funded by the Asian Development Bank (ADB), its stated aim was to benefit Pakistan’s economy through improving both domestic and international connectivity.⁷ Up to USD 900 million in loans was set aside for the main part of this program. An additional USD 10 million in loans was set aside from the ADB’s Special Funds, for the purpose of strengthening the institutions of the National Highway Authority of Pakistan (NHA), but this did not reach the stage of implementation.⁸ The just mentioned NHA would be responsible for implementing the projects.⁹

7) ‘Pakistan: National Trade Corridor Highway Investment Program - Tranche 1’. 1. <https://www.adb.org/projects/40075-023/main#project-pds>. Accessed on 30-03-2019.

8) Pakistan: National Trade Corridor Highway Investment Program (Tranche 1)’. 1–2. Accessed on 25-06-2018.

9) Aside from the sections mentioned here, the M4 motorway also includes the Khanewal–Multan section, which was funded by the Islamic Development Bank (USD 160 million). This section, however, was completed in 2010 and falls outside of the scope of our project, <https://www.dawn.com/news/945242>; <https://tribune.com.pk/story/995782/pakistan-has-been-left-behind-in-era-of-development-pm-nawaz/>. Accessed on 30-03-2019.

The motorway project was divided into three tranches. Initially, tranche 1 (Project Number 40075-023) focused on two expressways, the Peshawar – Torkham (E-1) and the Faisalabad – Khanewal (E-4). Due to security concerns on the part of the Pakistani government, at its request the E-1 was later removed from the scope, while the Gojra – Shorkot – Khanewal sections was delayed due to issues surrounding land acquisition. Consequently, the tranche focused only on the motorway section between Faisalabad and Gojra, which was renamed the M4. The contractor was China International Water & Electric Corporation, a Chinese state-owned enterprise (SOE). The project became effective in December 2008 and was closed in August 2015, with a final disbursed amount of USD 124.44 million out of the USD 170 million originally set aside.¹⁰

Progress on the motorway was continued through the “National Motorway M4 Gojra–Shorkot Section Project” (Project 48402-001). This was jointly funded by the ADB (USD 178 million) and the UK’s Department for International Development (DFID) (USD 92 million). The Pakistani government also contributed USD 47 million to the project, bringing the total funds to USD 317 million.¹¹ The contractors were Xinjian Beixin Road and Bridge for the section from Gojra to Jamani, and China Railway First Group for the section stretching from Jamani to Shorkot. While this stage of the project had its scope limited to the Gojra – Shorkot section, planning also took into account some anticipated additional funds that would become available in 2016 for construction of the Shorkot –Khanewal section.

The Shorkot–Khanewal section subsequently begun with the start of the “National Motorway M4 Gojra–Shorkot–Khanewal Section Project” (48402-002), which received USD100 million from the ADB, USD 34 million from the DFID, and USD 100 million from the Asian Infrastructure Investment Bank (AIIB). The

10) ‘Pakistan: National Trade Corridor Highway Investment Program (Tranche 1)’. 1–4. ‘Proposed Loan for Additional Financing and Administration of Loan and Grant for Additional Financing Islamic Republic of Pakistan: National Motorway M4 Gojra–Shorkot–Khanewal Section Project’. Report and Recommendation of the President to the Board of Directors (Asian Development Bank, May 2016), <https://www.adb.org/sites/default/files/project-document/184896/48402-002-rrp.pdf>. Accessed on 30-03-2019.

11) See <https://www.adb.org/sites/default/files/project-document/175099/48402-001-rrp.pdf>. Accessed on 30-03-2019.

Pakistani government contributed an additional USD 39 million, bring the total funding to USD 273 million. Notably, this was the first co-funded project between the ADB and the AIIB, which the president of the ADB described as a “historic milestone”¹²

This particular project was divided into two parts. The contractor for the Dinpur–Shorkot section is Chinese Gezhouba Group, in a joint venture with Ghulam Rasool and Company. The contractor for the Dinpur–Khanewal section is Xinjian Beixin Road and Bridge.¹³ All the labourers interviewed for this report worked on this section of the M4.

A summary of the different phases of construction on the M4 motorway is provided in the following chart:

Project no.	Code	Section	Length (km)	Investment (million USD)	Contractor	Start	End
40075-023	1	Faisalabad – Gojra	58	ADB (\$170)	China International Water & Electric Corporation	Dec 2008	Aug 2015
48402-001	2A	Gojra – Jamani	32	ADB (\$178)	Xinjian Beixin Road and Bridge	Dec 2015	Feb 2019*
	2B	Jamani – Shorkot	30	DFID (\$92) Govt. of Pakistan (\$47) Total: \$317	China Railway First Group		

12) ‘ADB Approves First Cofinancing with AIIB for a Pakistan Road Project’, <https://www.adb.org/news/adb-approves-first-cofinancing-aiib-pakistan-road-project>. Accessed on 30-03-2019.

13) S.A. Renardet and the National Highway Authority, Ministry of Communications, Government of Pakistan for the Asian Development Bank, ‘Bi-Annual Environmental Monitoring Report for Project 48402-002, January-June 2017’, PAK: National Motorway M-4 Shorkot–Khanewal Project (Asian Development Bank, 2017), <https://www.adb.org/sites/default/files/project-documents/48402/48402-002-emr-en.pdf>. Accessed on 30-03-2019.

48402 -002	3A	Shorkot - Dinpur	31	ADB (\$100) DFID (\$32) AIIB (\$100) Govt. of Pakistan (\$39) Total: \$273	China Gezhouba Group Corporation and Ghulam Rasool and Company Xinjiang Beixin Road and Bridge	Jan 2017	~ Feb/ Mar 2019 **
	3B	Dinpur - Khan- ewal	34				

*See footnote for reference.¹⁴

**See footnote for reference.¹⁵

In both projects, the ADB played the role of lead financier, meaning it held the right to administer the funds while the co-financers, the DIFD and AIIB, would be expected to follow the ADB's safeguard policies. The implications of this will be discussed in more detail later; for now in short, since reviews of its present accountability and complaint mechanisms have found they do not well facilitate holding local contractors to account with regard to labour rights, some background on the local labour context will be useful.¹⁶

In funding infrastructure projects, institutions such as the ADB, DFID, and the AIIB not only provide financing, but also bring to bear on the project their own ethical norms and sometimes legal codes. This can impact labour conditions, or, in theory at least, should. Keeping that in mind, labour issues within development projects under the remit of the BRI and CPEC have several times been reported on by local media. For instance, with regard to the

14) See <https://tribune.com.pk/story/1902676/1-gojra-shorkot-section-motorway-inaugurated/>. Accessed on 30-03-2019.

15) Contact with NHA via Facebook on 1 September 2018. Authorities working on the M4 confirmed the completion of the project 'within six months'.

16) Souparna Lahiri, 'Core Labour Standards in ADB funded Power Sector Improvement and Urban Development Program in Bihar, India: A study' (Public Services International, August 2011), http://www.world-psi.org/sites/default/files/attachment/news/corelabourstandards_in_adb_electricity_bihar_nov2011.pdf. Accessed on 30-03-2019.

CPEC, evidence was found of at least one hundred on-site deaths related to the construction of the Lahore Orange Train Line.¹⁷ The NHA, which is the Implementing Agency for the M4 Motorway, has reportedly been facing up to 3,000 litigations on account of irregularities and use of controversial tender procedures.¹⁸ The large influx of Chinese capital and labour has not only raised questions regarding Pakistan's economic sovereignty, but also regarding potential impacts on the enforcement of labour rights in Pakistan.¹⁹ Chinese companies have also brought in labour from home on account of higher efficiency vis-à-vis their Pakistani counterparts and their willingness to work longer and harder under harsh circumstances, which is something the international media has picked up on. On the basis of such observations, it is worth analysing whether the CSR policies of the financing institutions are indeed serving as the guiding principles they are intended to be.

The media in Pakistan do not frequently cover labour issues, unless a case is particularly newsworthy on account of its severity. There can be repercussions for reporting on labour issues related to foreign investment projects, such as the costly and prestigious China-Pakistan Economic Corridor: by law, freedom of speech and press is limited on topics that are considered to potentially harm national interests.²⁰ According to Human Rights Watch, journalists who report on sensitive issues have received harassment from the army.²¹ This has led to self-censorship in the media.²² Many of the people interviewed for this report confirmed this, and almost all of them requested that their identities remain anonymous.

17) Zeenat Hisam, 'CPEC and labour', *Dawn*, 31 December 2017, <http://dawn.com/news/1379822>. Accessed on 25-06-2018.

18) Syed Irfan Raza, 'NHA facing over 3,000 court cases involving billions of rupees', *Dawn*, 18 December 2017, <https://www.dawn.com/news/1377325>. Accessed on 25-06-2018.

19) Adnan Aamir, 'Just who will the China-Pakistan Economic Corridor really benefit', *South China Morning Post*, 13 September 2017, <http://www.scmp.com/comment/insight-opinion/article/2110802/just-who-will-china-pakistan-economic-corridor-really>. Accessed on 26-06-2018.

20) Siraj, Syed Abdul, 'Critical analysis of press freedom in Pakistan', *Journal of Media and Communication Studies* 1, no. 3 (2009): 43-47.

21) See <https://www.hrw.org/world-report/2019/country-chapters/pakistan>. Accessed on 25-06-2018.

22) Imran Aslamand Kamran Asdar Ali, 'Media Matters in Pakistan', *Middle East Report* 251 (2009): 32-36.

Pakistan has 4.5 million construction workers (7.3% of the labour pool). In 2015, Pakistan had a total of 7,204 unions, with some 1.4 million members,²³ meaning that a modest 3% of the Pakistani workforce was represented by a union.²⁴ The underrepresentation of Pakistani workers by unions is not helped by the fact that informal subcontracting practices are widespread in the construction sector, which relies mainly on poor, unskilled and illiterate labourers from poorer provinces such as southern Punjab, Sindh and Khyber Pakhtunkhwa.²⁵ At the same time, the construction sector in Pakistan is the country's second most dangerous (after the agricultural sector), with an accident rate of 14.1% in 2013-2014 and 16.3% in 2014-2015.²⁶ There were 334 labour inspectors for covering the entire country in 2016, meaning that there was one inspector charged with enforcing labour legislations for every 75,000 workers.²⁷ Finally, experts have estimated that only 20% to 30% of companies are formally registered.²⁸ Yet in order to be held accountable for violations of labour laws, a company must be officially registered.

With regards to labour legislation, it consists of a variety of laws, regulations and policies at both the federal and provincial levels. At the federal level, the Constitution of the Islamic Republic of Pakistan, the Supreme Law of Pakistan, contains five articles related to labour rights in Part II: Fundamental Rights and Principles of Policy. These are:

Article 11: Prohibits slavery, forced labour, human trafficking, child labour, etc.;

Article 17: Guarantees the right to association and the forming of unions;

23) Zakaullah Khan Khalil, 'A Profile of Trade Unionism and Industrial Relations in Pakistan', ILO (Islamabad: ILO, 2018), 8.

24) Hasan Mansoor and Mansoor Raza, 'On death's door: trade unions in Pakistan', *Dawn*, 1 May 2016, <https://www.dawn.com/news/1255333>. Accessed on 25-06-2019.

25) Ibid.

26) Pakistan Bureau of Statistics, 'Labour Force Survey 2014-15', <http://www.pbs.gov.pk/content/labour-force-survey-2014-15-annual-report>. Accessed on 20-06-2018.

27) The ILO and the Dutch Ministry of Foreign Affairs just concluded a program to strengthen the Pakistani Labour Inspectorate, http://www.ilo.org/islamabad/whatwedo/projects/WCMS_395777/lang--en/index.htm.

28) Although that number seems to be growing rapidly: <https://www.techjuice.pk/total-number-of-registered-companies-in-pakistan-reaches-95000/>.

Article 18: Provides for the right of citizens to enter upon any lawful profession or occupation and to conduct lawful trade or business;

Article 25: Guarantees that all citizens are equal before the law and prohibits discrimination on the basis of sex;|

Article 37 (e): Provision for ensuring just and humane work conditions based and ensuring proper vocations based on age and sex.²⁹

Apart from the articles contained in the Constitution of Pakistan, other relevant laws and regulations promulgated and adapted by the Pakistani parliament are: *The Industrial and Commercial Employment (Standing Orders) Ordinance* of 1968; the *Industrial Relations Ordinance* 2002 (Section 46); the *Factories Act* of 1934; the *West Pakistan Shops and Establishments Ordinance* of 1969 (Section 8); the *Mines Act* of 1923 (Section 22-B); the *Maternity Benefit Ordinance* of 1958; the *Payment of Wages Act* of 1936. Together with the Constitution of the Islamic Republic of Pakistan, these six laws make up the legal framework as relates to labour rights at the federal level in Pakistan.³⁰

In addition, Pakistan joined the ILO in 1947 and has ratified 36 ILO conventions as of June 2018, of which 31 were in force. The ratified conventions include: eight Fundamental Conventions (C029, C087, C098, C100, C105, C111, C138, C182); four Governance Conventions (C081, C144); and seventeen Technical Conventions (C001, C006, C011, C014, C016, C018, C019, C022, C027, C032, C045, C080, C089, C090, C096, C106, C107, C116, C118, C159, C185).³¹ Pakistan's ratification of these conventions means that within the framework of the ADB's safeguards policies, the government of Pakistan and the provincial government of the Punjab are responsible for adhering to the labour standards espoused by the ILO conventions.

In summary, the rights of workers are reasonably well defined and protected on paper. In the reality of daily practice, however,

29) The Constitution of the Islamic Republic of Pakistan, accessed on 01-07-2018: http://na.gov.pk/uploads/documents/1333523681_951.pdf.

30) ILO, 'National Labour Law Profile: Islamic Republic of Pakistan (2004)'. Accessed on 15-06-2018, http://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158916/lang--en/index.htm.

31) ILO, 'Ratifications for Pakistan (2018)'. Accessed on 15-06-2018, https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103166.

this turns out not to be the case. Enforcement is often not possible or is easily circumvented. The situation is made more complicated by the variety of funding mechanisms involved in projects such as the M4, as they bring into play several kinds of CSR policies, national codes of conduct, and legal codes.

The Belt and Road Initiative and the China-Pakistan Economic Corridor

Michael Lee & Shirley Lee

The M4 motorway project falls within the strategic initiative of the China-Pakistan Economic Corridor (CPEC), which itself comes under the Belt Road Initiative (BRI), previously referred to as the One Belt One Road (OBOR). This chapter seeks to clarify the implications of these connections, and in particular, what impacts the BRI and the more locally relevant CPEC has had, and continues to have, on labour issues surrounding the construction projects.

The Belt and Road Initiative

The M4 motorway project is being undertaken by three Chinese construction companies: China Railway First Group (CRFG), China Gezhouba Group Corporation (CGGC), and Xinjiang Beixin (XJBX).³² All three companies are state-owned enterprises (SOE), and each of them is working on a different section of the motorway. Appendix III contains background information on the three companies.

32) See <http://www.xjbxlq.com/company/sort04/93.html>, accessed on 28-01-2019.

The Belt and Road Initiative (BRI),³³ first unveiled by Xi Jinping in 2013, is a strategic megaproject that aims to economically connect China with other Eurasian states. “The Initiative,” begins a Vision document from 2015, “will enable China to further expand and deepen its opening-up, and to strengthen its mutually beneficial cooperation with countries in Asia, Europe, Africa, and the rest of the world. China is committed to shouldering more responsibilities and obligations within its capabilities, and making greater contributions to the peace and development of mankind.” Such is the project’s importance that it was enshrined into the Chinese Communist Party Constitution in 2017. To date, China has invested USD 420 billion in the project, according to the China Global Investment Tracker.³⁴

In concrete terms, the project involves a series of infrastructural investments spanning sixty countries in Central Asia, South Asia, Africa, South America, and Europe. There are two broad aspects to the project: the overland “Belt” (“Overland Silk Road Economic Belt”) and the maritime “Road” (“21st-Century Maritime Silk Road”), each of which have various regional projects categorized under it. Although it has been framed by Chinese media as a purely economic initiative, aimed at benefitting both China and the host country in what is termed “win-win cooperation”, some outside commentators have critically referred to it as a form of “economic imperialism”.³⁵

In a similar vein, the Centre for Advanced Defense Studies in Washington DC pointed out the potential geostrategic implications of China controlling key ports around the world. In a report published in April 2018, it cites China’s investment in Gwadar port

33) The term Belt and Road Initiative broadly comprises of two approaches: the ‘Silk Road Economic Belt’, which comprises the overland section of the initiative, and the ‘21st-Century Maritime Silk Road’, which refers to the maritime section. This project has also been referred to as the One Belt One Road (OBOR) project in older texts, and is sometimes abbreviated ‘B&R.’ This report uniformly refers to the initiative as BRI.

34) <http://www.aei.org/china-global-investment-tracker/12/12/2018>. This sum is based on actual investments so far. Conventionally, estimates put the investment at \$1 trillion; some go as high as \$8 trillion, but these figures are often loosely defined. See <https://www.csis.org/analysis/how-big-chinas-belt-and-road>; <https://www.aei.org/wp-content/uploads/2018/03/BRI.pdf>.

35) William R. Hawkins, ‘China’s Belt and Road Initiative: Globalization as Imperialism’, SFPPR, 2 August 2017, <http://sfppr.org/2017/08/chinas-belt-and-road-initiative-globalization-as-imperialism/>, accessed on 28-01-2019.

in Pakistan as an example of how the moves serves towards overcoming the “Malacca dilemma” –referring to the vulnerability to naval blockade of a narrow passage through which critical Chinese supplies pass. The strategic logic would be the establishment of a new supply line overland through Pakistan and passing through Xinjiang. The same report adds that the port infrastructure could also be used for hosting military bases.³⁶ Another US institution challenging China’s rhetoric of “win-win mutual cooperation” has been the Centre for Strategic and International Studies, which pointed out that 89% of the funded projects it surveyed had been contracted out to Chinese companies, thus keeping the ‘win’ squarely on the Chinese side of the equation.³⁷ According to a Chinese news article from November 2018, Chinese state owned enterprises (SOEs) have undertaken 3,116 BRI projects, half the number of the infrastructure projects already underway or in the pipeline.³⁸

Although there have been analyses of the BRI regarding its geopolitical and strategic competition aspects, there has been much less emphasis on labour rights issues connected to the projects. On the subject of CSR, an article released by the Chinese government through the Sino-Swedish Corporate Social Responsibility Website, entitled “‘The Belt and Road’ and Corporate Social Responsibility”, reaffirmed BRI’s commitment to sustainable development.³⁹ While the article mentions commitments to environmental protection and the empowerment of local communities, it did not contain any references to workers, labour rights or workplace safety. Nevertheless, there have been a series of concerns regarding labour

36) Devin Thorne and Ben Spevack, ‘Harbored Ambition: How China’s Port Investments Are Strategically Reshaping the Indo-Pacific’ (Center for Advanced Defense Studies, 17 April 2018), <https://static1.squarespace.com/static/566ef8b4d8af107232d5358a/t/5ad5e20ef950b777a94b55c3/1523966489456/Harbored+Ambitions.pdf>, accessed on 28-01-2019.

37) Jonathan E. Hillman, ‘China’s Belt and Road Initiative: Five Years Later’, Center for Strategic & International Studies, 25 January 2018, <https://www.csis.org/analysis/chinas-belt-and-road-initiative-five-years-later-0>, accessed on 28-01-2019.

38) Xinyu Tan, ‘Central SOEs Managing over 3,000 Projects under BRI’, *China Daily*, 12 November 2018, <https://www.chinadaily.com.cn/a/201811/12/WS5be9103ea310eff30328812f.html>, accessed on 28-01-2019.

39) Sino-Swedish CSR website, “The Belt and Road’ and Corporate Social Responsibility”, <http://csr2.mofcom.gov.cn/article/Nocategory/201710/20171002657050.shtml>, accessed on 28-01-2019.

right infringements in BRI projects around the world, affecting both Chinese and local workers.

In 2017, Voice of America China reported on Chinese workers suffering from poor working conditions while being employed by a Chinese SOE operating in Angola. According to the report, a Chinese worker who was interviewed was only allowed to rest once every two weeks and had been paid just once during the year he had spent working abroad. Fellow workers were said not to have contracts or insurance.⁴⁰ In the same year, a Hong Kong newspaper reported on a similar situation in Saipan, where Chinese labourers went on strike. According to the report, labourers were asked to work illegally on a tourist visa, worked thirteen hour days without rest, and were paid less than a quarter of what they had been promised. The situation had been uncovered following the death of a worker in March of the same year, leading to the discovery that hundreds of other Chinese workers had been employed on tourist visas and that they were owed wages going back several months. As a Chinese NGO noted, the situation was also in violation of US labour laws, the Northern Marianas to which Saipan belongs being part of the United States commonwealth.⁴¹

In the case of the port of Piraeus in Greece, locally employed workers were affected alongside Chinese workers. The port had been acquired by the Chinese SOE China Ocean Shipping Group Company (COSCO) in 2008, but it was later incorporated into the larger scope of the BRI. Until 2016, with COSCO owning Piers II and III of the port while Pier I remained under Greek control, there were signs of disparate labour conditions. In 2011, it was reported that Greek workers on the Chinese side were being made to work long hours without breaks, received no training for specialized jobs, and at times paid a salary around half that of workers on the

40) Xiào Yǔ, 'Yìdài yīlù' zhōngguó láogōng fāngtán (1): Wǒmen xiàng zhū zāi yìyàng bèi mài dào fēizhōu, *VOA Chinese*, 24 August 2017, <https://www.voachinese.com/a/china-labor-in-africa-part1-20170823/3997942.html>, accessed on 28-01-2019.

41) Zhāng Xiāo, 'Zhōngguó láogōng bèi kùn sāi bān 'hēi gōng' kùn jú chéng yīdài yīlù línglèi zhùjiǎo', *Xiānggǎng* 01, 24 December 2017, <https://www.hk01.com/中國/143244/中國勞工被困塞班-黑工-困局成一帶一路另類註腳>, accessed on 28-01-2019.

Greek side.⁴² The takeover sparked a large debate within the EU on the desirability of foreign takeovers.⁴³

Labour conditions had not improved by 2015, when it was reported that only a quarter of the 1,000 employees of the port had formal contracts, with the rest being informally hired through sub-contractors or through private contracts. According to the report, workers received low wages in the form of a monthly sum fixed in advance, regardless of work during night shifts or weekends, and sometimes worked up to sixteen hours a day. The same report noted that workers had not been mentioned in the concession agreement when Cosco took control of the port.⁴⁴ The labourers went on strike in 2016 in opposition to the Chinese acquisition of the entirety of the port, but failed to stop the event.⁴⁵ As of 2018, there trade unions have continued to engage in strikes, suggesting that poor labour conditions persist.⁴⁶ The president of the dock workers union has been quoted as saying:

What we do believe is that Cosco is importing the Chinese labour model to Greece. The result is that companies not run by the Chinese are being influenced by what the Chinese are doing in lowering the labour costs and reducing workers' rights.⁴⁷

China's weak labour practices, then, affect not only Chinese workers but also local workers - even those in EU countries with a stronger rule of law and active trade unions. Due to concerns in

42) Louisa Lim, 'In Greece, Storm Brews Over Chinese-Run Labor', *National Public Radio*, 8 June 2011, <https://www.npr.org/2011/06/08/137035251/in-greek-port-storm-brews-over-chinese-run-labor>, accessed on 28-01-2019.

43) See for example: André Sapir and Alicia Garcia-Herrero, 'Should the EU have the power to vet foreign takeovers?' *Bruegel*, <http://bruegel.org/2017/09/should-the-eu-have-the-power-to-vet-foreign-takeovers/>, accessed on 28-01-2019.

44) Anastasia Frantzeskaki, 'The Privatization of the Piraeus Port Authority in Greece: What's Really Happening', *Tlaxcala*, 9 November 2016, <http://www.tlaxcala-int.org/article.asp?reference=17002>, accessed on 28-01-2019.

45) Angeliki Koutantou, 'Workers Protest as Greece Sells Piraeus Port to China CO-SCO', *Reuters*, April 8, 2016, <https://uk.reuters.com/article/uk-eurozone-greece-privatisation-china-c-idUKKCN0X50XD>, accessed on 28-01-2019.

46) Ilias Bellos, 'Piraeus Port Blockade Draws China Complaint', *Kathimerini*, 6 February 2018, <http://www.ekathimerini.com/229209/article/ekathimerini/news/piraeus-port-blockade-draws-china-complaint>, accessed on 28-01-2019.

47) Lim, 'In Greece, Storm Brews over Chinese-Run Labor.'

the Pakistani labour environment as mentioned earlier, labourers in Pakistan exist in an even more vulnerable environment than their colleagues in the EU.

A number of news articles on workers on the BRI and CPEC released by the Chinese government are somewhat illustrative of the difference in framing surrounding labour rights. An article by Xinhua (state run media), for example, emphasizes the selfless sacrifice of the Chinese labourers in Pakistan who give up going home for the holidays in order to duly carry out their work. In the same article, labourers who do not go home despite bereavement in the family or despite being married are portrayed admiringly.⁴⁸

CPEC

From its inception, newspapers in Pakistan reported on the lack of transparency surrounding the CPEC,⁴⁹ despite its vision involving several long-term plans of local salience such as the installing of twenty-hour surveillance technology in major cities, development of the tourism industry, and the permitting of visa-free tourism to Chinese visitors while not implementing the same for Pakistani nationals visiting China. A significant part of the plans had not first been discussed in public.⁵⁰ Even after their publication, however, the CPEC continued to attract controversy in Pakistan. In late 2017, it was reported that the National Highway Association (NHA), responsible for implementing the motorway projects, faced over 3,000 court cases because of “alleged mass-scale irregularities” over the awarding of contracts. Among the implicated were several CPEC projects, including the M4 motorway. A number of projects were said to have been awarded to Zahir Khan & Brothers (ZKB), a large infrastructure company, even though the firm was shown as performing most poorly in the bidding process.⁵¹ As noted in

48) Yi Chen, “Tuányuán de rizi, zhè qún zhōngguó rén què liúshǒu zài ‘sǐwáng dìdài’”, *Xinhua*, 31 January 2017, http://www.81.cn/big5/jwgz/2017-01/31/content_7472052.htm, accessed on 28-01-2019.

49) ‘\$46-Billion CPEC: Govt Attempts to Clear Transparency Concerns’, *The Express Tribune*, 31 December 2015, <https://tribune.com.pk/story/1019115/46-billion-cpec-govt-attempts-to-clear-transparency-concerns/>, accessed on 28-01-2019.

50) According to a note in the same article, a Pakistan Minister has pointed out that these plans is not a project document, but merely ‘delineates the aspirations of both sides’, open to review if needed.

51) Syed Irfan Raza, ‘NHA Facing over 3,000 Court Cases Involving Billions of Ru-

the previous chapter, this firm was involved with the deadly Lahore Metro project where over fifty died. Consequently, a corruption investigation was launched against the NHA,⁵² and it remains on-going as of December 2018.⁵³

There have also been concerns raised locally about Pakistan's national debt to China as a result of CPEC sponsored projects. Critics and commentators have claimed that Pakistan is falling into a debt trap, with amounts to be repaid over a period of twenty years estimated to be reaching as high as USD 40 billion.⁵⁴ One commentator writes, "China has always defined BRI as a win-win situation, implying that both China and the host country would enjoy the resultant economic prosperity. The truth, however, is completely different. Basically, "win-win" probably meant that China would "win twice."⁵⁵ In the case of non-payment, ports can be seized by Chinese firms as in the cases of Port Hamabouta in Sri Lanka, Port Mombasa in Kenya,⁵⁶ or Port Djibouti in Zambia,⁵⁷ in

pees', *Dawn.com*, 18 December 2017, <https://www.dawn.com/news/1377325>, accessed on 28-01-2019.

52) Syed Irfan Raza, 'NAB to Probe 'Corruption' in Award of Rs148bn Motorway Project Contract', *Dawn.com*, 19 February 2018, <https://www.dawn.com/news/1390304>, accessed on 28-01-2019.

53) Syed Irfan Raza, 'Irregularities in Motorway Contract Award Found: NAB', *Dawn.com*, 17 December 2018, <https://www.dawn.com/news/1451939>, accessed on 28-01-2019.

54) Shahbaz Rana, 'Pakistan to pay China \$40b on \$26.5b CPEC investments in 20 years', *The Express Tribune*, 26 December 2018, <https://tribune.com.pk/story/1874661/2-pakistan-pay-china-40-billion-20-years/>, accessed on 28-01-2019.

55) Ali Salman Andani, 'Friend with no Benefits: Why China Is Not Pakistan's Friend at All', *DailyO*, 22 October 2018, <https://www.dailyo.in/politics/china-pakistan-obor-cpec-bri-economy-xi-jinping-imran-khan-imf-debt/story/1/27333.html>, accessed on 28-01-2019. Andani is Indian and DailyO is an Indian platform, and so his views are likely biased against Pakistan and CPEC. However, given Pakistan's media control topics relating to CPEC, it is difficult to find such clear dissent from Pakistani sources, and so his articles have been included here for discussion.

56) Ali Salman Andani, 'China's Chilling Debt Trap for Pakistan: How Everything China Invests Goes Back to It, along with a Lot More', *DailyO*, 8 January 2019, <https://www.dailyo.in/politics/china-debt-trap-pakistan-cpec-imf-imran-khan/story/1/28759.html>, accessed on 28-01-2019; MarEx, 'Report: Kenya Risks Losing Port of Mombasa to China', *The Maritime Executive*, 20 December 2018, <https://www.maritime-executive.com/article/kenya-risks-losing-port-of-mombasa-to-china>, accessed on 28-01-2019.

57) George Tubei, 'The Sad Similarity between Sri Lanka, Zambia and Now Djibouti That Best Exemplifies China's 'Debt Trap' Diplomacy', *Pulse Live*, 11 September 2018, <https://www.pulselive.co.ke/bi/politics/politics-the-sad-similarity-between-sri-lanka->

a manner that has been referred to as ‘economical colonialism.’⁵⁸ A suggestion was recently made that Gwadar port in Pakistan might in fact already be on the way to becoming a colony, following the little publicized news that China had purchased 3.6 million square footage of land in the port and was investing USD 150 million in the construction of a gated community for half a million Chinese nationals, to be completed by 2022.⁵⁹

Pakistan’s Prime Minister, Imran Khan, has spoken positively of the CPEC initiative,⁶⁰ and the government has categorically either denied allegations or has otherwise ignored the criticisms levelled at the CPEC. For example, the Ministry of Planning rejected international reports on CPEC as being based on inaccurate information, and specifically denied similarities with the Sri Lanka case: “The project could not be compared with Chinese overseas investment in Sri Lanka or Malaysia as frameworks and financial modes of CPEC are altogether different in nature.”⁶¹ An article reflecting the stances of the Ministry of Planning and of the Embassy of China in Pakistan described references to a USD 40 billion debt as “misleading”, and reiterated the existence of “all-weather cooperation” between the two countries.⁶²

zambia-and-now-djibouti-that-best/8kx3drc.

58) China is described in this article as making a ‘semi-colony’ out of Sri Lanka: Panos Mourdoukoutas, ‘What Is China Doing to Pakistan? The Same Thing It Did to Sri Lanka’, *Forbes*, 15 April 2018, <https://www.forbes.com/sites/panosmourdoukoutas/2018/04/15/what-is-china-doing-to-pakistan-the-same-thing-it-did-to-sri-lanka/#220e98a9ff53>, accessed on 28-01-2019.

59) Logan Pauley and Hamza Shad, ‘Gwadar: Emerging Port City or Chinese Colony?’ *The Diplomat*, 5 October 2018, <https://thediplomat.com/2018/10/gwadar-emerging-port-city-or-chinese-colony/>, accessed on 28-01-2019; Dipanjan Roy Chaudhury, ‘As Part of CPEC, ‘Chinese Only’ Colony Coming up in Pakistan’, *The Economic Times*, 21 August 2018, <https://economictimes.indiatimes.com/news/defence/as-part-of-cpec-chinese-only-colony-coming-up-in-pakistan/articleshow/65481132.cms>, accessed on 28-01-2019.

60) Mohammad Zafar, ‘CPEC to Bring Prosperity, Says PM Imran’, *The Express Tribune*, 26 January 2019, <https://tribune.com.pk/story/1897087/1-cpec-bring-prosperity-says-pm-imran/>, accessed on 28-01-2019.

61) ‘Pakistan Rejects Western Media Reports on CPEC’, accessed 5 February 2019, <https://www.thenews.com.pk/latest/380025-pakistan-rejects-western-media-reports-on-cpec>, accessed on 28-01-2019.

62) ‘China Clarifies ‘misleading’ Facts on \$40 Billion CPEC Debt’, *International The News*, 30 December 2018, <https://www.thenews.com.pk/latest/412108-22-cpec-projects-completed-with-189-billion-investment-china>, accessed on 28-01-2019.

The lack of media freedom in Pakistan complicates the issue. A number of interviews we conducted with Pakistani academics and reporters confirmed that CPEC remains a sensitive issue in Pakistan, and reporters are discouraged from writing about it.⁶³ This point was highlighted in a recent Economist article, on the particular interest of the Pakistani military in the CPEC projects: “To question CPEC is to conspire against the national interest—which the army holds the monopoly of defining. The sanction for media outfits that cross the army is closure.”⁶⁴ The interviews we conducted with workers on the M4 motorway, where the presence of armed security around worksites could be seen discouraging outsiders from observing too closely, provided some corroboration regarding the culture of secrecy surrounding the CPEC projects.

In summary, there are a number of extant concerns with regard to CPEC projects, including allegations of corruption, debt and, most pertinent to this report, labour rights issues. With the Pakistani government’s full endorsement of CPEC, workers’ interests may not easily be taken into account. This report goes directly to them to see what is occurring on the ground.

IFI Safeguards: The ADB and the AIIB

In the realm of international development, international financial institutions (IFIs) have a unique role as they are at once involved in governance and are a market organization, trying to serve the global purpose of poverty reduction. Developing countries in need of financial assistance in local projects can join an IFI as a borrower state, and ask for loans or other types of monetary help to fund them. The money is provided by donor states who, in exchange for funding, get a vote in the shareholders’ meeting. Although the original intent of the IFIs was solely in helping development after the world war, more projects with social dimensions were funded over time, Most IFIs now having social safeguard policies in place for the projects they fund, with financial assistance only given to

63) Due to the extremely sensitive nature of this topic, we shall keep these interviews anonymous.

64) ‘Why Imran Khan Is Unlikely to Make Life Much Better for Pakistanis - Tales of Self-Harm’, *The Economist*, 10 January 2019, <https://www.economist.com/briefing/2019/01/12/why-imran-khan-is-unlikely-to-make-life-much-better-for-pakistanis>.

those who agree to certain conditions set by the IFI. This principle is called conditionality, and it can be applied to safety standards in a single project or even larger scale domestic policy reforms.⁶⁵

IFI members are almost exclusively nation states; consequently, there are inevitably political aspects to their actions, affecting the functional independence of the institution. This is especially the case as there is no well-developed international financial law that deals with both the financial and the public aspects of IFI transactions.⁶⁶ In an attempt to pacify such concerns, the social safeguard policies of most IFIs drawn on broadly accepted international conventions such as the ILO's Core Labour Standards.

The ILO Declaration on Core Labour Standards asks development banks to promote the CLS, which consist of the freedom of association and the recognition of the right to collective bargaining, the abolition of all forms of compulsory labour, the elimination of discrimination in respect of employment and occupation, and the elimination of child labour. Generally, there are no immediate repercussions for not obeying the safety standards set by the IFI, whose breaches may influence current or future funding for the borrowing country, but do not normally lead to refunds.⁶⁷

In the M4 motorway project in Pakistan, three major IFIs are involved: the Asian development bank (ADB), the Asia Infrastructure Investment bank (AIIB) and the Department for International Funding (DFIF). They do not all take part in administering the loans and monitoring the project and the conditions. The ABD is the 'lead co-financer' and all contracts for the project are consequently made with the ABD, with its safeguard policies and conditions applicable on the motorway. This is accepted by the other two banks as appropriate for the project. According to the AIIB, it:

65) Celine Tan, *Governance through Development: Poverty Reduction Strategies, International Law and the Disciplining of Third World States* (New York: Routledge, 2011), 96.

66) 'Financial Institutions', in *International Financial Institutions and International Law*, ed. Daniel Bradlow and David Hunter (The Netherlands: Kluwer Law International, 2010), 1.

67) Celine Tan, 'The New Disciplinary Framework: Conditionality, New Aid Architecture and Global Economic Governance', in *International Economic Law, Globalization and Developing Countries*, ed. Celine Tan and Julio Faundez (Cheltenham, UK: Edward Elgar, 2010), 115.

*decided to use the ADB's Safeguard Policy Statement (2009) (ADB SPS), since (I) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's Environmental and Social Policy and relevant Environmental and Social Standards; and (II) the monitoring procedures that ADB has in place to ascertain compliance the ADB SPS are appropriate for the Project.*⁶⁸

The DFID likewise relies on the ADB, although their annual reports on projects in Pakistan mention that they personally held site visits to monitor progress, risk and social safeguards. These concluded that good quality controls were in place, safety measures were good and that no child labour as detected, but details from these visits are not available.⁶⁹

The ADB's operational manual Bank Policies state that it is within the power of the bank to “help significantly reduce poverty, inequality and vulnerability by transforming institutions so they promote inclusiveness, equity, empowerment, and social security.”⁷⁰ Before a loan is given, the bank together with the borrowing country makes an *Initial Poverty and Social Analysis* (IPSA), on the basis of which a *Summary Poverty Reduction and Social Strategy* (SPRSS) is made to improve on social dimensions.⁷¹ A key point highlighted by the ABD is the inclusion of women and protection of indigenous people.⁷² This can be seen very clearly in the IPSA of the M4 motorway, made by the National Highway Authority Pakistan (NHA) on behalf of the borrowing country together with the ADB. When discussing possible social risks, the report says: “The project executing agency [NHA] has engaged a firm as [Land Acquisition and Resettlement (LAR)] Consultants which comprises

68) AIIB, ‘Approved Project Summary Pakistan: National Motorway M4 (Shorkot-Khanewal Section) Project (Cofinanced with the Asian Development Bank)’ (Asian Infrastructure Investment Bank, n.d.), 1, https://www.aiib.org/en/projects/approved/2016/_download/pakistan-national-motorway/summary/approved_project_summary_pakistan_national_motorway.pdf, accessed on 28-01-2019.

69) ‘2017 Annual Review Summary Sheet for the Pakistan Economic Corridors Programme’ (DFID, December 2016), 16, accessed on 28-01-2019.

70) ADB, ‘Operations Manual Bank Policies’, BP (Asian Development Bank, 2010).

71) ADB, ‘Sustainability Report 2018: Investing for an Asia and the Pacific Free of Poverty’ (Asian Development Bank, May 2018), 16.

72) World Bank, ‘Labor Force Participation Rate, Female (% of Female Population Ages 15+)’ (World Bank), accessed 07-02-2019, <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=PK>.

a resettlement specialist, a sociologist and gender specialist, land and database experts and field enumerators.⁷³

Although the sociologist might be able to advise on general labour rights issues, the bi-annual monitoring reports given by the LAR consultants do not mention labour rights. They focus on the gender balance, land resettlement issues and basic safety and hygienic measures for the engineers.⁷⁴ This is not a bad thing; the motorway claims land in a poor rural area and Pakistan's female employment rate is currently at its all-time high at a mere 25%.⁷⁵ The concerns regarding the IPSA and the monitoring reports, however, is that the position of workers and their rights is not clear. The ADB itself has shown awareness of this issue in one of their proposed projects regarding improving CSR on the ground,⁷⁶ but this was not reflected in the M4 project.

The ADB's Social Protection Strategy and Action Plan commits it to complying with the Core Labour Standards, and guide the ADB operations in good labour and social protection practices. This commitment was furthered with a Memorandum of Understanding (MOU) being signed between the ILO and ADB in 2002. In 2006, the ADB published, in cooperation with the ILO, a handbook on Core Labour Standards (CLS), which developed the ADBs' views on CLS' that it first espoused within the 2001 Social Protection Strategy. It has been noted that the publication of CLS Handbook was the only joint initiative since the MoU was signed, and that no regular high-level consultations were held after April 2006, in addition to limited progress being made in the implementing of key agreements.⁷⁷

73) 'Project Administration Manual for Project 48402' (Asian Development Bank, May 10, 2016), 11.

74) Renardet S.A and NHA, 'Bi-Annual Environmental Monitoring Report for Project 48402-002, January - June 2017'; Renardet S.A and NHA, 'Bi-Annual Environmental Monitoring Report for Project 48402-002, July - August 2017' (ADB, August 2017); External Monitoring Consultant, 'External Monitoring Report for Implementation of Land Acquisition and Resettlement Plan' (ADB, October 2018).

75) World Bank, 'Labor Force Participation Rate, Female (% of Female Population Ages 15+)' (World Bank), accessed on 07-02-2019, <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=PK>.

76) ADB, 'Pakistan: Strengthening Corporate Social Responsibility for Development', Project Proposal (Pakistan: ADB, 2015).

77) Presentation by Hiro Hibashi, Senior Specialist on Workers' Activities, ILO Sub-regional Office for S.E. Asia and the Pacific, on the CLS IN 2008.

As for the contents of the Handbook, it ‘does not introduce new policies or requirements, but instead gives practical knowledge on how CLS can be taken into account by ADB staff and their Government counterparts.’⁷⁸ The preceding ADB statement implies that the responsibility for adherence to local labour laws and ILO conventions is placed squarely with the borrowing government’s implementing agency—in this case the National Highway Authority of Pakistan. The legal framework within the project that supports the configuration is one of the ‘Key Legal Agreements’ for the project, namely the ‘Loan Agreement.’ Within the Loan Agreement it is specified under Schedule 5 article 14 that:

The Borrower shall ensure, and cause NHA to ensure, that the core labor standards and the Borrower’s applicable labor laws and regulations are complied with during Project implementation. The Borrower shall ensure, or cause NHA to ensure, that contractors, other providers of goods and services, and their subcontractors, engaged under contracts for Works, have Works contracts which include specific clauses to:

(a) comply with the Borrower’s applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) comply with all legally mandated provisions on health, sanitation, and appropriate working conditions, including accommodation where appropriate for construction workers at construction campsites; (c) use their best efforts to employ women and local people, including disadvantaged people, living in the vicinity of the Works; (d) provide equal pay to men and women for work of equal type; (e) provide and adequately equip first-aid, health and sanitation, and personal hygiene facilities for male and female workers at the Works sites; (f) maximize female training and employment; (g) conduct an information and education campaign on sexually transmitted diseases and HIV/AIDS for construction workers as part of the health and safety program at campsites and adjacent communities during Works implementation; (h) allow freedom of association and effectively recognize the right to collective bargaining; and (i) abstain from forced or child labor.’⁷⁹

78) ADB, ILO, *Handbook: Core Labor Standards*, 2006, accessed on 25-06-2018, <https://www.adb.org/sites/default/files/institutional-document/33480/files/cls-handbook.pdf>, III.

79) ADB, Loan Agreement (Ordinary Operations) (National Motorway M4 Gorja-Shorkot Section Project), accessed on 25-06-2018: <https://www.adb.org/sites/>

As is further stipulated within the Administration Manual of the M4 motorway project, the NHA as the Implementing Agency is responsible for the project's adherence to the ADB environmental and Social Safeguards, and through the configuration of the Loan Agreement, also for the correct implementation of local labour laws.

Elsewhere, ADB has had in practice few accountability mechanisms that compel companies and governments to respect the Core Labour Standards. In selected case studies of ADB funded projects, both Building and Wood Workers International and Public Services International found serious violations of CLS: in the Melamchi Drinking Water project (Nepal), Regional Railway Construction Network project (Cambodia), Uttarakhand Power Sector Investment Program (India) and Madhya Pradesh Power Sector Development Programme (India).⁸⁰

Back on the M4, the project manual regarding implementation states that adherence to the Core Labour Standards will be included in the construction contracts, which would then be monitored by the NHA and supervision consultants.⁸¹ This is problematic, as it is not uncommon in the Pakistani construction industry for workers have no contracts, which was also the situation among workers interviewed for this study. Moreover, both the external and the internal bi-annual social safeguards monitoring reports were silent on labour rights issues, although they included topics of women's participation and basic safety training.⁸² There was a mention of an external social safeguard monitoring consultant not receiving payment for two months and this being fixed,⁸³ but construction workers are not represented in the document. The DFID noted the same, and has advised the NHA to evaluate the usefulness of their monitoring mechanism, in addition to adding a section on

default/files/project-document/176053/48402-001-lbj.pdf, 23.

80) Souparna Lahiri, 'Core Labour Standards in ADB funded Power Sector Improvement and Urban Development Program in Bihar, India', PSI 2011.

81) 'Project Administration Manual for Project 48402', 11.

82) Renardet S.A and NHA, 'Bi-Annual Environmental Monitoring Report for Project 48402-002, July - August 2017'; External Monitoring Consultant, 'External Monitoring Report for Implementation of Land Acquisition and Resettlement Plan.'

83) External Monitoring Consultant, 'External Monitoring Report for Implementation of Land Acquisition and Resettlement Plan.'

the non-compliance of social standards.⁸⁴ Until the time of writing in March 2019, no changes have been seen in this regard.

84) '2017 Annual Review Summary Sheet for the Pakistan Economic Corridors Programme', 17.

Asking the Workers Themselves: A Case Study of Workers' Rights

Jonne Bosselaar, Rosa Brandse & Shirley Lee

This report is built around a survey done among workers on the M4 motorway project. The only way to find out whether the safeguard policies of the IFIs, local and international laws, and international treaties play any kind of significant role on the ground during the execution of this project is by directly interviewing those who worked on the M4. As such, to evaluate the workers' rights situation of the M4 motorway project, interviews with construction workers on the site have been conducted. The questions were structured around the safeguard policies of the ADB, Pakistani laws, and the implementation of those measures. To introduce the interview data in the context in which they were collected, this chapter will shortly discuss the ADB's social standards, the Pakistani construction industry, and the methodology of conducting the interviews. This will be followed by the interview data, which is corroborated with background information along the way.

Methodology

For the purpose of this research, the research group contacted the BWI and a Pakistani labour union, who introduced us to a Pakistani journalist⁸⁵ to conduct research with workers who have worked on the M4 motorway project. The journalist hired a local to identify

85) We have anonymized the journalist's identity at their request.

villages near the worksite area with workers who might give potential interviews, and then made contact through another individual. The workers were informed that the purpose of the interview was to understand the working conditions of workers on the M4, and that their anonymity was guaranteed. Each interview lasted around 30 minutes. The languages used were Punjabi and Urdu. Workers were asked for permission to be recorded, but all refused. Consequently, the journalist took notes during the interview and rewrote them in long-form, which was subsequently translated into English. This process resulted in 15 interviews, which the research team then coded according to theme. With the journalist's permission, the interviews have been included in the appendix, with any identifying features anonymized; the workers are coded as A1 – A15.

There were eleven questions in the interview (included in the Appendix), designed around the ADB guidelines mentioned before. With this in mind, the interviews were structured around the themes found in the ADB's agreement; contracts, safety norms, working conditions, and female employment. In addition to this, the interviews discussed the implementation of the ADB social safeguard requirements by asking questions about auditing, subcontracting, and foreign involvement. As the questions were made with the understanding that the interview would be in a different language, the research team focused on themes rather than on exact wording. In order to ensure that the intentions behind the survey would be conveyed also in Punjabi or Urdu, the research team met face-to-face with the journalist.

In addition, an informant we contacted in the area also spoke informally to some workers on the M4 motorway. While we also discussed with this informant about the goal of the project, the informal nature of the conversations means we have not quoted the findings directly, but treat the information as additional information.

Themes in the Interviews

Recruitment

Most workers were recruited informally. The recruitment of workers through informal networks would not necessarily have to be a red flag in and of itself, but in addition to the above context, there are at least two more reasons for concern. Firstly, there is a distinct

possibility that non-standardized or informal contracting practices occur at other stages of the hiring chain: previous research has shown that this may be the case between the company and contractor as well as between the contractor and subcontractor.⁸⁶ This suggests that in general the informal practices in recruitment of labourers by subcontractors cannot be regarded in isolation. Secondly, it is only one among several areas in which informal practices are seen, notwithstanding the fact that an informal recruitment process touches on many aspects that continue into employment, such as contractual and pay issues.

Among the workers interviewed, the avenues of finding out about the job and being recruited were informal or accomplished through known contacts, such as friends, family and fellow villagers:

A3: One of my friends was working there. He asked me if I wanted to work and I said since it was a work which was ensuring me a daily pay. I would go to work on motorbike with the same friend.

A2: I got there with the people of my village. They were already working there. The recruitment was done verbally.

A7: I landed the job by the reference of my friends/relatives who were working there.

A1: There were many people from my village working there. They included my relatives.

Finding out about the job opportunity through informal networks held true also for the more specialist types of work:

A4: There was a word in our village that they were hiring people, including steel fixers which I am, to work on the construction of M4. So my friends and I went there and spoke to the contractor.

A6: I heard through a friend who was already working on M4 that his site needed someone with a tractor trolley who could water the surface around the motorway. I was involved in it so I went there and started the work.

86) Rafiq M. Choudhry et al., 'Subcontracting Practices in the Construction Industry of Pakistan', *Journal of Construction Engineering and Management* 138, no. 12 (2012): 1353-9.

A local informant was able to talk to a dozen or so labourers who worked on another section of the motorway, and who had all been hired through different contractors from that of these interviewees. The information we gained through this person is that workers were hired through similarly informal kinds of recruitment processes. Our informant also told us that workers noted a preference for recruiting from further afield, believing this was done so as to engage them in longer working hours each day due to having to live on site.

Contracts (or lack thereof)

The first social sustainability requirement the ABD set for the M4 project was that all workers should have a contract containing multiple safeguards. They did however not specify how this should be checked. In the Pakistani construction industry, contracts are often not provided. Because of the prevalent subcontracting practises, construction workers do not sign up with the main contractors directly, but with a subcontractor, who rarely give their workers contracts.⁸⁷

Most low-skilled workers are illiterate and have never received education on labour laws. As shared by a Pakistani labour rights lawyer, most workers come to seek legal help in a late stage of their problems, because they were not aware of ways to solve their issues.⁸⁸ The lawyer further explained that many workers also often are not aware that while their employer is obligated to give them a contract, the workers themselves have to make sure they sign one because without a contract they cannot receive legal assistance in a labour rights court case.⁸⁹

Among the workers interviewed in the course of this research, we did not come across any cases where employment contracts had been seen or signed:

A1: The recruitment was all verbal. No paper work was done.

A3: There was no contract. The word of contractor was the only thing we depended on.

87) Interview with a Pakistani labour rights lawyer (who wishes to remain anonymous), Skype, 16-10-2018.

88) Ibid.

89) Ibid.

There appeared to be no expectation of employment durations being agreed to in advance, whether the worker was paid daily or monthly:

A1: It was all verbal. I worked on daily wages.

A2 (paid monthly): As I said, it was done verbally. There was no certain period of employment. As long as there was work, there was employment.

The lack of an expectation of a written contract was sometimes attributed to not being directly employed by the company by one worker:

A9: It was all verbal. Maybe because we were not directly employed by the company, at least this is what we were told. So no paper work was involved.

A similar explanation was given by another worker, where the education level was regarded as part of the reason why a written contract was not expected:

A4: For us, it was all verbal. The paper work involved only in the jobs that were directly under the company ZKB. And that required education which most of the villagers didn't have.

Most of the workers who the local informant spoke to said they were illiterate. But even in the cases of workers who could read in the local language, there were no instances of employment contracts. The local informant did come across one worker who had worked on the M4 in Makhdom Pur and on Kabirwala Road, where there was supposed to be an employment contract with the subcontractor; but the worker said that he never saw the contract in the end.

The instances we found where there was some form of written documentation involved were specifically for driver roles, so that the worker could be held liable for any damage to the vehicle:

A11 (driver of dumper truck): I signed a paper which read that I was responsible for taking care of the vehicle I was driving and any damage should be paid by me.

A12 (driver of tractor-trolley for carrying water): They took my documents and made me sign a document which read that I was responsible for the vehicle I was driving. Any damage should be covered from my pocket.

Wages and Pay

Interviewed workers described what amounts to a wage scale, with different payment grades depending on skills and experience brought by the workers to the job. However, institutions do not have the capacity to compile records of the skills and education attainments of construction workers, whether acquired formally and informally.⁹⁰ This makes the definition of ‘skilled labour’, which the minimum wage is based on, problematic. Although the formal training and development of the construction workforce falls within the realm of general vocation training in Pakistan, informal training is conducted by the enterprises themselves. ILO report indicates that a large percentage of construction labour force is unskilled labourers.⁹¹

*A2: I earned Rs600 (€3.7). That I guess was the minimum wage for the work I was involved with. The amount depended on the years of experience and skill workers brought with them. The wage would go up to Rs1000 (€6.3).
A3: I earned Rs700 (€4.5). The wage was different for different people so was the payment mode. Some would get it weekly, fortnightly or monthly.*

In terms of sufficiency of wages, workers expressed that it was not sufficient for their basic livelihood requirements. Among the interviewees, there were mentions of members of the family depending on the income that they brought in.

*A15: I earned Rs12,000 (€76) monthly. My family depended on it. It was hard to survive with this money but then I have others in my family who earn. So we adjusted.
A7: I earned Rs500 (€3) in the beginning and later Rs600 (€3.7). My family, including my parents, depended on my income. It was insufficient but other members of my family also worked so we managed somehow as we are used to.*

90) Zainab Riaz, Usman Aftab, and Zia Ud Din, ‘Training of Construction Workers in Pakistan’, *European Journal of Business and Management* 7, no. 1 (2015), 285.

91) J. M. Stellman, ‘Encyclopedia of Occupational Health and Safety’, ILO (Geneva: ILO, 2011), the lemma ‘Health and Safety Hazards in the Construction Industry’. See <http://www.iloencyclopaedia.org/part-xvi-62216/construction>.

A13: I earned Rs800 per day. There are 12 people in my household. My parents, my wife, my two children, my brothers and sisters. It would be hard for us to keep the kitchen running on this income so the adults in the family would all work and pool in the income to make both ends meet.

A5: My daily wage was Rs1000 (€6.3). My parents, wife and kids depended on this income. I think that it was insufficient when compared to our work.

The reasons for staying in the job despite low wages was given as the lack of alternative employment options:

A2 (paid Rs600 (€3.7)): I see it as a work where the payment was not enough. But still I worked there because I had no other job. I am jobless these days, because the work is almost over. They are now doing the electrical work on the motorway.

A9: I started as a helper, at that time I would get Rs500 (€3.2)/Rs600 (€3.8) per day. Later, I learned the skills and then I was paid Rs900 (€5.7). No, it was insufficient because I have a household to feed. Still we managed because there was no other opportunity.

Workers described the late payment of wages as being the rule rather than the exception:

A3: He [the contractor] would keep some of our money and say that it will be paid later. I hated this thing but could not do much about it.

A11: The payment would be withheld. They kept at least two months' salary with them. They would make excuses but that meant to ensure that workers should not run off. You can call it an informal security deposit.

Payment was done in cash and by the subcontractor:

A14: There was no payslip. The [subcontractor] would just see you name in the register he had and then will give you the money you had earned.

In some cases, workers were not paid the agreed amount:

A5: The payment was supposed to be made regularly like weekly or fortnightly but there was a problem at the end of the contractor that he would keep some of the money with him and would promise to clear the dues at

the earliest. But in my case, it never happened. The contractor still owes me Rs35,000 (€221.5).

A9: I would say that in other projects, including private work, we would get fully paid but here some contractors would not pay us in full. It happened with me and my colleagues that we had to trace back a contractor to his native town in Bahawalpur to get our money.

Workers who had left their job on the M4 gave the reason as being due to issues with the payment of wages:

A7: The payment was supposed to be made regularly, fortnightly, but then the contractor (thekedar) would withhold some of the amount which annoyed me much. So I decided to leave it and switch to other [private] job.

A14: We were supposed to get the payment weekly but that would get late. Sometimes we were paid after the month.

A10: I left the work because the payment schedule was not good. They would withhold our money. I felt disgusted at this.

The contractor

Contracting (and subcontracting) is a practice where the main company responsible for the construction process outsources certain parts to a different party. In the construction industry in general, this is a common practice; as it also is in Pakistan.⁹² In a survey done among 69 construction enterprise CEOs, 57% said that they mostly or always use contracting for labour. None of the respondents had never used the practice.⁹³ The practice itself does not necessarily have to be bad as it can make projects more efficient, but in terms of accountability for labour law infringements, it muddles the waters, because generally it is not necessarily straightforward to establish what actor in the chain of liability can be held accountable. In Pakistan, moreover, contractors and their employees do not fall under the Industrial Labour Act, meaning they cannot unionize or take recourse to other ways to address grievances.⁹⁴ They are also not inspected for any labour laws they do fall under, as for instance child

92) Choudhry et al., 'Subcontracting Practices in the Construction Industry of Pakistan', 1355.

93) Ibid.

94) 'Pakistan 2017 Human Rights Report', US Department of State (Washington: Department of State, 2017),53.

labour. Communication is complicated, especially when multi-tier subcontracting happens. This means the responsible actor in the project often cannot be shown to be aware of what is happening on the ground, creating an opportunity for plausible deniability higher up the chain.⁹⁵

A special characteristic of (sub)contracting in the construction industry in Pakistan is that most contractors started as workers themselves who were able to establish their company.⁹⁶ This also means the contractor and workers come from the same class. When hiring workers, contractors often prefer workers who share a family background or the same ethno-linguistic background. With the high unemployment rate in Pakistan, workers are generally grateful to the contractors and in combination with the shared background, often feel very loyal to their employer.⁹⁷ Because of this, the workers feel less inclined to complain about their rights, and would only do so in extreme cases.⁹⁸

For all the workers interviewed, the contractor or subcontractor was their sole point of contact, during both initial recruitment and the course of work itself:

A9: I was recruited by contractor named A. R.

A2: The main company was ZKB and it had hired contractors who hired us. We had no direct contact with the company.

A4: In case we need a leave for some work or for some sickness, we would speak to the contractor.

Inspections

The government is responsible for the inspection of work sites, to ensure labour laws are being upheld. In 2016, however, Pakistan had one inspector per 75,000 employees (up from one inspector per 250,000 employees some years earlier).⁹⁹ The fact that many

95) Choudhry et al., 'Subcontracting Practices in the Construction Industry of Pakistan', 1358.

96) Aasim Sajjad Akhtar, 'Patronage and Class in Urban Pakistan', *Critical Asian Studies* 43, no. 2 (2011), 173.

97) Akhtar, 'Patronage and Class', 176.

98) Akhtar, 'Patronage and Class', 179.

99) Danish Trade Union Council for International Development Cooperation, 'Pakistan Labour Profile 2018', LO/FTF Council's Analytical Unit (Copenhagen, 2018), 8, <http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/>

companies are not officially registered with the government makes inspection and enforcement of laws even more difficult, since, as mentioned above, only registered companies can be held accountable for their violations. Corruption adds to the problem, which with only 20% to 30% of companies formally registered is serious enough to begin with.¹⁰⁰

On the M4, auditors, officers or inspectors appeared to be regular visitors, with contractors seemingly accountable to their authority. But these visitors did not interact with the workers directly, and many of the workers do not seem aware that the inspectors would look at anything other than the progress of the construction:

A5: Yes, there were visits by auditors/officers who would check our work. They would come almost daily. Never did they interview us. Yes, the contractor would ask us to be extra careful during such visits. And when there were some high-ups coming, we were provided with helmets, jackets and boots.

A4: The Chinese and Pakistani officers would come to visit the site and the work almost daily. No, we were not interviewed by any of them. Yes, the contractor would ask us to just focus on our work during the visits.

A9: Yes, the officers/engineers would inspect our work. We don't know exactly who these persons were whether they were ZKB high ups, Chinese or others. We already were so engrossed in work so no one ever had to tell us to behave.

As mentioned before, the ADB's loan agreement list a couple social standards that should be upheld on the project. Yet when discussion implementation, the project manual only states that adherence to core labour standards will be included in the construction contracts which will be monitored by the NHA and supervision consultants.¹⁰¹ This is a rather ironic statement, considering all the interviewees mention they did not receive a contract and that this is a very common practice in the Pakistani construction industry.¹⁰² Also, there is no sign that this kind of monitoring is actually being done. Neither the external nor the internal bi-annual social safeguards

LMP2018/lmp_pakistan_2018_final_version-_revised2.pdf. Accessed on 30-06-2019.

100) Arsalan Ghani, first Interview with Arsalan Ghani, Skype, n.d.

101) 'Project Administration Manual for Project 48402', Islamic Republic of Pakistan: National Motorway M-4Gojra-Shorkot Section Project 11(Islamabad: ADB, 13 August 2015).

102) Interview with the aforementioned anonymous Pakistani labour rights lawyer.

monitoring reports mention labour rights issues, with the exception of women participation and basic safety trainings.¹⁰³ As a result, the DFID advised the NHA to evaluate its monitoring mechanisms.¹⁰⁴

Hours and overtime

Workers described receiving one day a week off, and getting national holidays off. Not everyone had to work overtime, and those that did said they were paid for it:

A1: Sunday was our off. We would get days off on festivals and gazetted holidays.

A6: Sunday was our day off. In my case, there was no overtime.

A3: We were paid overtime. We could leave if we didn't want to work after 5pm. But I never did so because I saw the money at the end.

Nevertheless, there were also indications of a pressure to work longer than the regular hours or to work on the one day off in the week, in order to meet deadlines:

A7: It was from 8am to 6pm. But we also had overtime to complete the project in the stipulated time. Longest day for me was maybe 16 hours.

A13: It was an 8-hour job starting at 8 in the morning until 5/6 in the evening. Sunday usually was our holiday but often we worked overtime. The longest may be was of 15/16 hours.

A2: It was from 8pm to 5pm. We were given overtime, if we had to work for longer than that. The longest working day I remember was of around 16 hours.

A9: It was from 8 in the morning to 6 in the evening. But we would do overtime too. Many times we did that. The longest day I can remember was maybe 18 hours working.

103) S.A. Renardet and the National Highway Authority, Ministry of Communications, Government of Pakistan for the Asian Development Bank, 'Bi-Annual Environmental Monitoring Report for Project 48402-002, January-June 2017', PAK: National Motorway M-4 Shorkot-Khanewal Project (Asian Development Bank, 2017), <https://www.adb.org/sites/default/files/project-documents/48402/48402-002-emr-en.pdf>. Accessed on 30-03-2019.

104) Department for International Development, '2017 Annual Review Summary Sheet for the Pakistan Economic Corridors Programme', 17, http://iati.dfid.gov.uk/iati_documents/5698343.odt. Accessed on 30-03-2019 (when accessed on 30-09-2019 the document was no longer accessible).

A5: The working hours were from 8am to 5/6pm. In case there's work left, we would not take an off on Sundays too. We would work and were entitled to overtime too. For me, it was difficult to get leave because I was virtually managing my team. So I had to be there all the time.

Though working conditions regulation in Pakistan stipulates that workers are entitled to 14 days of paid annual leave,¹⁰⁵ workers said that they could apply for leave but that there was no paid leave.

A4: In case we need a leave for some work or for some sickness, we would speak to the contractor. It never occurred to me that someone was denied a leave.

A15: For us [drivers], taking a day off was quite hard because we were already two people and if one of us would not come then it affected the work. So either we had to bring a substitute or go to work by any mean.

A7: We could get a leave but that would always be unpaid.

A9: We could get leave but then we will lose a day wage. There was no paid leave in any case whether death of someone or sickness.

Safety and sanitation

Safety on the work floor is a concern in every construction industry, and Pakistan is not an exception. The construction industry has an accident percentage of 15.2 percent, and it has been on the rise rather than decline. The majority of the accidents involve a fall from a height, due to inadequate availability and training of fall protection systems, and non-availability of suitable anchorage systems.¹⁰⁶ Injuries are generally not reported and the workers see the accidents as their own fault.¹⁰⁷ Workers are also often not aware of safety risks. In a survey done among 140 construction workers in different projects in three major Pakistani cities, only 20% reported having any formal safety training, even when half of

105) Danish Trade Union Council for International Development Cooperation, 'Pakistan Labour Profile 2018'.

106) R. U. Farooqui and F. Arif, 'Safety Performance in Construction Industry of Pakistan', in *First International Conference on Construction in Developing Countries, Karachi, Pakistan* (Karachi, 2008): 74–87.

107) R. U. Farooqui, 'An Exploratory Study Probing into the Factors Causing Safety Non-Performance in the Pakistani Construction Industry', in *45th Institute of Engineers Convention*, Pakistan (Karachi, 2012), 3.

the interviewees had more than 15 years of work experience.¹⁰⁸ For the survey, the workers were asked to estimate the risk level of a situation and whether they would stop working if they encountered it. While 74% said working with not fully boarded scaffolds had a high risk level and 97% would stop working if it occurred, only 30% saw problems with working on roofs without edge protection and a mere 8% would stop working in such working conditions.¹⁰⁹ Another survey done among 1080 construction workers found that only 25% wear safety helmets, 15% wear safety shoes and 25% know first aid. No worker reported wearing safety gloves, knowledge of escape routes, or knowledge on how to use a fire-extinguisher.¹¹⁰ Staying safe in an environment like this requires concentration, but more than 50% of the surveyed workers worked more than 8 hours a day.¹¹¹

Some of the workers we interviewed on the M4 were provided with safety gear. But there was no indication of standard training regarding safety, and provision of the safety gear did not appear to be consistent:

A3: We were provided with boots, jacket and helmet. No training was conducted for us and I never heard about any such thing.

A2: We were given boots, a yellow colour jacket and a helmet for one day only. The work was dangerous though.

A4: Yes, they gave us helmets, jackets, boots and sometimes gloves when we were working on hot iron.

A13: There was lot of mud that would be lifted up by air. In worst scenario we would make masks from handkerchief or kefiyyeh to cover our nose and mouth.

There was some suggestion that workers were provided with gear more for the purpose of being seen with them during company officers' inspections, than due to it being an everyday requirement:

108) S. Mohamed, T. H. Ali, and W. Y. V. Tam, 'National Culture and Safe Work Behaviour of Construction Workers in Pakistan', *Safety Science* 47 (2009), 32.

109) Mohamed, Ali, and Tam, 'National Culture and Safe Work Behaviour', 32.

110) I. Ahmed, A. Usman, M.S. Nazir, and M.Z. Shaukat, 'Safety practices in informal industrial segment of Pakistan', *Safety Science* 110 (2018), 89.

111) Ahmed et al., 'Safety practices', 87.

A7: Usually we didn't wear any safety tools like helmets, jackets and boots but sometimes we were given them when there was an inspection by the top officers.

Another worker mentioned a difference in provision of safety gear between those directly employed by the company and those employed through contractors, similar to the perception and comparison of situations in terms of having written contracts:

A11: No, they didn't provide us with safety tools. Though the people directly employed by the company were provided with these.

A14: No, I was not given safety gear. The senior workers would wear them if necessary.

Workers mentioned that treatment was provided in case of injuries, but they did not get insurance or sick leave:

A7: There was no medical facility but in case of an injury treatment was provided. No, we're not insured.

A3: If someone had gotten injured, he was given medical care. But there was no paid leave, even if someone was sick.

A2: I cannot remember the date exactly but I saw an accident one day. There was a boy from DI Khan who fell off an under construction and got badly injured. He was taken to hospital and provided with medical treatment. And after he got well, he was sent back to his village - that's what I heard because I never saw him again.

On the issue of insurance, a worker brought up the comparative perception that those hired directly by the company may have it but those like him who were hired through a contractor did not:

A1: In case of an injury, workers were provided medical care. There was no insurance. Maybe the company (ZKB) workers had it but not us who worked under the contractor.

Although the working environment is basic, there was a sense among the workers that better conditions are not to be expected:

A9: The health and sanitation conditions were fine for us because we already are used to such kind of situation - muddy air, lack of or no toilets at all.

A1: We are used to work and live in harsh conditions so the health and sanitation thing never bothered me.

A4: The working condition was as usual as it is in the country.

Trade unions

The 2012 Industrial Relations Act is a crucial law on the right to unionise in Pakistan, placing the responsibility of labour laws in the hands of the provinces instead of the national government. It also detailed the definitions of unfair labour practices and made it mandatory for every enterprise to have a trade union.¹¹² While this is seen as a big step in improving workers' rights in Pakistan, the act still has some flaws. For instance, a trade union trying to get officially recognised needs to represent at least 30% of the company, making it difficult to register.¹¹³ Another problem that arose is that companies who do not want their workers to unionize create their own union, often referred to as 'pocket unions' or 'yellow unions'. A pocket union is led by an employee chosen by the company and would thus be predisposed to represent the interests of the company instead of the interests of the workers.¹¹⁴ In this way, the companies follow the law without actually letting the workers unionise. Another issue with the act is that several industries are excluded, including agriculture, one of the biggest sectors in the country.¹¹⁵ In addition, informal labour is also not covered: 90% of the construction industry falls under this heading.¹¹⁶

There are more aspects of Pakistan's current legal framework that are causing problems for workers. While unionising is now mandatory, anti-union discrimination is not illegal and union

112) Pakistan, 'Industrial Relations Act, 2012', Pub. L. No. Act No. X of 2012 (n.d.), http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=91438. Accessed 30-03-2019.

113) Danish Trade Union Council for International Development Cooperation, 'Pakistan Labour Profile 2018', 4.

114) Danish Trade Union Council for International Development Cooperation, 'Pakistan Labour Profile 2018', 7.

115) Danish Trade Union Council for International Development Cooperation, 'Pakistan Labour Profile 2018', 4.

116) Pakistan Institute of Labour Education & Research, 'Status of Labour Rights in Pakistan 2016', PILER (Karachi, 2016), 23; Akhtar, 'Patronage and Class', 169.

leaders have been fired from their jobs.¹¹⁷ Also, even though freedom of movement and association is in the constitution, strikes have been prevented and stopped by the government and the army. For instance, in 2010 during the construction of the Neelum-Jhelum Hydropower Project, around 700-800 workers went on strike to demand the contracting companies to comply with national law, as they were paid below minimum wage and not given a contract. When the companies held a meeting with the union leaders representing the workers, three military officials joined and threatened the union leaders. After the meeting, around 180 union members were dismissed, and even after the district labour court prohibited the company from firing any more union members, another 64 were laid off. In 2017 this case was taken to the ILO by the Building and Wood Workers' International and the Pakistan Federation of Building and Wood Workers, who filed a formal complaint. This was recognized by the ILO who requested the companies involved to keep them updated on the process.¹¹⁸

Despite the 2012 Industrial Relations Act, the notion that it is in fact legal – and in some case could even be considered obligatory – to have unions and to join them, our sample of interviews shows that workers either had not heard of a union, and if they had, they never came across one:

A3: Never heard of a union there.

A1: I don't know what it is.

A4: I heard there was union but never saw it.

Despite the absence of formal unions, we came across a description of workers attempting to bargain collectively, albeit with unsuccessful results:

A9: There was no union. We would ourselves informally organize and put our demands before contractor. It happened many times but to no avail.

117) International Trade Union Confederation, '2018 ITUC Global Rights Index: The World's Worst Countries for Workers', ITUC (Brussels: ITUC International Trade Union Confederation, 6 May 2018).

118) ILO, 'Report in Which the Committee Requests to Be Kept Informed of Development', Complaint settlement (International Labour Organization, June 2018).

He would not listen to us. And if we would go to the company, they will see that we are not their employees.

Marginalized Labour Groups: Women, Children, and Migrant Workers

The men-to-women workforce ratio in Pakistan is notoriously low. Currently, Pakistan's female employment rate is at its all-time high, at a mere 25%.¹¹⁹ The ADB's policies highlight this issue and efforts have been made to employ more women on the project. According to their monitoring report, this can be seen in higher positions.¹²⁰ On the work site however, all workers report not having female colleagues:

A15: Never saw women. The women of the villages around usually work in fields.

A1: I neither saw any woman there nor do I think women are involved in our work.

A8: I never saw any woman working on the site.

Out of all industries in Pakistan, the construction industry has the highest incidence of child labour.¹²¹ The Punjab province, where the M4 is being built, is especially known for child labour: a full third (33.5 percent) of the 15- to 19-year olds are part of the labour force.¹²² According to a new Punjab law, heavy labour, such as construction work, is not allowed to be performed by anyone under the age of 18,¹²³ yet as our report will show later as well, this issue has not yet been solved and child labour is still prevalent in the region.

While researching the M4, our interviewers came across a 17-year old worker, who for safety reasons did not want to be interviewed. Other labourers have mentioned underage workers,

119) World Bank, 'Labor Force Participation Rate, Female (% of Female Population Ages 15+)', World Bank (2019), <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=PK>. Accessed 30-09-2019.

120) Renardet et al., 'Bi-Annual Environmental Monitoring Report', 2017.

121) R. E. Khan, 'Socioeconomic Aspects of Child Labour: A Case Study of Children in Auto Workshops', *The Lahore Journal of Economics* 6, no. 1 (2000): 93–112.

122) PILER, 'Status of Labour Rights in Pakistan 2016', 27.

123) 'The Punjab Restriction On Employment of Children Act 2016', (Punjab, 2016). Accessible at <http://extwprlegs1.fao.org/docs/pdf/pak164577.pdf>.

although not all the workers had seen underage workers working alongside them:

A10: There were many young workers on the site. The youngest would be 14/15.

A9: There were underage boys working at the site but they were not involved in our work.

A4: There were no minors on the site. All were adult. And the minimum age of a worker would be 20, I guess.

A7: Almost all the workers were adults. Work was nearly the same everywhere for us.

One worker also suggested that underage workers had come to seek work in groups, rather than as individuals:

A12: The labour included young boys too. As young as 13 years of age. Many such boys had also come from Sindh in search of work.

Our local informant who spoke to workers working in a different section of the M4 mentioned that among those he spoke to, underage boys that came from ethnic groups were seen in the work sites.

Migrant workers

Migrant workers move across the country to find better jobs. They are often driven by a lack of jobs in their own province and move far away from their family to make a living. Here they often face exclusion, hardships and negative stereotyping.¹²⁴ Internal migration is not considered an issue by the Pakistani government and it is not even mentioned in current labour laws and policies.¹²⁵ As an internationally funded enterprise, the M4 construction project brought Chinese workers to Pakistan, although in the interviews we conducted, none of the interviewees had actually worked together with workers with a different nationality. The workers observed, though, that the Chinese they saw on the construction sites were managers or engineers: expats with authority in other words. Interestingly, it is known that in other CPEC and BRI projects, Chinese labourers

124) PILER, 'Status of Labour Rights in Pakistan 2016', 29.

125) PILER, 'Status of Labour Rights in Pakistan 2016', 30.

displaced local workers, showing a rather different dynamic than the one observed by our interviewees. Although not necessarily within the scope of this report, these contrasting dynamics are sufficiently interesting (and ubiquitous) to pay attention to.

While our interviewees were based in local villages and thus likely represented the less transitory workforce, they nonetheless mention seeing many migrant workers:

A14: There were Punjabis, Siraikis and Pathans. [...] We used our native language to communicate. Most of people including Pathans would use Punjabi to communicate.

A1: People from various ethnic backgrounds were there, including Punjabi, Siraiki, Sindhi and Pathan.

A2: There were many people from different places and ethnic backgrounds. They were Punjabis, Siraikis and Sindhis. Pathan workers were mostly involved in operating machinery.

CPEC

All of the issues described above have been known to be prevalent in the entire Pakistani construction industry, but with the recent advancement of CPEC, it has become clear that Chinese influence has in fact exacerbated an already bad situation.

There are two recent labour issues in Pakistan that highlight the many problems the country faced in a CPEC setting: the Orange Metro Line project in Lahore, and the Port Qasim project in Karachi. The Orange Metro line project,¹²⁶ financed by the China Exim Bank with a loan of Rs 165 billion,¹²⁷ has attracted controversy over demolitions of heritage sites¹²⁸ as well as being extremely deadly for the labourers working on its realisation. According to a report

126) Some Pakistani officials have described this project as separate from the CPEC framework (INP, 'Orange Line Not Part of CPEC: NA Body', *The Nation*, January 17, 2017, <https://nation.com.pk/17-Jan-2017/orange-line-lahore-not-part-of-cpec-na-body>, but it is listed on official CPEC website of Pakistan. 'Orange Line - Lahore | China-Pakistan Economic Corridor (CPEC) Official Website', accessed 08-02-2019, <http://cpec.gov.pk/project-details/46>.

127) Ihsan Qadir, 'Poor Quality of Civil Work on OLMT Irks Citizens', *Pakistan Today*, 1 August 2018, <https://www.pakistantoday.com.pk/2018/08/01/poor-quality-of-civil-work-on-olmt-irks-citizens/>.

128) Sher Ali Khan, 'Why the Orange Line Metro Train in Lahore Is Highly Controversial', *Herald Magazine*, 23 April 2018. See <https://herald.dawn.com/news/1398510>.

dated to June 2017, the project had reportedly claimed more than 25 lives, as a result of unsafe practices. Four workers were injured from a fall resulting from a broken crane, while in January 2017 seven were killed in a fire in the workers' dormitories. Reportedly, workers did not have safety equipment.¹²⁹ Although most victims were workers, at least one victim was a bystander; a senior citizen crushed by a crane.¹³⁰ The contractor for this project is ZKB; the same company that most interviewed workers on the M4 project worked for:

A3: *The company was ZKB.*

A9: *I was recruited by contractor (thekedar) named [--]. The company we worked for was ZKB.*

Most of the workers mentioned such subcontractors (*thekedar*), the implications of which have been discussed.

The case of Port Qasim, located in Karachi, concerns Pakistani port workers who held strikes against the Port Qasim Authority as well as a Chinese cargo company, Huaneng Fuyun Port and Shipping. The strike reportedly began in late September, 2018, and continued for several months.¹³¹ As the movement went on, the protestors entered confrontations with the police¹³² and eventually attracted the attention and support of trade unionists.¹³³ The strike finally ended on January 14, 2019, after 109 days of striking; the workers were compensated with five months of salary.¹³⁴ As pointed out by

129) Anonymous, '25 Killed since Launch of Train Project: Four Orange Line Workers Injured', *Dawn.com*, 21 June 2017, <https://www.dawn.com/news/1340798>. Accessed 30-09-2019.

130) Anonymous, 'Deaths before Orange Line Goes on Line', *The Nation*, 25 January 2016, <https://nation.com.pk/25-Jan-2016/deaths-before-orange-line-goes-on-line>.

131) Oonib Azam, 'Dock Workers Demand PQA, Chinese Company to Guarantee Their Rights', *The Express Tribune*, 20 October 2018, <https://tribune.com.pk/story/1829722/1-dock-workers-demand-pqa-chinese-company-guarantee-rights/>. Accessed 30-03-2019.

132) 'Special Report: Protesting Port Qasim Employees Baton-Charged', *The Nation*, 10 December 2018, <https://nation.com.pk/10-Dec-2018/protesting-port-qasim-employees-baton-charged>. Accessed 30-03-2019.

133) Anil Datta, 'Labour Unions Express Solidarity with Protesting Port Qasim Dock Workers', *International The News*, 10 January 2019, <https://www.thenews.com.pk/print/416744-labour-unions-express-solidarity-with-protesting-port-qa-sim-dock-workers>. Accessed 30-03-2019.

134) 'Port Qasim Dockers End Strike', *The Nation*, 14 January 2019, <https://nation.com>.

researcher Zeenat Hisam, such cases of labour violations related to Chinese companies highlight the need to consider the social cost of CPEC projects, and not just its economic benefits.¹³⁵

One of the questions in our survey questionnaire sought to understand how CPEC and foreign investments have affected the workers and their families or communities, as well as their general opinions of CPEC and other foreign investments. The was to give workers a voice in the general narrative of CPEC and in BRI projects in a whole, which, as mentioned above, constantly stress the benefits to the host country as well as to China. Some workers mentioned they were aware of CPEC, but did not see any local benefits.

A15: Yes, I know that CPEC is a China-Pakistan's joint project. But I don't feel that it has affected our village much. We are still short of jobs. Our village lacks basic facilities.

A13: I don't know anything about CPEC but I heard from people at M4 that it is ought to be good for the country. May be for the people who live in big cities. There is nothing for us who live in villages. We are back to our daily routine. Everything remained unchanged.

Several workers stated that they did not know about or understand CPEC or investment opportunities, and that they had not benefitted from it. This comment, from worker A2, is indicative:

I am a simple village guy. I don't know anything about what a foreign investment [is] meant to [do]. For me, earning for my family is the ultimate goal.

Most of the workers interviewed had similarly neutral opinions, claiming that not much had changed, that they did not know about Chinese investments, or that it had not significantly impacted their life. Three of the interviewees mentioned positive impacts in that CPEC had brought job opportunities for them. However, another worker mentioned some potential downsides too:

com.pk/14-Jan-2019/port-qasim-dockers-end-strike.Accessed 30-03-2019.

135) Zeenat Hisam, 'CPEC and labour', *Dawn*, 31 December 2017, <http://dawn.com/news/1379822>. Accessed on 25-06-2018.

A1: It [CPEC] was enough to keep our cash flow in. I prefer private work over this because I would earn more than this. But here is a downside, the private work depends on its availability. If it is there, we would earn some money but is it not then we would go back home [with] empty pockets.

The overwhelming consensus, however, was that CPEC has not brought significant changes. These answers also stand in contrast to statements by the Chinese construction companies working in Pakistan, some of which have stressed donations or investments into the local community as part of their CSR policies. A company-made video by the Pakistan branch of China Railway First Group, for example, mentioned donations of fire equipment to the local community.¹³⁶ It appears, however, that the benefits of such donations have not reached the workers on-site, who appear to be unaware of such activities towards them or their communities. In fact, it appeared that the Pakistani workers' interactions with the Chinese were minimal.

A15: Yes, there were Chinese but I never interacted with them.

A14: I saw Chinese workers daily. They moved around the worksites, talking to engineers, contractors and supervisors. I never talked to them.

A1: Yes, there were Chinese workers; they were all bosses/on managerial position as far as my knowledge is concerned. So they were treated comparatively better than other workers.

A3: The Chinese were the bosses. They were often seen at the work site. They never spoke to us. Only our contractor talked to them.

These responses make it clear that while Chinese workers were on-site, they tended to have a managerial position, and that they did not interact with the Pakistani workers directly. This would suggest that the Chinese companies had little direct involvement with the Pakistani workers, and that contacts were made through the subcontractors.

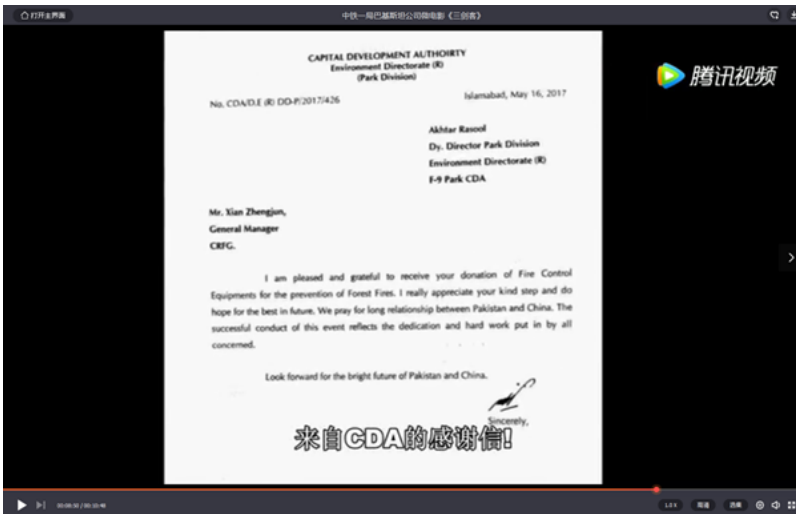
136) Zhongtiefyiju Bajisitan Gongsi Weidianying, 'Sanjianke', 2017, <https://v.qq.com/x/page/w0530pd59xd.html>. Accessed 30-03-2019.

Conclusion

The interviews reveal several problems that have occurred on the M4 motorway worksite. Recruitment were generally verbal, made from friends or family; there were no contracts to guarantee rights. There were problems with wage payments, which most agreed were low; some had their pay deducted or paid late. The workplace was unsafe: many workers reported not having safety equipment or safety training. In addition, the subcontractor they worked for is ZKB, whose previous project resulted in numerous deaths due to unsafe workplace practices.

In fact, many of the problems ultimately stem from subcontracting. It seemed like this practice allowed workers to be denied many legal rights, such as insurance, fair wages, or health safety. These contractors were likely to be further empowered as Chinese companies appeared to only interact with Pakistani workers through them, which also seems to deny the workers the various privileges established by CSR policies of the Chinese companies (as outlined in Appendix II).

In addition to these violations against various Pakistani laws (which in itself is already against the ADB's social policies), most workers interviewed on site were not part of trade unions and did not even know what they were. In one case, the attempt at collective bargaining failed. This is in clear violation to the ADB's policy to "allow freedom of association and effectively recognize the right to collective bargaining". Even audits were apparently insufficient to identify these problems, as workers were instructed to behave differently when visitors came. Despite the ADB's social safeguard policies and the provisions of Pakistani law, it appears that enforcement is not yet strong enough to ensure all condition are met for the workers on the ground.



Construction Workers in Precarious Conditions and the Role of Labour Inspectorates

Imke B.L.H. van Gardingen

This chapter will look into the role of inspections on the worksite, based on the interviews done with workers on the M4 Motorway. This will be preceded by an introduction of the current status of the labour inspectorate in Pakistan and concluded by a description of the ILO project 'Strengthening Labour Inspection System in Pakistan' (SLISP, finalized in July 2019), which aimed at strengthening the Pakistan Labour Inspectorate.

Pakistan has the sixth largest population in the world with a population of around 192 million people and a large workforce of 61 million workers. Of the working population, about 73% is estimated to be engaged in the informal economy.¹³⁷ That is a staggering percentage which cannot but complicate the formal inspection and administration of workplace practices. By definition, the informal economy is not governed by the laws, regulations, and policies designed for the formal economy – or for the informal economy in the hope that it turns formal. Of course, the informal economy

137) International Labour Standards Unit (ILSU), 'GSP-Plus and Compliance with Core Labour Standards: Pakistan's Case' (Karachi: ILSU, Ministry of Overseas Pakistanis & Human Resource Development, 2016), 5.

and the formal world of the rule of law are in constant contact with one another, but as this chapter will also bear out, it is an ill-fitting match in which the formality of the legislature may very well conceal the often brutal realities of informal economic practice. The fact that employment in the informal economy is the rule and not the exception is also confirmed by the M4 Motorway workers who were interviewed for this project. As part of the informal economy, workers are recruited informally:¹³⁸

Many people from my village were working there and I joined them since I didn't have any other work. I worked for two years there. The recruitment was all verbal. No paperwork was done. (Interview A1)

Or:

I got there with the people of my village. They were already working there. The recruitment was done verbally. (Interview A2)

None of the workers had seen a labour contract, much less received one. As one of the workers put it succinctly: 'There was no contract. The word of the contractor was the only thing we depended on.' (interview A3). As far as the workers did receive formal documents they were asked to sign, these were documents declaring that they would be responsible for any damage suffered by their work tools:

They took my documents and made me sign documents that read that I was responsible for the vehicle I was driving. Any damage should be covered from my pocket. (Interview A12)

The above example is illustrative for what happens if laws and regulations are only partly applied and then only by the employer or subcontractor: the emancipatory effect of the labour laws in place is subverted and turned to work only in favour of the employer. The worker is in effect put in a disadvantageous position through the application of laws also meant to protect him/her.

138) The exact number of workers is unclear, but one interviewed worker referred to 'a few thousand' workers that were hired in the M4 Motorway construction. Please refer to Interview A5 in the appendix of Part I: 'I cannot tell you exactly how many workers were there. They could be in thousands or more on all of the M4.'

In that sense, it is not difficult to see why labour inspectors (or inspectors of any other kind, from international organizations or the companies themselves) can play a decisive role in helping to ensure that laws, regulations, and policies are applied and executed also to the advantage of the employees, and not merely to the advantage of the employers. It is with this in mind, that we asked workers who were interviewed for this project the question whether their working sites had been visited by third party auditors. Their replies are illustrative; in their replies the workers refer to officers, auditors, and inspectors - without making a distinction whether these are government officials, commercial auditors or company engineers performing technical inspections- visiting the working sites on a daily basis, but virtually none of them had ever talked to the workers themselves. Again, what we find here is an instance of the law being in place and working to a certain extent, but not to the desired extent that would mean fulfilment of the purpose behind the relevant laws.

Obtaining labour rights is challenging enough as it is, enforcing them -primarily a responsibility of national labour inspectorates, or of private actors, such as commercial auditors- is yet another matter. This is the case for employees in the formal economy, but it is not hard to imagine that this is inevitably even more so for workers in the informal economy.

In collaboration with the ILO, the Asian Development Bank is committed to enhance the Core Labour Standards (CLS),¹³⁹ and labour inspections and auditing are a prominent pillar in this joint effort. The Core Labor Standards correspond with the stipulations made in one or more ILO conventions (such as the freedom of association and the abolition of compulsory labour), but also extend to issues such as good governance - which includes labour inspection. A 2011 report by Public Service International (PSI) on CLS in ADB funded projects makes clear that for the ILO and ADB, adequate inspections are key to ensuring the enforcement of labour rights and adherence to ADB guidelines.¹⁴⁰ Again, what

139) The Core Labour Standards refer to fundamental rights such as freedom of association, elimination of forced or compulsory labour, abolition of child labour, the elimination of discrimination in respect to employment and occupation. The Core Labour Standards will be dealt with in detail in Chapter 5.

140) Souparna Lahiri, 'Core Labour Standards in ADB funded Power Sector

can be observed here is that on paper at least, the regulations and agreements to ensure decent work for labourers seem to be solidly in place. Challenging as its practical execution may be, particularly in the case of informal workers, the importance of labour inspections cannot easily be overestimated.

The Labour Inspectorate in Pakistan: Achievements and Challenges

Pakistan was granted a GSP (Generalized Scheme of Preferences) Plus status by the EU in 2014, which allows Pakistan preferential trade access to the EU market. Preferential trade access to the EU market is not something to be trifled with for any state. It does not come without its own set of obligations, however. In order to obtain and maintain the Plus status adherence to the Core Labour Standards is a prerequisite, and:

In addition, the respective country must follow all reporting requirements imposed by each treaty and regular monitoring and review of the implementation record by relevant monitoring bodies; and participate in and cooperate with the EU monitoring procedures, which foresee a review of the conditionality points every two years. GSP benefits can be withdrawn temporarily for all three categories in cases of serious and systematic violations of principles laid down in international conventions, specifically relating to or concerning labour rights and core human rights.¹⁴¹

The 2016 International Labour Standards (ILS) report *GSP Plus and Compliance with Core Labour Standards- Pakistan's Case* was published on the occasion of Pakistan being granted the GSP Plus Status. The ILS report analyses the existing legal and institutional framework for ensuring compliance with the Core International Labour standards ratified by Pakistan. The ILS, established in 2014 with the support of the International Labour Organization, was active in the Ministry of Overseas Pakistanis & Human Resource Development in order to:

Improvement and Urban Development Program in Bihar, India: A study' (Public Services International, August 2011), 6, http://www.world-psi.org/sites/default/files/attachment/news/corelabourstandards_in_adb_electricity_bihar_nov2011.pdf.

141) ILSU, 'GSP-Plus and Compliance', 1.

[E]nsure timely reporting on ratified and unratified Conventions, address observations of the supervisory committees of the ILO including Committee of Experts on Application of Conventions and Recommendations (CEACR) and publish research studies / evidence-based reports on important labour issues of the country.¹⁴²

The ILS quickly touched the Pakistani economy's sore point. Its report observed that in Pakistan:

[N]early half of the wage and salaried workers are irregularly paid employees with unfixed wages and salaries, who are likely to fall short of decent work objectives in terms of protection against dismissal, social protection and other rights at work.' And the report continues to conclude that "This kind of vulnerable workers (casual paid employees and workers paid by piece rate) are found the most in construction sector (95%) [...].¹⁴³

Given the fact that the GSP-Plus Status is inextricably tied to adherence of the ILO's Core Labour Standards, the observation that in a sector such as the construction sector 95% of the workers were casually employed and paid workers, presented not merely an infringement of the CLS, but a structural negation in the established vulnerability of the absolute majority of labourers in Pakistan, in particular those working in construction. The vulnerability of construction workers is also reflected in the interviews we did for this study with the M4 Motorway workers. Their informal status caused all kinds of problems: it fundamentally snowballed into increasingly severe consequences for the workers. To start with, their salaries do not allow a decent living, but the workers state that they have no choice but to accept the work:

I earned Rs 20,000 (126 EUR) per month. No, it was insufficient as compared to the amount of work we did and the hours we spent. Yet we managed because there was no other option. (interview A12)

The working hours are also extremely long according to the same interviewee (A12):

142) ILSU, 'GSP-Plus and Compliance', 'Facts and Figures', 106-7.

143) ILSU, 'GSP-Plus and Compliance', 13.

It was from 8 in the morning to 6 in the evening. Sunday was our off usually. But we would do overtime too. Many times we did that. The longest day I can remember was maybe 18 hours working.

Being part of the informal economy cancels out any and all protections built into Pakistani and international labour laws and conventions. One's job itself is informal and continuation is wholly dependent on one's relation with one's employer (or in daily practice, the contractor in between). Then, the salary is also not tied to national and international agreements guaranteeing a living wage, but again decided upon by the employer and his/her contractors, which leaves labourers with few other avenues for work to explore in a clichéd but no less real 'take it or leave it' situation. Having accepted both the informal status of the job and the associated lower and irregular pay, working hours are also decided upon solely by deadline and employer.

The precarious working conditions of informal construction workers in Pakistan showed in many ways in the interviews we did with workers on the M4 highway. Almost all of them stated that their wages were too low to earn a living to support their families, that they were not paid regularly or not the full amount they should receive – bearing in mind that the full amount mentioned here is the amount they were promised, not the significantly higher amount they would have been given had their jobs been part of the formal economy. Working overtime was common and one of the workers explained having had to work up to 18 hours a day. Safety, also, was not guaranteed, nor did the workers receive safety equipment. Predictably, perhaps, but no less serious is the fact that none of the workers had ever heard of or seen a trade union. The gap between formal and informal, between paper laws and daily reality, and between policy creation and its execution is impressive. Significantly, the interviews also confirmed the shortcomings or even lack of enforcement in the case of workers in the informal economy as observed in the GSP-Plus report:

Informal economy (domestic and homebased workers), agriculture, and construction sectors are out of the ambit of law. Although, penalties have been imposed for violation under the said laws, however these are very

meager and have no deterrence effect. Sometime the employers prefer to pay penalties rather to be compliant. However, after devolution, the provinces are in process to amend the laws. The inspection system in Pakistan faces a serious shortage of inspectors in relation to the number of workplaces liable to inspection.

[...] Not only is the number of inspectors lower, the capacity of those inspectors is also limited.

The paradox observed in the report is ever-present in the lives of workers in the informal economy: because they are part of the informal economy, laws and regulations have been created to remedy that situation. But their involuntary membership of the informal economy also makes it impossible in practice to adhere to -and make employers adhere to- those laws and regulations. This of course is not a logical paradox, merely one on a very practical level, but no less difficult to solve for that. A possible solution looms on the horizon, however: proper implementation and execution of the system of the labour inspectorate. The report summarizes its conclusion on the labour inspectorates as follows:¹⁴⁴

Pakistan has ratified the ILO Labour Inspection Convention No. 81, which is one of the priority conventions. For effective implementation of labour laws, a strong and unified labour inspection system is essential. Under this convention, labour inspection needs to be placed under the supervision and control of a central authority and the system should apply to all workplaces. There is no standalone law on inspection services in the country although inspection system is adequately regulated under the various labour laws. Regional/Provincial labour inspection authorities must be established which should report to the central inspection authority for publishing a consolidated report and for reporting to the ILO. In order to gain full benefits from the GSP-Plus, the perspective on labour inspection and labour compliance must undergo a paradigm shift.

As a result, in recent years the number of labour inspectors in Pakistan has gradually grown from 292 in 2008 to 337 in 2015 on a working population of about 60 million workers. It seems

144) ILSU, 'GSP-Plus and Compliance', iii.

superfluous to say that the number of inspectors compared to the number of workers is too low, but the obvious question is what would be a reasonable rate?

Independent from the maintenance of the GSP-Plus Status, Pakistan also ratified the ILO C081 Convention on Labour Inspectorates, article 10 of which calls for a 'sufficient number' of inspectors but (in-)conveniently does not specify what number is considered to be 'sufficient':

The number of labour inspectors shall be sufficient to secure the effective discharge of the duties of the inspectorate and shall be determined with due regard for:

(a) the importance of the duties which inspectors have to perform, in particular--

(i) the number, nature, size and situation of the workplaces liable to inspection;

(ii) the number and classes of workers employed in such workplaces; and

(iii) the number and complexity of the legal provisions to be enforced;

(b) the material means placed at the disposal of the inspectors; and

(c) the practical conditions under which visits of inspection must be carried out in order to be effective.

It will need little explanation that broad stipulations such as these will be helpless in the face of determined legal interpretations. Less formally authoritative publications from the ILO have tried to bring in a measure of concrete detail: numbers. The 2006 ILO report *Strategies and Practice for Labour Inspection* gives an indication what number could be considered to be 'sufficient':

As each country assigns different priorities of enforcement to its inspectors, there is no official definition for a "sufficient" number of inspectors. Amongst the factors that need to be taken into account are the number and size of establishments and the total size of the workforce. No single measure is sufficient, but in many countries the available data sources are weak. The number of inspectors per worker is currently the only internationally comparable indicator available. In its policy and technical advisory services, the ILO has taken as reasonable benchmarks that the number of labour inspectors in relation to workers should approach: 1/10,000 in industrial market economies; 1/15,000 in industrializing economies; 1/20,000 in

transition economies; and 1/40,000 in less developed countries. The chart in the appendix shows that many countries do not reach these benchmarks.¹⁴⁵

Pakistan ratified the ILO Labour Inspection Convention in 1953 and never even came close to reaching the numbers specified in the above paragraph. As it turns out, not even the coveted status of becoming -and staying- a GSP-Plus country managed to raise the absolute and relative numbers of Pakistan's Labour Inspectorate to a respectable level. In battling the informal economy, the forces of the formal and the official have their work cut out for them. The place of the Labour Inspectorate in this battle is ambiguous, to say the least.

The ILO reporting mechanism requires that, 'Once a country has ratified an ILO Convention, it is obliged to report regularly on measure it has taken to implement it.'¹⁴⁶ The report itself can be commented by the ILO Committee of Experts by among other things a so-called 'direct request' that is related to technical questions. The committee can also request further information and it can present recommendations. In 2018, the Pakistan Worker Federation shared its observations in the Pakistan periodic report to the Labour Inspection Convention. Its concerns were summarized by the Committee of Experts as follows:

Articles 2 and 22 of the Convention. Workplaces covered by the labour inspection system. The Committee notes the observations made by the Pakistan Workers' Federation (PWF) that ambiguities in the jurisdiction and issues relating to the scope of the labour laws, including the Factories Act, the Shops and Establishment Ordinance, and the Bonded Labour Act, result in workers being exempt in practice from protection through labour inspection. The PWF adds that a large number of workplaces are not covered by labour legislation and are therefore exempt from the purview of labour

145) See page 4 of the notes for the session of the ILO Governing Body, Committee on Employment and Social Policy on 'Strategies and Practice for Labour Inspection', GB.297/ESP/3, https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_gb_297_esp_3_en.pdf. Accessed on 28-03-2019.

146) See <https://www.ilo.org/global/standards/applying-and-promoting-international-labour-standards/committee-of-experts-on-the-application-of-conventions-and-recommendations/lang--en/index.htm>. Accessed on 28-03-2019.

inspection (such as workplaces in agriculture, construction, private health and educational establishments).¹⁴⁷

In this paragraph, the Pakistan Worker Federation indirectly expresses its concern about the large number of workplaces that are not covered by labour legislation and are exempt from the purview of the Labour Inspectorate. A justified concern considering the fact that with its limited mandate, the understaffed Labour Inspectorate is clearly not sufficiently equipped to fulfil its tasks. The lack of registration of large numbers of factories and establishments as businesses in operation and the absence of an annual report on the work of the Labour Inspectorate add to those concerns.

In its comment, the ILO Committee of Experts referred to the Strengthening of Labour Inspection System Project and presented its view on the matter:

Articles 7 and 9. Training of labour inspectors. Specialists and experts associated in the work of labour inspection. The Committee notes the information provided by the Government, in reply to its request for information on the training provided in all provinces, including the information on the training provided in the context of the 2015–18 ILO project “Strengthening of the Labour Inspection System in Pakistan.”

[...] The Committee requests the Government to pursue its efforts to ensure that the central labour inspection authority in each province publishes an annual labour inspection report, pursuant to Article 20, and that these reports are communicated to the ILO, either separately or in compiled form, pursuant to Article 20(3). The Committee encourages the Government to take the necessary steps to ensure that the annual report(s) contain(s) full information on the subjects set forth in Article 21, including statistics of workplaces liable to inspection and the number of workers employed therein (Article 21(c)) and statistics of occupational diseases (Article 21(g)). The Committee requests the Government to provide information on any progress made in this respect, as well as any difficulties encountered.

147) See http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3343811. Accessed on 28-03-2019.

The observed flaws in the functioning of the labour inspectorate are grave in terms of the structural understaffing of the inspectorate, the inspectors' mandate, the limited scope of the coverage, the lack of registration of companies, and the absence of a functioning reporting mechanism. These flaws could potentially have torpedoed Pakistan's GSP-Plus Status, a status not only beneficial to Pakistan, but also to the EU. It can hardly be called a surprise then, that that a possible solution was already underway. The 2015–18 ILO project "Strengthening of the Labour Inspection System in Pakistan", referred to by the Commission of Expert, was initiated to tackle these challenges. The project ended in December 2018 and was formally concluded with a report on its achievements, which I will discuss below.

Inspections on the Worksite: Paper and Practice

From December 2018 to January 2019, we conducted interviews with 15 workers who worked or had worked on the construction of the M4 Motorway. They were interviewed alone or in small groups of workers in their own houses. They were asked questions about the way they had been recruited, hired and paid, about their working conditions, and about safety issues. They were also asked if their worksites had been visited by inspectors or third-party auditors. As for this last question, the workers often referred to officers, auditors, inspectors without making a distinction whether they were government officials, commercial auditors or company engineers performing technical inspections. The overall picture emerging from the interviews is clear: inspections are frequent and according to some even take place on a daily basis. However, the inspectors do not actually speak with the workers. Boxes are checked on the inspector's ever-present clipboard, but the people on the site are left unchecked. Whether the inspectors' negligence in talking with the workers present on the worksite was just an oversight, an ingrained practice given little conscious thought, standard operational practice, or a result of the workers belonging to the informal economy and the inspectors to its formal counterpart is impossible to say. It is of some interest, however, that the employer (the hirer of the workers or his contractors) did consider the presence of the workers in connection to site visits of labour inspectors, third-party audi-

tors, and company officials. While most of the workers declared that they had never received any safety equipment (a thing they have in common with the vast majority of informal workers in the construction industry in Pakistan) despite the danger of some -or much- of their work, those workers who had received safety equipment from their employer, received it when an inspection was forthcoming. Seen in this light, the inspectors' failure seems a bit more deliberate. Especially given the fact that while the workers were unequivocal that inspections were frequent or even daily, all but two stated that none of the inspectors had ever spoken to them.

The answers give a picture of the frequency of worksite inspections or visits by labour inspectors, auditors, and company engineers and how such inspections were perceived by the workers. In order to present the full picture, the answers the workers gave are listed below:

Interview A1: 'Yes, there were visits by officers/auditors. They would see our work but never talked to us directly. They would talk to the contractor only. During the visits, we would only work.'

A2: 'The auditors/officers would visit us and see the work. Once during inspection our whole work failed and we had to do it from the start again. We behaved as we usually did. Just focused on our work.'

A3: 'Yes, there were visits by auditors/officers. They never spoke to us.'

A4: 'The Chinese and Pakistani officers would come to visit the site and the work almost daily. No, we not interviewed by any of them. Yes, the contractor would ask us to just focus on our work during the visits.'

A5: 'Yes, there were visits by auditors/officers who would check our work. They would come almost daily. Never did they interview us. Yes, the contractor (thekedar) would ask us to be extra careful during such visits. And when there were some high-ups coming, we were provided with helmets, jackets and boots.'

A6:-

A7: 'Usually we didn't wear any safety tools like helmets, jackets and boots but sometimes we were given them when there was an inspection by the top officers.'

A8: 'Yes, there were visits by officers/engineers. They would see our work and advise accordingly.'

A9: 'Yes, the officers/engineers would inspect our work. We don't know exactly who these persons were whether they were ZKB high ups, Chinese or others. We already were so engrossed in work so no one ever had to tell us to behave.'

A10: 'Yes, officers would visit us to see our work. No, they never spoke to us.'

A11: 'I was never interviewed by any officer/auditor.'

A12: 'The officers would come to visit the sites, but I never spoke to them.'

A13: 'There was no interview but instructions from the inspectors checking our work. There was no need to us be instructed to behave because we already would be busy with it to meet the target before the end of work.'

A14: 'Usually the contractor saw our work because he had to report to the engineers. They did talk to other workers but never to me.'

A15: 'Yes, the engineers/officers would talk to us and instruct about how the water should be spilled on the surface and how not.'

The frequency of inspections on the M4 Highway worksite, whether by company officers, external auditors or government officials does not seem to be an issue seen from domestic or international laws and conventions, or even within the framework of maintaining Pakistan's GSP-Plus Status; the sites were inspected on a nearly daily basis. However, as became clear from the responses to our questions, never did the inspectors engage with the workers themselves. The fact that inspectors, officers and/or auditors would be on site on an almost daily basis, without ever speaking to the workers is worrisome, since because of the lack of contracts and other written documents, there is no other way to ensure that labour rights are being enforced. Perhaps the paradox of the workers' informal status rears its ugly head again. Because the workers have an informal status, the Labour Inspectorate is the only viable and formal way to safeguard -at least some of- their rights. But because their status is informal, the Labour Inspectorate will not interfere and enforce.

This phenomenon—a very high frequency of on-site inspections, coupled with a very low interactivity with the site workers—also shows that it is not merely the quantity of the inspections that matters. The quality of the inspections is even more important. The high frequency of the inspections is in itself not particularly beneficial to the labourers. This is also one of the findings in the *European Union Agency for Fundamental Rights report Protecting*

Migrant Workers from Exploitation in the EU: Boosting Workplace Inspections. As one of its key findings, the report notes that:

Exploited workers indicate that increasing the number of inspections alone is not the solution, as –from the perspective of workers and their rights – inspections can be beneficial or detrimental. Evidence shows that, when monitoring bodies take the time and effort to inform workers about the aim of inspections, to inform and reassure them about their rights and about the next steps in potential investigations, and to refer them to support services, exploited workers feel supported and empowered to participate in proceedings against exploitative employers.¹⁴⁸

A lesson can be drawn from this conclusion: increasing the frequency of site inspections is by itself never a sufficient measure against labour exploitation. A labour inspectorate is meaningless if it is not in a position to note and then remedy abuses by mobilizing the entire network of services and support it should have access to as a vital organ of the state.

Empowering the Pakistan Labour Inspectorate

Between July 2015 and June 2018, the ILO ran the program ‘Strengthening Labour Inspection System for Promoting Labour Standards and Ensuring Workplace Compliance in Pakistan,’ in order to ultimately ‘promote more respect for labour norms and create safer workplaces in Pakistan.’ One of the goals was to train and recruit more inspectors.¹⁴⁹ The project was financed and supervised by the Ministry of Foreign Affairs of the Netherlands – a member state of the EU.

The necessity for strengthening the labour inspectorate in Pakistan first emerges from the numbers. In the description of the project it is mentioned that the total number of labour inspectors in Pakistan stood at just 337 in 2011–12, which truly pales in com-

148) European Union Agency for Fundamental Rights, ‘Protecting migrant workers from exploitation in the EU: boosting workplace inspections’, (Luxembourg: Publications Office of the European Union, 2018), 7, https://fra.europa.eu/sites/default/files/fra_uploads/fra-2018-protecting-migrant-workers-boosting-inspections_en.pdf. Accessed on 28-03-2019.

149) See <https://www.ilo.org/islamabad/lang--en/index.htm>. Accessed on 28-03-2019.

parison to the size of the national workforce – estimated at 53.67 million in 2012–13.¹⁵⁰ This means that there was one inspector for every 159,258 workers, while the ideal situation for less developed countries as stipulated by the ILO in its report *Strategies and Practice for Labour Inspection* is one inspector for every 40,000 workers. Punjab Province is host to the largest part of the Pakistani workforce, at 34,360,000 million workers with a staff of 242 labour inspectors.¹⁵¹ Another reason to improve the quality – and one imagines in particular that kind of quality that can also be conclusively captured in reports, tables, and diagrams – seems to have emerged from the EU’s commitment to help Pakistan in obtaining and maintaining its GSP-Plus Status.

In its drive to improve the labour inspection culture in Pakistan, the main activities of ‘Strengthening of the Labour Inspection System in Pakistan’ included:¹⁵²

- Reform of policies and legislation to enhance the role of labour inspection in improved working conditions
- Upgrade the institutional capacity of the labour inspectorate in terms of human and material resources, technical skills, information management systems, and compliance and reporting on the Labour Inspection Convention (No. 81).
- Engage effectively with employers and workers on the process of labour inspection.
- Improve the coverage and quality of labour inspection through involvement of industrial associations and the promotion of corporate social responsibility (CSR) and awareness.

The promotion of Corporate Social Responsibility is an interesting addition to the list of activities, because it builds on the existing public-private cooperation between the ILO and corporations. The main outputs that the project aimed for were:¹⁵³

150) ILO, ‘Strengthening Labour Inspection system for Promoting Labour Standards and ensuring workplace compliance in Pakistan’, Project Concept Note for Technical Cooperation Projects, 6.

151) ILO, ‘Strengthening Labour Inspection system’, Project Concept Note, 8.

152) ILO, ‘Strengthening Labour Inspection system’, Project Concept Note.

153) ILO, ‘Strengthening Labour Inspection system’, Project Concept Note, 9-12.

Outcome-1: Policies, Laws, Regulations on Labour Inspection reformed. Implementation plans developed for the Policy and Legislations and actions supported to allocate resources for implementation of reformed labour inspection system.

Outcome-2: Institutional capacities of the Labour Inspectorate strengthened in terms of human and material resources, technical skills, information management systems and compliance and reporting on C81 (Labour Inspections).

Capacity development programmes/workshops carried out among Labour Inspectors, their supervisors and judges of labour courts with the aim to develop and operationalize OSH and modern labour inspection procedures and practices;

Outcome-3: Capacities of the workers' and employers' organization strengthened and their active engagement in labour inspection and OSH activities promoted.

In view of growing informal sector in Pakistan (from 65% in 2002-03 to 73% in 2012-13) and their continuous exclusion from Labour law regulation, it is imperative to design innovative methods and mechanisms to increase outreach of Labour inspectorate to the informal economy workers. One possible way is to develop and strengthen institutional relationship between public representatives at the lowest administrative units (village council or union councils) and the labour inspectorate where village/union council members will support and facilitate access of Labour inspectors to domestic-workers, home-based workers, agricultural workers and other major types of informal economy workers. In each village/union council, there is a specific representation of peasant/worker. Same goes for the civil society organizations.

Outcome-4: Outreach and quality of Labour Inspection improved through involvement of Industrial Associations, promotion of CSR and awareness.

All objectives are equally relevant for Pakistan, but for this study two observations are particularly significant: first, that the 73% of the workers in the informal economy should be prioritized and second, that CSR should be promoted. Adequate routes to tackle the challenges would have to include not merely an enlargement

of the labour inspection force and training facilities, but also the foundation of a reporting mechanism, a proper registration procedure for all unregistered companies and workplaces, protection and access to justice and remedies for workers in the informal industry, parallel to the concerns that were expressed by the Pakistan Workers' Federation in the ILO reporting mechanism procedure. An honest appraisal of the project's stated objectives would have to arrive at the conclusion that its ambitions came close to the building at least part of a state.

The ambitious project finished in December 2018 and was officially reported as concluded in June 2019.¹⁵⁴ In a one-page document, the Dutch Ministry of Foreign Affairs summarized what the project achieved:

The project contributed to the following achievements, among others:

- *Provincial Action Plans to improve Labour Inspection system developed and endorsed by the Provinces;*
- *Strengthened social dialogue amongst local stakeholders that promoted actions of mutual interest within the purview of Labour Inspection;*
- *Enactment of OSH laws in Sindh and Punjab provinces 450 Labour Inspection staff from the four provinces as well as Islamabad Capital Territory, Gilgit Baltistan and Azad Jammu and Kashmir trained on "Effective Labour Inspection, Wages and OSH";*
- *The recruitment of around 96 additional Labour Inspectors, including 18 women;*
- *Training material on Effective Labour Inspection, OSH and Accident Investigation developed, and is now a resource for government owned training institutions;*
- *Increased number of employers and workers made aware of OSH needs and pertinent actions that could help improve OSH conditions at workplaces;*
- *Private Compliance Initiatives (PCIs) mapped;*
- *Labour Inspection Management and Information System (LIMIS) supported;*
- *Labour Inspection profile developed; and*
- *Annual labour inspection reports prepared.*

154) Ministry of Foreign Affairs of the Netherlands and ILO, 'Strengthening Labour Inspection System in Pakistan (2015- 2019)' (The Hague/Islamabad: ILO, June 2019), https://www.ilo.org/wcmsp5/groups/public/@dgreports/@exrel/documents/genericdocument/wcms_707584.pdf. Accessed on 28-03-2019.

As far as can be deduced from this document, the project's achievements have been substantial, although, as projects, and ambitious projects in particular, tend to go, a sizable gap exist between the stated objectives and the recorded achievements. The proof of the pudding is in the eating, however, and any real evaluation of the achievements of this project will only be meaningfully revealed by seeing to what extent improvements on the worksites themselves have taken place.

The workers interviewed in December 2018 and January 2019 had obviously not yet profited from the reported improvements, but that can perhaps hardly be expected from a project that finished around that same time.

Conclusion

International conventions, national labour laws, and the protective measures embedded in CSR policies are effective only by the grace of enforcement. And proper enforcement does not come alone; it brings with it a network of services and support, of alternatives, and of back-ups. If not, elegantly worded intentions remain just that, words on a piece of paper with little practical value. This has obviously been the case for the workers on the M4 Highway. Virtually all the workers claimed that their wages were not sufficient to earn them a decent living, payments were often overdue and not fully paid. Safety equipment was not provided for on the building sites. These were only provided in some cases, if an inspection was thought to be imminent. The fact that the workers are part of the informal economy and as such do not receive any contract or document which states and confirms their rights, makes them extra vulnerable to being subject to infringements and abuse. Being part of the informal economy is finding oneself in a vicious circle of having no rights, leading to bad working conditions, low wages, no job security, unsafe situations and no enforcement of labour legislature. Which leads to bad working conditions et cetera. Rinse and repeat. A well-functioning labour inspection is a prerequisite to intervene in this vicious circle and make a start with changing the situation of these workers for the better. As such, the aforementioned ILO-project was exactly what the situation in Pakistan needed. At the same time, it would be a waste of money, time, and

effort if such projects only serve to increase paperwork, written laws, and regulations which may contain the rights of workers, but would only function as fig leaves to conceal the ugly realities of daily practice. Time will tell whether this will be the case here, but the testimonies of the M4 Motorway workers caution us to remain sceptical until other worksite interviews have shown a clear change in circumstances. The key take-away here is that the standard for evaluation of the working conditions of the workers must always -also- be sought in workers' testimonies and on that front at least, the ILO project seems not have been particularly successful.

The 'Strengthening Labour Inspection System for Promoting Labour Standards and Ensuring Workplace Compliance in Pakistan' project has made an initial and crucial attempt to improve the Pakistan Labour Inspectorate. The effects on the long-term remains to be seen and also after the completion of this project continuous monitoring will remain of key importance, but as the saying goes: even a journey of a thousand miles begins with a single step.

The Asian Development Bank, Core Labour Standards and the M4 Highway Project

Antoine Duval & Alexandru Tofan

Introduction

This chapter builds on the empirical findings gathered by the research team in the previous chapters to deliver a legal perspective on the compliance of the M4 Highway Project with the Asian Development Bank's (ADB) obligations and commitments in terms of labour rights and in particular with regard to the Core Labour Standards (CLS) of the International Labour Organisation (ILO). The ILO in its 1998 Declaration on Fundamental Principles and Rights at Work declared that "all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely: (a) freedom of association and the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labour;

(c) the effective abolition of child labour; and (d) the elimination of discrimination in respect of employment and occupation”. This set of labour rights constitute the CLS and have been recognised by Principle 12 of the United Nations Guiding Principles on Business and Human Rights (UNGPs) as part of the human rights covered by the responsibility to respect applicable to businesses.

In this chapter, we will first reflect more generally on the integration of human rights and labour rights (in particular the CLS) in the operations of Multilateral Development Banks (MDBs), before looking more specifically at the ADB’s policies with regard to the CLS and their impact (or lack thereof) in the context of the M4 Highway Project.

Multilateral Development Banks and Human Rights

The purpose of this section is to present an overview of the relationship between MDBs and human rights. Accordingly, the first sub-section deals with the nature of the human rights obligations of development banks under international law. The second sub-section deals with the concrete ways in which MDBs integrate human rights in their work processes.

The human rights obligations of MDBs under international law

Multilateral Development Banks are international organisations meant to foster economic and social development in the public or private sector.¹⁵⁵ They are established by states through treaties often designated ‘Articles of Agreement’ (AoA).¹⁵⁶ Examples include the World Bank, the Asian Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development. The important effects of the projects they financed on the local environment, labour market or social fabric have led

155) Leonardo A. Crippa, ‘Multilateral Development Banks and the Human Right Responsibility’, *American University International Law Review* 25 no. 3 (2010), 531-533.

156) See, e.g., International Bank for Reconstruction and Development, ‘Articles of Agreement’ (27 June 2012) available at: <http://pubdocs.worldbank.org/en/722361541184234501/IBRDArticlesOfAgreement-English.pdf>; Asian Development Bank, ‘Agreement Establishing the Asian Development Bank’ (22 August 1966) available at: <https://www.adb.org/sites/default/files/institutional-document/32120/charter.pdf>; European Bank for Reconstruction and Development, ‘Basic Documents of the EBRD’ (30 September 2013), available at: <https://www.ebrd.com/news/publications/institutional-documents/basic-documents-of-the-ebrd.html>.

in the nineties to widespread criticisms of their human rights record.¹⁵⁷ Civil society activists started to demand that their activities be conducted in compliance with human rights. Yet MDBs' obligations under international human rights law remain far from clear to date.¹⁵⁸ In the literature, the current state of the debate presents two prevailing approaches to MDBs' human rights obligations. MDBs are said to accrue human rights obligations either directly or indirectly.¹⁵⁹

The direct approach sees MDBs as having international legal personality and therefore as subjects of international law.¹⁶⁰ This is based on a classification of MDBs as international intergovernmental organisations and not as mere non-State actors.¹⁶¹ This approach is premised on the fact that MDBs possess all the characteristics of an intergovernmental organisation (e.g. established, comprising of and governed by states) and that they satisfy the requirements for international legal personality under the International Court of Justice's *Reparations* Advisory Opinion.¹⁶² In the case of the ADB, it is argued that the AoA confer upon it all the elements necessary for the establishment of international legal personality.¹⁶³ This would entail that the ADB, together with other MDBs, would be directly

157) Patricia Armstrong, 'Human Rights and Multilateral Development Banks: Governance Concerns in Decision Making', *Proceedings of the ASIL Annual Meeting* 88 (1994): 277-282.

158) There is a growing literature on the subject and little consensus on the questions. Specifically on the Asian Development Bank, see Sanae Fujita, *The World Bank, Asian Development Bank and Human Rights: Developing Standards of Transparency, Participation and Accountability* (Edward Elgar Publishing, 2013). For academic publications discussing the IMF, the World Bank and human rights, see Sigrun Skogly, *The Human Rights Obligations of the World Bank and the International Monetary Fund* (Cavendish Publications, 2001); Mac Darrow, *Between Light and Shadow: The World Bank, the International Monetary Fund and International Human Rights Law* (Hart Publishing, 2003); Willem van Genugten, Paul Hunt and Susan Matthews, *World Bank, IMF and Human Rights* (Wolf Legal Publishers, 2003); Andrew Clapham, *Human Rights Obligations of Non-State Actors* (Oxford University Press, 2005).

159) Fujita, *The World Bank, Asian Development Bank and Human Rights*, 4.

160) *Ibid.*, 7-8.

161) For a discussion, see Crippa, 'Multilateral Development Banks', 536-544.

162) See also the 'Interpretation of the Agreement of 25 March 1951 between the WHO and Egypt', Advisory Opinion, ICJ Reports 1980, 73 and 89-90. The Advisory Opinion reads: 'International organizations are subjects of international law and, as such, are bound by any obligations incumbent upon them under general rules of international law, under their constitutions or under international agreements to which they are parties'.

163) Fujita, *The World Bank, Asian Development Bank and Human Rights*, 8 and 25.

bound by treaty law, customary international law and general principles of law. Nonetheless, MDBs are generally not party to any treaties (much less so to human rights ones),¹⁶⁴ which means that any human rights obligations binding on them stem from customary international law. The growing consensus seems to be that MDBs should at the very least respect human rights that have become customary international law. Some scholars even argue that their customary law obligations extend beyond a mere duty to respect; MDBs shall on this reasoning avoid directly violating any human rights and avoid complicity in violations of human rights obligations.¹⁶⁵

The indirect approach to MDBs' obligations builds on the idea that "[...] [a] State that transfers competences to, or participates in, an international organisation must take all reasonable steps to ensure that the relevant organisation acts consistently with the international human rights obligations of that State."¹⁶⁶ In other words, the human rights obligations of States are not directly transferred to the MDBs but the constituent States must ensure that the organisation operates in a manner consistent with their standing human rights obligations.¹⁶⁷ This reasoning has been reflected in international conventions such as Article 32 of the UN Convention on the Rights of Persons with Disabilities, which stipulates that State parties should promote the purposes and objectives of the Convention for instance by "(a) Ensuring that international cooperation, including international development programmes, is inclusive and accessible to persons with disabilities". This article therefore explicitly extends the obligations under the convention to situations where states act through development institutions such as MDBs. Following this reasoning, States' duty to respect, protect and fulfil human rights would apply to their actions (1) as recipients of public finance, (2) as financiers, and (3) as decision-makers within multilateral and domestic financial institutions.

164) Ibid., 8.

165) Ibid., 8-9. Cf. Skogly, *The Human Rights Obligations of the World Bank and the IMF*, 151 and 193, and Clapham, *Human Rights Obligations of Non-State Actors*, 151.

166) 'Maastricht Principles on Extraterritorial Obligations of States in the Area of Economic, Social and Cultural Rights' (2011), 15. See also: 'Maastricht Guidelines on Violations of Economic, Social and Cultural Rights' (22-26 January 1997).

167) Fujita, *The World Bank, Asian Development Bank and Human Rights*, 4-5; see also: Skogly, *The Human Rights Obligations of the World Bank and the IMF*, 109.

The indirect approach is also strongly reflected in Principle 10 of the UNGPs, which reads:

States, when acting as members of multilateral institutions that deal with business-related issues, should:

(a) Seek to ensure that those institutions neither restrain the ability of their member States to meet their duty to protect nor hinder business enterprises from respecting human rights;

(b) Encourage those institutions, within their respective mandates and capacities, to promote business respect for human rights and, where requested, to help States meet their duty to protect against human rights abuse by business enterprises, including through technical assistance, capacity-building and awareness-raising;

(c) Draw on these Guiding Principles to promote shared understanding and advance international cooperation in the management of business and human rights challenges.

Principle 4 of the UNGPs also provides that “States should take additional steps to protect against human rights abuses by business enterprises [...] that receive substantial support or services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence.”

In conclusion, MDBs should probably comply with human rights to the extent that they constitute international customary law and a compelling case can be made that they have at least indirectly, through the obligations of their member states, a duty to respect human rights (including CLS). Moreover, even if one entirely denies the existence of such direct or indirect human rights obligations, MDBs are in any event subject to the responsibility to respect human rights enshrined in the second pillar of the UNGPs.

MDBs’ Approach to Integrating Human Rights

MDBs have been slow in integrating human rights in their operational processes. Currently, MDBs’ due diligence processes include fiduciary, legal, social, economic and environmental considerations. References to human rights remain generally scarce as they are often treated as political considerations. Indeed, most AoA of

MDBs include a clause explicitly prohibiting basing a lending decision upon political considerations.¹⁶⁸ In the case of the ADB, its reluctance to embrace human rights has been attributed to concerns among member states about protecting sovereignty, to questions surrounding the universality of human rights standards, and to the prohibition on political interferences.¹⁶⁹ Some scholars suggest that this reluctance can be further attributed to the disinclination of some member states (e.g. China, Myanmar, Singapore and Thailand) to the concept of human rights.¹⁷⁰ The ADB exhibits a reluctance to commit to human rights at the policy or operational level.¹⁷¹ Byrnes argues that “[t]he ADB has been reluctant to embrace human rights standards explicitly in its policy documents, to use a human rights framework systematically in its policies and operations, or even to follow the World Bank in its approach to development and human rights. This reflects concerns among many member states about protecting their sovereignty and questioning universal human rights standards, sometimes justified by reference to the prohibition in the ADB Charter on ‘political activity’ and on taking into account considerations other than ‘economic considerations.’^{172”}

The MDBs have been much more proactive in devising safeguard policies concerning the environment, involuntary resettlement or indigenous people without referring directly to their human rights dimension. In doing so, they have also developed grievance mechanisms that are supposed to provide avenues for disgruntled actors to raise their concerns. The most well-known are the World Bank’s Inspection Panel (for projects supported by the International Development Association and the International Bank for Reconstruction and Development) and Compliance Advisor

168) See, e.g.: IBRD, Article IV S.10: ‘The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I. See also article 36 of ‘Agreement Establishing the Asian Development Bank’ (ADB, 1966).

169) Andrew Byrnes, ‘The Asian Development Bank and the Role of Human Rights in the Pursuit of Just and Sustainable Development in the Asia-Pacific Region: An Advocacy Role for Australia?’, *Australian International Law Journal* 19 (2011), 8.

170) *Ibid.*, 7-8.

171) Fujita, ‘The World Bank, Asian Development Bank and Human Rights’, 56-59.

172) Byrnes, ‘The Asian Development Bank and the Role of Human Rights’, 8.

Ombudsman (for projects supported by the International Finance Corporation and the Multilateral Investment Guarantee Agency). The ADB maintains the ‘Accountability Mechanism’ (AM), which provides problem solving and compliance-review functions.

In short, the MDBs have until today failed to acknowledge their human rights obligations, nor have they at this stage committed to funding only projects that are in full compliance with the CLS. It remains to be seen what the ADB has committed to in terms of labour rights? And how effective in practice have these commitments been?

The Asian Development Bank and Labour Rights

The MDBs do not have the reputation to be supportive of labour rights.¹⁷³ In fact, the World Bank’s infamous Doing Business report has been criticised at length for adopting an anti-labour logic.¹⁷⁴ Nonetheless, this critique of MDBs has led to some, at least rhetorical, changes in the way they consider labour rights and in particular the CLS.¹⁷⁵ In particular, the ADB was the first MDB to endorse the CLS in its Social Protection Strategy published in 2001.

The ADB’s social protection strategy

In a lengthy document of more than 100 pages, the ADB spelled out its ambition to provide for social protection in Asia.¹⁷⁶ In this regard, it highlighted “labor markets” as one of the main components of social protection and considered that “appropriate steps should be taken to ensure that procurement of goods and services, contractors, subcontractors, and consultants, comply with the country’s labor

173) Robert G. Blanton, Shannon Lindsey Blanton, and Dursun Peksen, ‘The Impact of IMF and World Bank Programs on Labor Rights’, *Political Research Quarterly* 68, no. 2 (2015), 324-36.

174) Peter Bakvis, ‘The World Bank’s Doing Business Report: A Last Fling for the Washington Consensus?’, *Transfer: European Review of Labour and Research* 15, no. 3-4 (2009), 419.

175) Notably, in 2016, the World Bank adopted new safeguard policies which, for the first time, expressly address labour standards concerns. For a first assessment of their effectiveness, see Franz Christian Ebert, ‘Labour Standards and the World Bank: Analysing the Potential of Safeguard Policies for Protecting Workers’, in *Labour Standards in International Economic Law*, ed. Henner Gött (Cham: Springer, 2018).

176) ‘*Social Protection Strategy*’ (Asian Development Bank, July 2001). Available at <https://www.adb.org/sites/default/files/institutional-document/32100/social-protection.pdf>.

legislation (e.g., minimum wages, safe working conditions, social security contributions, etc.) as well as with the Core Labor Standards”.¹⁷⁷ More concretely, ADB committed to “take all necessary and appropriate steps to ensure that for ADB-financed procurement of goods and services, contractors, subcontractors and consultants will comply with the country’s labor legislation (e.g., minimum wages, safe working conditions, and social security contributions, etc.) as well as with the Core Labor Standards”.¹⁷⁸ Importantly, ADB also vowed to monitor the compliance with this commitment as part of its regular loan reviews. This strategic commitment to enforce the ILO’s CLS was recognised as an important first step for a MDB.¹⁷⁹ However, it remained almost *lettre morte* in practice until the adoption of the Handbook on Core Labor Standards in 2006.

The ADB Handbook on Core Labor Standards

After the signature of a memorandum of understanding in 2002 between the ILO and the ADB,¹⁸⁰ both organisations jointly developed what became the Handbook on Core Labour Standards released in 2006. The Handbook aims to look “at ways in which [CLS] can be incorporated into ADB activities”.¹⁸¹ It “gives practical knowledge on how ADB operations can comply with the CLS”.¹⁸² However, its recommendations “are not an expansion of any policy, and the user should note the distinction between good practice suggestions, i.e., the examples in this Handbook, and the policy requirements presented in ADB’s Operations Manual”.¹⁸³ In short, the Handbook “does not introduce any new policies or compliance requirements

177) *Ibid.*, 16.

178) *Ibid.*, 57.

179) Peter Bakvis and Molly McCoy, ‘Core Labour Standards And International Organizations: What Inroads Has Labour Made?’, Briefing Papers (*Friedrich-Ebert-Stiftung*, 2008). Available at <https://library.fes.de/pdf-files/iez/05431.pdf>.

180) ‘Memorandum of Understanding between the Asian Development Bank and the United Nations International Labour Organization’ (Asian Development Bank, 2002). Available at <https://www.adb.org/sites/default/files/institutional-document/33511/files/mou-ilo.pdf>.

181) ‘Core Labor Standards Handbook’ (Manila: Asian Development Bank, 2006), 4. Available at <https://www.adb.org/sites/default/files/institutional-document/33480/files/cls-handbook.pdf>.

182) *Ibid.*, 7.

183) *Ibid.*, 4.

for ADB's operational staff".¹⁸⁴ Nonetheless, the Handbook claims that, since the approval of the Social Protection Strategy, "CLS have become an integral part of ADB's development mission"¹⁸⁵ and that it commits "ADB to comply with the CLS, and guide ADB operations to good labor and social protection practices".¹⁸⁶ This Handbook is an ambiguous document. It fleshes out the strong commitment to enforce CLS made by ADB in 2001, while being presented as non-binding on ADB staff and as merely providing a knowledge base.¹⁸⁷ Nonetheless, it ought to play a role as a guiding interpretative tool to determine whether the 2001 commitment to CLS is being met in practice.

The ADB Safeguard Policy Statement

In July 2009, ADB released its Safeguard Policy Statement (SPS). This statement consolidated and updated the three previously existing safeguard policies, which addressed three key areas of concern for the ADB: impacts on the environment, involuntary resettlement and impacts on indigenous peoples. Yet, it did not introduce any new commitments towards the compliance of ADB-financed projects with the CLS or other labour rights. Instead, it simply noted "core labor standards and broader social protection issues are already included in ADB's Social Protection Strategy (2001)" and "also handled through Operations Manual section on incorporation of social dimensions into ADB operations".¹⁸⁸ However, the Operations Manual in question does not mention the CLS and is not referring to the Handbook as a reference document on which it is based.¹⁸⁹ In other words, operationally the political and rhetorical commitment to the CLS is not reflected in the key legally binding documents

184) Ibid., 7.

185) Ibid., 6.

186) Ibid.

187) Highlighting this contradiction, see Bakvis and McCoy, 'Core Labour Standards And International Organizations', 8.

188) 'Safeguard Policy Statement', Policy Paper (Asian Development Bank, 2009), 9. Available at <https://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>.

189) 'Operations Manual Bank Policies (BP)' (Asian Development Bank, 6 December 2010). Available at <https://www.adb.org/sites/default/files/institutional-document/31483/om-c3.pdf>.

of the ADB.¹⁹⁰ The refusal to enshrine the CLS in the SPS and the Operations Manual has the practical consequence of removing them from the existing safeguard procedures, which include the obligation for the borrower to produce an impact assessment, to devise a plan to tackle potential adverse impacts, and to inform and consult potentially affected people. Furthermore, issues related to noncompliance with the CLS are also more likely to be ignored by ADB's monitoring of the borrower's implementation of the safeguard. Finally, people adversely affected by ADB projects can have recourse to ADB's Accountability Mechanism but solely to report alleged violation of ADB's operational policies and procedures. It is therefore uncertain whether a violation of the CLS by a contractor on a project financed by ADB would be falling under the scope of jurisdiction of ADB's Accountability Mechanism.

The ADB Social Protection Operational Plan 2014-2020

The ADB's most recent policy document released on the matter is the Social Protection Operational Plan 2014-2020 in which the bank highlights as a priority to "ensure that ADB operations comply with the CLS".¹⁹¹ More precisely with regard to infrastructure programmes, ADB commits to "ensure that its lending operations in infrastructure (and in other sectors) adhere to the CLS" and that a "project's potential impacts on workers will be identified and assessed early in the project cycle".¹⁹² Furthermore, "plans to avoid, minimize, or mitigate potential adverse impacts on workers will be developed and implemented".¹⁹³ Finally, it is said, "ADB will utilize the Large Works (International Federation of Consulting Engineers, or FIDIC) and Plant (Engineering Advancement Association of Japan, or ENAA) Conditions of Contract requiring contractor compliance".¹⁹⁴

190) Raising such concerns, see 'Engaging with Asian Development Bank for Workers Rights: A Trade Unions Guide to Understanding ADB' (Faridabad: GUF/FNV, April 2012). Available at https://www.world-psi.org/sites/default/files/documents/research/a_trade_union_guide_to_understanding_adb_psi-2012.pdf.

191) 'Social Protection Operational Plan 2014-2020' (Mandaluyong City: Asian Development Bank, 2014), 9. Available at <https://www.adb.org/sites/default/files/institutional-document/42704/files/social-protection-operational-plan.pdf>.

192) Ibid., 12.

193) Ibid.

194) Ibid.

As becomes clear from this section, ADB's commitments to comply with the CLS (and national labour law) are only a glass half full. On the one hand, the bank was one of the first MDBs to commit to push for compliance with the CLS and national labour law in 2001, the World Bank followed only in 2016. But, on the other hand, it has since then refused to strongly bind itself to enforce this commitment by making the Handbook on Core Labor Standards binding internal policy or by integrating the CLS in its 2009 Safeguard Policy Statement as the World Bank did in 2016. In short, while the ADB has been quite ready to commit to CLS on paper, as illustrated again in the latest Social Protection Operational Plan 2014-2020, it is questionable whether it actually does so in action.

The ADB's CLS Commitments in Action: The M4 Motorway Project

To properly understand the impact of ADB's commitment on the labour rights of workers involved in ADB project, we need to investigate how those commitments are reflected in day-to-day practice. To do so, we will rely on the empirical findings on the M4 Project Gojra-Shorkot-Khanewal Section outlined in the previous chapters.

ADB's labour rights policies in the M4 Motorway Project

The ADB did consider the CLS both in the conceptualisation and design phase of the M4 Motorway Project and in the Loan Agreements signed.

Labour rights during the M4 Project Conceptualisation and Design phase

Labour rights played a (minor) role during the project's conceptualisation phase where they were marginally integrated in the Initial Poverty and Social Analysis (IPSA) meant to identify social issues. In the context of the M4 motorway project the IPSA identified "adhering to core labor standards"¹⁹⁵ as a potential issue to be considered in the project design. However, it did not detail any further why CLS compliance could be an issue, nor did it provide

195) 'National Motorway M4 Gojra-Shorkot Section Project: Initial Poverty and Social Analysis' (Asian Development Bank, 2015), 11. Available at <https://www.adb.org/sites/default/files/project-document/158500/48402-001-ipsa.pdf>.

any refinement of the main problems to be dealt with. It simply indicated that « [a]dherence to core labor standards [...] will be included in the construction contracts », without advancing any type of concrete mechanism to ensure that this contractual requirement will be monitored and enforced. The second phase in ADB projects ('project design') builds on the findings of the IPSA and foresees that a social analysis should be carried out to examine opportunities, constraints and likely social impacts of the project, and to identify and design measures that can maximise social benefits and avoid or minimise the social risks. The result of this analysis are summarised in a Summary Poverty Reduction and Social Strategy document. This document does mention that “[r]isks in the labour market will be closely monitored since the US Department of State classifies Pakistan as a Tier 2 country and warns that it is a source, transit, and destination country for men, women and children subjected to forced labour and sex trafficking”.¹⁹⁶ In fact, it foresees that “[d]uring implementation, the construction supervision consultant will closely monitor the labour environment and ensure that ADB’s Core Labour Standards and the country’s relevant laws and regulations are complied with to maintain a healthy work environment at the site”.¹⁹⁷

Labour rights in the agreements between ADB and the National Highway Authority

The Loan Agreements between the Islamic Republic of Pakistan and the Asian Development Bank are unequivocal, they provide in Schedule 5 Paragraph 14 that Pakistan (The Borrower) “shall ensure, that the core labor standards and the Borrower’s applicable labor laws and regulations are complied with during Project implementation”.¹⁹⁸ Moreover, the Borrower should also ensure “that contractors, other providers of goods and services, and their subcontractors, engaged under contracts for Works, have Works

196) ‘National Motorway M4 Gojra–Shorkot Section Project: Summary Poverty Reduction and Social Strategy’ (Asian Development Bank, 2015), 3. Available at <https://www.adb.org/sites/default/files/linked-documents/48402-001-sprss.pdf>.

197) Ibid.

198) ‘Loan Agreement (Ordinary Operations) for Loan 3300-PAK: National Motorway M4 Gojra-Shorkot Section Project’ (Asian Development Bank, 2015). Available at <https://www.adb.org/sites/default/files/project-document/176053/48402-001-lbj.pdf>.

contracts which include specific clauses to: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) comply with all legally mandated provisions on health, sanitation, and appropriate working conditions, including accommodation where appropriate for construction workers at construction campsites; (c) use their best efforts to employ women and local people, including disadvantaged people, living in the vicinity of the Works; (d) provide equal pay to men and women for work of equal type; (e) provide and adequately equip first-aid, health and sanitation, and personal hygiene facilities for male and female workers at the Works sites; (f) maximize female training and employment; (g) conduct an information and education campaign on sexually transmitted diseases and HIV/AIDS for construction workers as part of the health and safety program at campsites and adjacent communities during Works implementation; (h) allow freedom of association and effectively recognize the right to collective bargaining; and (i) abstain from forced or child labor".¹⁹⁹ Finally, Pakistan "shall ensure, and cause NHA to ensure, compliance with the labor standards and provide ADB with regular reports."²⁰⁰

These contractual obligations are in theory quite far-reaching and protective for workers, who should, based on them, enjoy a working environment fully compliant with the CLS and Pakistani labour law. While, this looks on paper promising, we will see in the next section that based on the empirical findings of the research team some discrepancies between these commitments and the actual experience of M4 workers on the ground can be evidenced.

The reality on the ground at the M4 construction sites

Since 2001, ADB claims to ensure that projects financed by it are complying with the CLS and national labour laws. And yet, the empirical findings based on the interviews conducted by the research team (see chapter 3) point towards a relatively substantial gap between the written commitments and the reality on the ground. On at least two of the core labour standards - freedom of association and the effective recognition of the right to collective bargaining

199) Ibid.

200) Ibid.

and the effective abolition of child labour – the empirical evidence gathered points towards partial noncompliance with the CLS.

Despite the existence of the Pakistani Industrial Relations Act adopted in 2012, it seems that many workers on the M4 project were deprived of the possibility to unionise and engage in collective bargaining. None of the workers interviewed reported the existence of unions, and, more worryingly, some highlighted the systematic refusal of their employer to engage in any type of, even informal, collective bargaining. Moreover, the empirical work has also evidenced the widespread informality of labour relations around the M4 project. Many workers were simply not officially employed by subcontractors, who were themselves not necessarily registered companies. This specific context and structure of the labour market makes it much easier to evade compliance with the right to unionise and collectively bargain. Regarding child labour, the Pakistani construction industry, and in particular the Punjab province where the M4 is being built, are perceived as high risk (see chapter 2). In fact, some of the workers interviewed by the research team have reported the presence of very young workers (13 to 14 years old) on the building sites of the M4. While the evidence is not entirely conclusive, it seems safe to assume that there is a relatively high likelihood that child labour has been employed on the construction sites of the M4.

In any event, while we cannot definitely demonstrate violations of the CLS on the project's construction sites, we believe there are strong indications that ADB has failed to ensure the respect of the contractual requirements related to labour rights enshrined in the original Loan Agreements with Pakistan. ADB did publish extensive monitoring reports on the M4 project produced by external consultants hired by the Borrower. However, these are exclusively focused on environmental impacts and land acquisition,²⁰¹ they do not report and monitor the compliance of the Borrower and its agent the NHA with regard to the CLS. Despite the Borrower's contractual duty to regularly report on the compliance with labour standards in the context of the M4 Project, no such report has been

201) The relevant monitoring reports on the M4 Project are available: 'Pakistan: National Motorway M4 Gojra–Shorkot–Khanewal Section Project - Additional Financing', Asian Development Bank, last updated April 2019, <https://www.adb.org/projects/48402-002/main#project-documents>.

made publicly available on ADB's website. Thus, it seems ADB is trusting blindly the Borrower to comply with the labour rights requirements enshrined in the Loan Agreement, this is in spite of the specific risks identified *ex ante* with regard to compliance with the CLS in Pakistan. Our limited empirical study shows, moreover, that there are legitimate concerns in this regard. The labour rights pledges made on paper since 2001, ring quite hollow in practice in light of ADB's hands-off approach to making sure that they are taken seriously on construction sites like those of the M4 project.

Finally, it seems unlikely that affected parties would be able to access ADB's accountability mechanism with regard to breaches of the CLS. Indeed, ADB will not consider complaints "about actions that are not related to ADB's action or omission in the course of formulating, processing, or implementing ADB-assisted projects", nor will the Compliance Review Panel consider "complaints relating to actions that are the responsibility of other parties, such as a borrower, executing agency, or potential borrower, unless the conduct of these other parties is directly relevant to an assessment of ADB's compliance with its operational policies and procedures".²⁰² In the case of labour rights, as they are not integrated in ADB's safeguard policy nor in its Operations Manual, the responsibility to comply with the requirements enshrined in the Loan Agreement lies only with the Borrower and the executing agency, e.g. NHA.

Conclusion

ADB like other MDBs has been subjected to public scrutiny with regard to its compliance with international human rights standards as well as the CLS. In response to these external pressures the bank fully committed to the CLS in its 2001 Social Protection Strategy. Yet, it failed to integrate them fully in its internal policies, Safeguard and Operations Manual, this has, as we have evidenced in the context of the M4 project, diminished the practical relevance of the original commitment in favour of the CLS. The interviews conducted with workers involved with the M4 project have shown that the spirit and letter of the CLS have been partly disregarded

202) 'Accountability Mechanism Policy 2012' (Mandaluyong City: Asian Development Bank, 2012), 29. Available at <https://www.adb.org/sites/default/files/institutional-document/328211/accountability-mechanism-policy-2012.pdf>.

during the implementation of the project. Moreover, the systematic recourse to informal work on the construction sites limits substantially the ability of workers to organise collectively and bargain with their employers. It also heightens the risk of other CLS violations, such as the recourse to child labour or forced labour. In any case, it seems the ADB has not been strictly monitoring the compliance of the Borrowers with the labour rights obligations enshrined in its loan agreements. While ADB is imposing extensive reporting obligations on the Borrower for certain issues (environmental impacts, resettlement policies), it does not extend them to labour rights. The findings of this report underline the need for a much more extensive monitoring of labour conditions in ADB projects. Moreover, at the time of writing, ADB still lacks a specific department dealing with issues connected to violations of labour rights in the projects it finances. In fact, the Global Union Federations (GUFs) have been proposing a labour desk in the ADB for several years now without success.²⁰³ Our conclusions with regard to ADB's insufficient concerns for the respect of CLS on the working sites of the projects it finances are in tune with prior research done on the matter.²⁰⁴

Finally, we believe it can be legitimately argued that ADB as an MDB is subjected to international human rights, either directly or indirectly (through the commitments of its Member States). In fact, this is the unanimous position endorsed by the U.N. Human Rights Council when it supported the UNGPs in 2011 (including Principle 10 on the duties of states when acting as members of multilateral institutions that deal with business-related issues). In any event, the minimum expectation with regard to ADB's human rights responsibility should be the one enshrined in the second pillar of the UNGPs: The responsibility to respect human rights. Indeed, it would be incoherent to see MDBs (due to their status as international organisations) escape the arguably limited human rights responsibility expected from businesses under the UNGPs, while being also exempted from the human rights obligations applicable to states. Hence, ADB should at least "avoid infringing on the human rights of others and should address adverse human

203) 'Engaging with Asian Development Bank for Workers Rights' (GUF/FNV).

204) *Ibid.*

rights impacts with which they are involved” (UNGP 11). This would imply that the Bank adopts a policy commitment to meet its responsibility to respect human rights (including the CLS), puts in place a human rights due diligence process to identify, prevent, mitigate and account for how it addresses its impacts on human rights, and introduces processes to enable the remediation of any adverse human rights impacts it causes or to which it contributes (UNGP 15). Currently, the ADB lacks a proper human rights due diligence process covering the CLS and therefore fails to meet the minimum expectations enshrined in the second pillar of the UNGPs. It is high time for ADB to take its human rights, and labour rights, responsibility seriously by introducing solid human rights due diligence policies and by using its leverage on its partners, specifically its Borrowers, to mitigate the potential human rights risks and violations arising in the context of the projects it finances.

Appendices

Part I

Appendix I: Map of Highways in Pakistan



Appendix II: ILO Conventions Ratified by Pakistan

Fundamental

Convention	Date	Status	Note
C029 - Forced Labour Convention, 1930 (No. 29)	23-12 1957	In Force	
C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	14-02 1951	In Force	
C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	26-05 1952	In Force	

C100 - Equal Remuneration Convention, 1951 (No. 100)	11-10 2001	In Force	
C105 - Abolition of Forced Labour Convention, 1957 (No. 105)	15-02 1960	In Force	
C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	24-01 1961	In Force	
C138 - Minimum Age Convention, 1973 (No. 138) Minimum age specified: 14 years	06-07 2006	In Force	
C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)	11-10 2001	In Force	

Governance (Priority)

Convention	Date	Status	Note
C081 - Labour Inspection Convention, 1947 (No. 81)	10-10 1953	In Force	
C144 - Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)	25-10 1994	In Force	

Technical

Convention	Date	Status	Note
C001 - Hours of Work (Industry) Convention, 1919 (No. 1)	14-07 1921	In Force	

C004 - Night Work (Women) Convention, 1919 (No. 4)	14-07 1921	Not In Force	Abrogated by decision of the International Labour Conference at its 106th Session (2017)
C006 - Night Work of Young Persons (Industry) Convention, 1919 (No. 6)	14-07 1921	In Force	
C011 - Right of Association (Agriculture) Convention, 1921 (No. 11)	11-05 1923	In Force	
C014 - Weekly Rest (Industry) Convention, 1921 (No. 14)	11-05 1923	In Force	
C015 - Minimum Age (Trimmers and Stokers) Convention, 1921 (No. 15)	20-11 1922	Not In Force	Abrogated by decision of the International Labour Conference at its 106th Session (2017)
C016 - Medical Examination of Young Persons (Sea) Convention, 1921 (No. 16)	20-11 1922	In Force	
C018 - Workmen's Compensation (Occupational Diseases) Convention, 1925 (No. 18)	30-09 1927	In Force	

C019 - Equality of Treatment (Accident Compensation) Convention, 1925 (No. 19)	30-09 1927	In Force	
C021 - Inspection of Emigrants Convention, 1926 (No. 21)	14-01 1928	Not In Force	Abrogated by decision of the International Labour Conference at its 107th Session (2018)
C022 - Seamen's Articles of Agreement Convention, 1926 (No. 22)	31-10 1932	In Force	
C027 - Marking of Weight (Packages Transported by Vessels) Convention, 1929 (No. 27)	07-09 1931	In Force	
C032 - Protection against Accidents (Dockers) Convention (Revised), 1932 (No. 32)	10-02 1947	In Force	
C041 - Night Work (Women) Convention (Revised), 1934 (No. 41)	22-11 1935	Not In Force	Abrogated by decision of the International Labour Conference at its 106th Session (2017)
C045 - Underground Work (Women) Convention, 1935 (No. 45)	25-03 1938	In Force	

C059 - Minimum Age (Industry) Convention (Revised), 1937 (No. 59)	26-05 1955	Not In Force	Automatic Denunciation on 06 Jul 2007 by convention C138
C080 - Final Articles Revision Convention, 1946 (No. 80)	25-03 1948	In Force	
C089 - Night Work (Women) Convention (Revised), 1948 (No. 89)	14-02 1951	In Force	
C090 - Night Work of Young Persons (Industry) Convention (Revised), 1948 (No. 90)	14-02 1951	In Force	
C096 - Fee-Charging Employment Agencies Convention (Revised), 1949 (No. 96)Has accepted the provisions of Part II	26-05 1952	In Force	
C106 - Weekly Rest (Commerce and Offices) Convention, 1957 (No. 106)The Government has declared that the Convention also applies to persons employed in the establishments specified in Article 3, paragraph 1(c).	15-02 1960	In Force	

C107 - Indigenous and Tribal Populations Convention, 1957 (No. 107)	15-02 1960	In Force	
C116 - Final Articles Revision Convention, 1961 (No. 116)	17-11 1967	In Force	
C118 - Equality of Treatment (Social Security) Convention, 1962 (No. 118)Has accepted Branches (c) and (g)	27-03 1969	In Force	
C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)	25-10 1994	In Force	
C185 - Seafarers' Identity Documents Convention (Revised), 2003 (No. 185)	21-12 2006	In Force	
Amendments of 2016 to the Annexes of the Convention No. 185	08-12 2016	In Force	

Appendix III: Beyond The Law, Corporate Social Responsibility within the Chinese Context

Overview of Chinese Economic History and CSR Policies

Corporations have had a unique history in China. Its inception can be traced to the turn of the 20th century, during a time when China was struggling with the question of how to deal with Western influence, including Western industrialization. Chinese companies were, therefore, founded with a sense of “historical responsibility” of saving their country, and many of the earliest companies were tied to the government in some form.⁷³⁸

This close relation between state and corporation continued into the Communist period. During the era of centralized planning economy (command economy) from the founding of the PRC in 1949 to 1978, all companies in China were state owned, following the model of the Soviet Union. These state-owned companies (SOE) had little authority: they could not adjust labour forces, nor did they retain their profits. Their personnel were appointed and controlled by the Communist Party. Workers in these companies could neither quit nor be fired, essentially guaranteeing them with a job for life.⁷³⁹ Companies were responsible for their welfare, health, and political indoctrination.⁷⁴⁰ Although China’s economic system has changed considerably, the legacy of this period still carries on.

The period of economic reform that followed Mao’s death in 1976, spanning from 1978 to 1994, was marked by a general pattern of decentralization, wherein local enterprises were permitted to compete with SOEs. In 1994, the Company Laws introduced a new, uniform legal framework that levelled the playing field for different types of companies. Traditional SOEs became legal forms of corporations, and they were permitted to diversify ownership by selling shares. Gradual restructuring began, as encouraged by the government. The largest state firms became joint-stock corporations, sold shares to the public, and became listed on stock

738) Jingchen Zhao, *Corporate Social Responsibility in Contemporary China, Corporations, Globalisation and the Law* (Cheltenham: Elgar, 2014), 56–7.

739) Barry Naughton, *The Chinese Economy: Transitions and Growth* (Cambridge, Mass: MIT Press, 2007), 59–62.

740) Naughton, *The Chinese Economy*, 298–301.

exchanges, although the state still retained some measure of control. This control was solidified in 2003 with the creation of a new state organization, the State Asset Supervision and Administration Commission (SASAC), under which the largest firms retained. As of 2017, SASAC controls 102 SOEs, including two of the companies working on the M4 (CRFG and CGGC). SASAC also has its own guiding principles on social responsibility, which is discussed in depth later.

SOEs continue to play an important role in China. Despite reforms in 2013, it appears that they are consolidating strength and growing into even larger companies.⁷⁴¹ As of 2017, China has approximately 150,000 SOEs, of which around one third are owned by the central government.⁷⁴² As they can be considered as implementers of Chinese political strategy, it is notable that Chinese SOEs are contracted for a large number of projects in the BRI, an issue that has caused concern as this does not benefit local communities. According to a news article in China in November 2018, SOEs have undertaken 3,116 BRI projects, or 50% of infrastructure projects already underway or in the pipeline.⁷⁴³

With this context of the importance of SOEs and its ties to the political structure in mind, we now turn to the development of CSR in China.

Development of CSR in China

Although the aforementioned 1994 Company Laws did not contain provisions for CSR policies, the concept of social responsibility became a topic in China in the late 1990s, culminating in the first sustainability report issued in 1999 by Shell China and China joining the WTO in 2001.⁷⁴⁴ These developments were guided by both external and internal factors: externally, China's interactions

741) Kjeld Erik Brødsgaard, 'Can China Keep Controlling Its SOEs?', *The Diplomat*, 5 March 2018, <https://thediplomat.com/2018/03/can-china-keep-controlling-its-soes/>.

742) 'China - 7-State Owned Enterprises | Export.Gov', <https://www.export.gov/article?id=China-State-Owned-Enterprises>. Accessed 11-01-2019.

743) Tan, 'Central SOEs Managing over 3,000 Projects under BRI'.

744) Sam Yoon-Suk Lee and Joshua Wickerham, 'China', in *The World Guide to CSR: A Country-by-Country Analysis of Corporate Sustainability and Responsibility*, ed. Wayne Visser & Nick Tolhurst (London: Routledge, 2017), <http://www.myilibrary.com?id=1034830>.

with foreign buyers and multinational companies meant facing international demands for quality and safety, in order to help market access and social reputation,⁷⁴⁵ internally, as a consequence of rapid economic development, poor business practices resulted in environmental problems such as pollution that endangered its own citizens.⁷⁴⁶

The period around 2005 to 2007 can be seen as an important period of CSR development in China. In 2005, then-Chinese leader Hu Jintao instituted the concept of “Harmonious Society”, a vision for the development of China which, as some have noted, has similar objectives to those of CSR. Among other things, Harmonious Society aims to address unequal income in China, the weak rule of law, and environmental damages; it has been seen by scholars as a change of emphasis from absolute growth to tackling social issues that has arisen.⁷⁴⁷ This concept was then instituted into policy in 2006, when the first national CSR summit was also held. In the same year, the fifth article of the new Chinese Company Laws recognized CSR: “a company must, when engaging in business activities, abide by the laws and administrative regulations, observe social morals and business ethics, be in integrity and good faith, accept regulation of the government and the public, and undertake social responsibilities.”⁷⁴⁸ A number of legal and CSR reforms followed in the subsequent years, including the Shenzhen Stock Exchange CSR guidelines (2006), the Labour Contract Laws of the PRC (2007), and SASAC’s provisions on CSR (2008).

It may seem paradoxical to discuss the role of the government in promoting CSR, as by definition CSR is voluntary and beyond legal requirements. As we have seen, however, the unique political and economic background of China means that the government continue to play important roles in business through its SOEs. Thus, it cannot be discounted as a major stakeholder in the development and implementation of CSR, and consequently the

745) Zhao, *Corporate Social Responsibility in Contemporary China*, 69–75.

746) Yongqiang Gao, ‘Corporate Social Performance in China: Evidence from Large Companies’, *Journal of Business Ethics* 89, no. 1 (2009): 23–35, <https://doi.org/10.1007/s10551-008-9982-y>.

747) Geoffrey (Kok Heng) See, ‘Harmonious Society and Chinese CSR: Is There Really a Link?’, *Journal of Business Ethics* 89, no. 1 (2009): 1–22, <https://doi.org/10.1007/s10551-008-9981-z>.

748) Zhao, *Corporate Social Responsibility in Contemporary China*, 68.

Chinese conception of CSR is closely linked with political concepts, and is often expressed as such.

Chinese CSR

With this in mind, several scholars have written about the differences of CSR in practice in the Chinese context. Xu and Yang,⁷⁴⁹ for example, has surveyed 630 business owners across different industries in China in order to assess their conceptions of CSR when compared with international ideas, as derived from international CSR literature. While a number of points were similar, such as the importance of environmental protection, there were also a number of differences. Philanthropy, such as donation or charity, factored as a major component in Chinese CSR conceptions. While staff health and workplace safety were mentioned by both Western and Chinese conceptions, Chinese conceptions omitted “meaning and satisfaction of work”. Finally, several unique Chinese dimensions included patriotism as well as obeying the laws as part of CSR, again highlighting the connections between CSR and politics in China.

These observations seem valid when examining the provisions of CSR guidelines, such as the SASAC guideline under which SOEs operate, a document laden with political language.⁷⁵⁰ The importance of fulfilling CSR, the document begins, is “not only an important measure for promoting the socialist harmonious society and also an embodiment of the CSOEs to thoroughly implement the China’s new ideas about economic development, social progress and environment protection.” This is important especially in the global context: “either helpful in establishing a “responsible” public image by Chinese enterprises and more internationally influential, or significant for China to spread an image as a responsible nation.” In concrete terms, the document provides several principles for CSOEs to follow, including ensuring work safety, protecting the legal rights of employees, philanthropy, environmental protection, and

749) Shangkun Xu and Rudai Yang, ‘Indigenous Characteristics of Chinese Corporate Social Responsibility Conceptual Paradigm,’ *Journal of Business Ethics* 93, no. 2 (May 2010): 321–33.

750) State-owned Assets Supervision and Administration Commission of the State Council, ‘Guidelines to the State-Owned Enterprises Directly under the Central Government,’ December 6, 2011, http://en.sasac.gov.cn/2011/12/06/c_313.htm.

encouraging the Chinese Communist Party's political integration in the companies. Most of these principles, however, merely reaffirm the legal framework by urging companies to follow the relevant legal codes, and, as recommended guidelines, do not include punishments for companies that do not follow these principles.

It is useful here to briefly review the legal framework regarding labour conditions. In 2008, a new Contract Law was passed in order to address shortcomings of the 1994 Labour Law, which developed into problems in the 2000s. Among other things, it established mandatory written contracts, clarifications on subcontracting, laws on fixed term employment, and forbidding dismissal without notice.⁷⁵¹ Problematically, however, an independent survey conducted in 2010 established that only 60% of surveyed workers had a signed contract, and that dispatching practices still continue to expand at the expense of acceptable pay and working conditions.⁷⁵²

Of particular relevance to our case study is the state of the construction industry in China, as highlighted in a 2008 report by Students and Scholars Against Corporate Misbehaviour (SACOM), an NGO based in Hong Kong. The report, surveying around 1,300 workers over ten construction sites, finds that no workers had signed a labour contract, except for a small portion whose contracts were highly exploitive. Workers were contracted through a series of subcontractors, and wages were generally paid seasonally instead of the legally required monthly, and were often late. The wages were also subject to a series of deductions, sometimes in the form of mandatory food stamps or as punishments. They had poor living conditions and worked long hours, sometimes up to 70 or 90 hours a week, far above the limited 40 hours as stipulated by the laws.⁷⁵³ Other reports published by the same NGO reveal similarly problematic situations across different industries.⁷⁵⁴

751) Benoit Vermander, *Corporate Social Responsibility in China: A Vision, an Assessment and a Blueprint* (New Jersey: World Scientific, 2014), 143–53.

752) Sean Cooney, Sarah Biddulph, and Ying Zhu, *Law and Fair Work in China*, Routledge Contemporary China Series (Abingdon, Oxon [UK]; New York: Routledge, 2013), 95–6.

753) Students and Scholars Against Corporate Misbehavior, 'Jiànzhù yè nóngmín gōng: Niàn yī shìjì de bāoshēngōng', 2008.

754) 'Investigative Report – Students and Scholars Against Corporate Misbehavior', accessed March 29, 2019, <http://sacom.hk/category/information-centre/investigative-report/>.

To further compound the problem, workers in China have limited options to redress their issues. There is only one worker's trade union in China, the All-China Federation of Trade Unions (ACFTU). Because the CCP nominally fights for the working class, the ACFTU has a large membership: by the end of 2014, this had 288 million registered members, or 36% of the total Chinese workforce. However, despite the supposed free election of its regional leaders, in practice this is rarely enforced, and leaders tended to be nominated by the state or the union itself. Legally, the trade union is supposed to seek a balance between the workers and the companies or the state; in practice, it often sides with the latter, instead of with the workers. As setting up independent trade unions is prohibited, workers have few alternatives to redress their grievances. Despite worker-organized independent strikes and some signs that the government are beginning to regulate collective bargaining,⁷⁵⁵ the overall situation and power of trade unions in China are still limited when compared with that of other countries. In the case of SOEs, it is likely that the power imbalance is stronger, as such companies have the backing of the state and usually win legal disputes, if they had arisen in the first place.⁷⁵⁶

CSR guidelines, then, do exist in China, although the conception of it is rather different to Western norms. In China, the government is an important stakeholder in promoting CSR policies, which generally follow and reinforce the legal framework. For this reason, it is difficult to judge if CSR in China can be considered different from government policies. Problematically, however, while freedom of association is technically permitted, trade unions are also part of the governmental organ and therefore does not always side with employees. In the case of SOEs, the problem grows more severe, as the companies are backed up by the state. This is the case of several BRI-related projects worldwide, as discussed in the report.

755) Sebastian Heilmann, ed., *China's Political System* (Lanham, Maryland: Rowman & Littlefield, 2017), 269–74.

756) 'China - 7-State Owned Enterprises | Export.Gov'

Company Profiles: CRFG, CGGC, and XBRB

China Railway First Group (CRFG)



中国中铁一局集团有限公司

CHINA RAILWAY FIRST GROUP CO.,LTD.

China Railway First Group is a subsidiary of China Railway Group Limited. The acronym of this latter group is CREC, which refers to their predecessor, China Railway Engineering Corporation. It is the third largest construction company worldwide, the largest railroad and bridge construction company in Asia, and the leading construction company in China. CREC was formerly a part of the Ministry of Railways (now defunct), and now a state-owned enterprise under SASAC.

CRFG has CSR reports on their website dating from 2011 to 2015, only in Chinese. CREC have annual reports on their CSR policies ranging from 2008 to 2017 available on their website (bilingual). In the report, they list a number of domestic and international guidelines they adhere to:

We prepared the report by referring to the “ten principles” promulgated by the United Nations Global Compact (Global Compact), the relevant standards of the Global Reporting Initiative (GRI), Social Accountability International (SAI), Chinese National Standards GB/T36000-2015 Social Responsibility Guidelines, GB/T36001-2015 Social Responsibility Reporting Guidelines, GB/T36002-2015 Social Responsibility Performance Classification Guidelines, Construction Industry in China CSR Reporting Guidelines (CASS-CSR3.0), Guide on Social Responsibility for Chinese International Contractors and relevant requirements of the SASAC, Shanghai Stock Exchange and the Stock Exchange of Hong Kong.⁷⁵⁷

757) CREC, ‘2017 shèhuì zérèn bàogào jì ESG huánjìng, shèhuì yǔ guǎn-zhì) bàogào’ (CREC, March 2018), 4, <http://www.crecg.com/china/zt/268/288/355/32159/2018033017215653964.pdf>.

China Gezhouba Group Company (CGGC)



Found in 1970, China Gezhouba is another state-owned enterprise. They are a member company of Energy China (CEEC). CGGC has bilingual CSR annual reports from 2008 to 2017 available on their website.⁷⁵⁸ They are working on the Shorkot-Khanewal section of the highway.⁷⁵⁹ It is listed in the Shanghai stock exchange, and their 2017 annual report points out that it is prepared according to the principles laid out by the Shanghai Stock Exchange as well as the Guidelines on Sustainable Development Report issued by the Global Reporting Initiative (GRI).⁷⁶⁰

Xinjiang Beixin (XBRB)



The website of XBRB is not functioning, but some information can be gleaned from their parent corporation website. The corporation, which became an SOE in 2000, is active in various countries abroad, including Pakistan. It possesses 14 child companies; XBRB is its only publicly listed company. The corporation possesses more than 13,000 employees, and was selected as part of the China Fortune 500 in 2016. However, this website does not possess a section on CSR.⁷⁶¹

758) See <http://www.cggc.ceec.net.cn/col/col7044/index.html>. Accessed on 19-01-2019.

759) 'AIIB-Invested Highway Project Commenced by CGGC,' China Gezhouba Group Co. Ltd, August 13, 2016, http://www.chinadaily.com.cn/m/gezhouba/2016-08/13/content_26938734.htm.

760) '2017 Corporate Social Responsibility Report' (China Gezhouba (Group) Limited, n.d.), 2, <http://www.cggc.ceec.net.cn/attach/0/1804151058191848411.pdf>.

761) See <http://www.xbjgjc.cn/webportal/index/aboutUS/show.do>. Accessed on 19-01-2019.

Appendix IV: Integral and Anonymized Interview Texts

A1

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>Male, 50. I worked on the median strip at the motorway.</p>
2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>Many people from my village were working there and I joined them since I didn't have any other work. I worked for two years there. The recruitment was all verbal. No paper work was done. The company was ZKB and my contractor's (thekedar) name was Iqbal. I used motorcycle to commute to the work site. No I don't know which section it was. I only know it was motorway.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>As I said there were many people from my village working there. They included my relatives. In our team only there were around 20 people. People from various ethnic backgrounds were there, including Punjabi, Siraiki, Sindhi and Pathan. Yes, there were Chinese workers; they were all bosses/on managerial position as far as my knowledge is concerned. So they were treated comparatively better than other workers. Neither I saw any woman there nor I think women are involved in our work.</p>

4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>It was all verbal. I worked on daily wages.</p>
5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No safety gears or special clothing were given to us. In case of an injury, workers were provided medical care. There was no insurance. May be the company (ZKB) workers had it but not us who worked under the contractor. We are used to work and live in harsh conditions so the health and sanitation thing never bothered me. Yes, there were visits by officers/ auditors. They would see our work but never talked to us directly. They would talk to the contractor only. During the visits, we would only work. No smoking break or any other.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>I don't know what it is.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>We would start work at 8 in the morning until 5/6 in the evening. Sunday was our off. We would get offs on festivals and gazetted holidays. Yes, we could get leaves when we were sick or had an emergency.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I was paid Rs700 (€4.5) per day. I have a household to feed. Although the income was insufficient but our family managed because many of us are working so we will pool in the money to run the kitchen. The payment schedule was fortnightly. There was no bonus. We would get a meal at 12 noon. We were provided transport whenever we had to commute to longer distances on the motorway. There was no payment slip. The contractor had a register in which he would keep the record of all his workers. No the senior workers were paid more. There was no borrowing facility.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>It was enough to keep our cash flow in. I prefer private work over this because I would earn more than this. But here is a downside, the private work depends on its availability. If it is there, we would earn some money but if it is not then we would go back home empty pockets. I am a poor person, I don't know what a Chinese investment or foreign investment is. What matters to me is that I should get work because at the end of the day I need to feed my household.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I think it is causing us loss. Because the government is buying our land for the project on a price less than the market value. I think that they should build some factories where we should get some work.</p>

A2

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>27, married.</p>
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I got there with the people of my village. They were already working there. The recruitment was done verbally. I was introduced to the contractor (thekedar) AR. There was another contractor: Y. I worked as a steel fixer. We used motorcycle for commuting to the worksite. Mostly I worked on the motorway near Shorkot.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were many people from different places and ethnic backgrounds. They were Punjabis, Siraikis and Sindhis. Pathan workers were mostly involved in operating machinery. In my team, there were around 20 people, most of them from my village. Yes, there were Chinese workers too. They were all officers. The youngest worker would be somewhere between 18 to 20. We used Punjabi for communication. No, there were no women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>As I said, it was done verbally. There was no certain period of employment. As long as there was work, there was employment. The main company was ZKB and it had hired contractors who hired us. We had no direct contact with the company.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>We were given boots, a yellow colour jacket and a helmet for one day only. The work was dangerous though. I cannot remember the date exactly but I saw an accident one day. There was a boy from DI Khan who fell off an under construction and got baldy injured. He was taken to hospital and provided medical treatment. And after he got well, he was sent back to his village -- that's what I heard because I never saw him again. The auditors/officers would visit us and see the work. Once during inspection our whole work was failed and we had to do it from the start again. We behaved as we usually did. Just focused on our work.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>Never heard of a union there.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was from 8pm to 5pm. We were given overtime, if we had to work for longer than that. There was no holiday. The longest working day I remember was of around 16 hours. Yes, we could get leave if we had to.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs600 (€3.7). That I guess was the minimum wage for the work I was involved with. The amount depended on the years of experience and skill workers brought with them. The wage would go up to Rs1000 (€6.3). I was paid monthly. There was bonus or any other additional payment but the wage. No we didn't get food. We had to have it on our own. No insurance no nothing for children. There was no loan facility. Payment was in cash and there was no slip for it.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I see it as a work where the payment was not enough. But still I worked there because I had no other job. I am jobless these days, because the work is almost over. They are now doing the electrical work on the motorway.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I am a simple village guy. I don't know anything about what a foreign investment meant to. For me, earning for my family is the ultimate goal.</p>
11	<p>Do you have anything else to tell us?</p>	<p>They should do something about people like me who live in villages. We have to go to places like Lahore, Karachi and others in search of work.</p>

A3

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>32, married.</p>
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>One of my friends was working there. He asked me if I wanted to work and I said since it was a work which was ensuring me a daily pay. I would go to work on motorbike with the same friend. The company was ZKB. I worked on the project for two years.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were many people from different villages and cities in Punjab and Sindh. The Chinese were the bosses. They were often seen at the work site. They never spoke to us. Only our contractor was talking to them. I never saw a child nor a woman working there. All workers were adult of more than 20 years of age.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>There was no contract. The word of contractor was the only thing we depended on.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>We were provided with boots, jacket and helmet. No training was conducted for us and I never heard about any such thing. If someone had gotten injured, he was given medical care. But there was no paid leave, even if someone was sick. Yes, there were visits by auditors/officers. They never spoke to us.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>Never heard of a union there.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>The work started at 8am. We would off at 5pm. The longest working day for me was of 16/17 hours. We were paid overtime. We could leave if we didn't want to work after 5pm. But I never did so because I saw the money at the end.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs700 (€4.5). The wage was different for different people so was the payment mode. Some would get it weekly, fortnightly or monthly. But the issue was that the contractor would not pay us all. He would keep some of our money and say that it will be paid later. I hated this thing but could not do much about it. There was no such thing as bonus, insurance or allowance. Just the wage. The contractor would not give us loan.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I prefer private work on this. Because in it, the payment is good and you get paid in full.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>Well, it has affected me in a way that I had work for a period of time but nothing else than that.</p>
11	<p>Do you have anything else to tell us?</p>	<p>They should something for the poor people</p>

A4

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>25, male, unmarried.</p>
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>There was a word in our village that they were hiring people, including steel fixers which I am, to work on the construction of M4. So my friends and I went there and spoke to the contractor (thekedar). We used motorcycle to commute to the work site. We worked on several parts of the motorway. We would go till Shorkot for work and were provided transport to travel to whichever site we were needed on. I worked for around one-and-a-half year there.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were 20/25 people in our team. There were many people including Punjabis, Sindhis, Siraikis and Pathans. The Chinese were seen on the site almost daily. They were the officers/engineers. There were no minors on the site. All were adult. And the minimum age of a worker would be 20... I guess. We used our native language. The contractor also spoke to us in the same. There were no women. No, there are no women in the work I am involved.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>For us, it was all verbal. The paper work involved only in the jobs that were directly under the company ZKB. And that required education which most of the villagers didn't have.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>Yes, they gave us helmets, jackets, boots and sometimes gloves when we were working on hot iron. There was no such medical facility, however, if someone had gotten injured during the work, he was provided the medical treatment. No were not insured. The working condition was as usual as it is in the country. The Chinese and Pakistani officers would come to visit the site and the work almost daily. No, we not interviewed by any of them. Yes, the contractor would ask us to just focus on our work during the visits.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>I heard there was union but never saw it</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>The work time was from 8am to 5pm. Sunday was our off. In case we need a leave for some work or for some sickness, we would speak to the contractor. It never occurred to me that someone was denied a leave.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I started with Rs800 (€5) and my last drawn wage was Rs900 (€5.6). I think that was enough as it is a standard rate for a day job in our work, lest we are doing some private work. We were paid weekly. Thursday was the pay day. There were no other allowances. We would get a meal each day. No, there was no such loan facility.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I have worked on several such projects like building flyovers, underpasses and buildings in Islamabad and Lahore. It is good that we are getting work because of CPEC.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>For me, it is good and I hope that there would be betterment.</p>
11	<p>Do you have anything else to tell us?</p>	<p>No</p>

A5

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>35, male, married.</p>
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I am a steel-fixing master and I headed a team of a dozen persons while working at M4. I worked for around two years on the project. We would commute to the site on motorbike and we would also get transport to travel from one site to another or wherever we were needed. The section we worked on most was near Toba Tek Singh</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>I cannot tell you exactly how many workers were there. They could be in thousands or more on all of the M4. Mostly they were Punjabis and Pathans. The Chinese workers were officers/engineers only. They were seen daily on the sites. The youngest worker would be at least 18/20. The difference among sites depended on the structure we were building. No women was involved in the construction process.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>It was done verbally. We didn't sign any contract.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>We were not given any safety tools. Though in case of an injury, we were provided medical care and treatment. But there were no paid leaves in case the injured or sick workers needed some rest. The health and sanitation standards were the same as they are in our village, so we adjusted. Yes, there were visits by auditors/officers who would check our work. They would come almost daily. Never did they interview us. Yes, the contractor (thekedar) would ask us to be extra careful during such visits. And when there were some high-ups coming, we were provided with helmets, jackets and boots.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>No there was none.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>The working hours were from 8am to 5/6pm. In case there's work left, we would not take an off on Sundays too. We would work and were entitled to overtime too. For me, it was difficult to get a leave because virtually I was managing my team. So I had to be there all the time.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>Mine daily wage was Rs1000 (€6.3). My parents, wife and kids depended on this income. I think that it was insufficient when compared to our work. The payment was supposed to be made regularly like weekly or fortnightly but there was a problem at the end of the contractor that he would keep some of the money with him and would promise to clear the dues at the earliest. But in my case, it never happened. The contractor still owes me Rs35,000 (€221.5). There was no payment slip.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I have usually worked on private projects. People would hire me and my team for the construction of their homes and shops and I prefer doing that work because the wage is good in it. So far, we have only been benefitted in a sense that the villages around the motorway have gotten work. Nothing else than that.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>No, it has not brought any big change in our lives. We are as we were. We have only heard about CPEC but don't know anything about it.</p>
11	<p>Do you have anything else to tell us?</p>	<p>We want that there should be a scheme for people like us who earn daily to make both ends meet. There should be a plan in which we could work for the betterment of the future of our children. I wish that they should not live in the conditions we are in.</p>

A6

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>29, male, married.</p>
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I heard through a friend who was already working on M4 that his site needed someone with a tractor trolley who could water the surface around the motorway. I was involved in it so I went there and started the work</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>I would take my tractor trolley to wherever I was needed. I would make around 35 to 40 rounds daily from 8pm to 5/6pm from the water filling site to the work site. My work was away from where the Chinese would visit but the other officers would come to see it and would also let me know if I had provided less or more water to a site. There were no women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>Verbal</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No safety tools were provided. Neither was I injured nor did I see anyone wounded. There were no paid leaves in case someone is sick/ injured.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>No I don't know about it</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>Sunday was our day off. In my case, there was no overtime. If I had to take a leave, I had to send to someone else as my substitute.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I was hired on a pay Rs60,000 (€379) that included the cost and fuel of the tractor trolley I ran. The payment mode was in cash on monthly basis. There was no other allowance, bonus or any other monetary benefit in it.</p>

9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	Yes, it is. Now I am back to providing water in my village which is more profitable for me than the M4 work. I prefer my current occupation over the motorway work because I myself is the boss here and the money I earn is good.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	No, I don't think it has affected us in a positive way. I am not aware of what foreign investment is or what it benefits are. I am only interested in how I can make money so that my family would not go to sleep with an empty stomach.
11	Do you have anything else to tell us?	No.

A7

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	25, male, married.
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I landed the job by the reference of my friends/relatives who were working there. Company was ZKB and I cannot remember the name of my contractor (thekedar). Sometimes we would get a motorcycle to ride on, other times we would find some transport passing by or we would simply walk. I don't know the section exactly but I would work near Toba Tek Sindh and Shorkot.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were six to seven people in my team. The workers were Panjabis, Siraikis, Sindhis and Pathans. We used Punjabi for communicating. Chinese workers were officers/engineers. We never talked to them nor did they. Almost all the workers were adults. Work was nearly the same everywhere for us. There was no women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>Verbal</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>Usually we didn't wear any safety tools like helmets, jackets and boots but sometimes we were given them when there was an inspection by the top officers. There was no medical facility but in case of an injury treatment was provided. No were not insured.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>Not aware about union</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was from 8am to 6pm. Sunday usually was our off. But we also had overtimes to complete the project in the stipulated time. Longest day for me was may be 16 hours. We could get a leave but that would always be unpaid.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs500 (€3) in the beginning and later Rs600 (€3.7). My family, including my parents, depended on my income. It was insufficient but other members of my family also worked so we managed somehow as we are used to. The payment was supposed to me made regularly, fortnightly, but then the contractor (thekedar) would withheld some of the amount which annoyed me much. So I decided to leave it and switch to other [private] job. Do you think that when the contractor who would not give us our wage would give us loan?</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>It was nearly the same but the payment was not good at all. I think that the wage system should have been better. I am not aware about any foreign investment. I only know that China is building something here in Pakistan.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>Everyone is doing what they deem fit or beneficial for them. There is nothing for us but some work that is also for only a short time.</p>
11	<p>Do you have anything else to tell us?</p>	<p>No.</p>

A8

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>36, male, married.</p>
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I was in search of a job and there was work available on M4, so I got it. Company was ZKB and my contractor's (thekedar) name was Arif. Sometimes I would get a transport as many people from my village were going there, other times I would walk. My work was almost on all the motorway from Toba Tek Singh to Shorkot and ahead too.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>We were two people in the team, driver and me. On the construction side, there were many workers. They included Punjabis and Pathans mostly. Chinese would come daily to the site. Infact they were there all the day moving from one site to another, checking the work being done on the project. All were adults. I never saw any woman working on the site.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>Verbal</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No there were no safety tools. Getting a leave was hard enough. I had to send a substitute if I was not able to make it to work myself. Never saw anybody getting badly injured at work, at least to which I was involved. But heard about such incidents. Don't know what happened. Yes, there were visits by officers/ engineers. They would see our work and advise accordingly.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>Don't know about this.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was a 12 hours job from 6am to 6pm. Sunday was the off. There was no overtime.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs12,000 (€76) monthly but that was not enough. I have four children, my parents and my wife to feed. It should have been better. There was no bonus, insurance or any other income. Just the salary. We could also not get an advance salary.</p>

9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	I have left the work. Now I am picking oranges. I am just a simple villager who only know about how to earn, nothing else.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	I think it has provided us work – it is the only way I can explain how it benefitted us.
11	Do you have anything else to tell us?	We should get some work.

A9

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	22/23, married.
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I am a steel-fixer so I learned about the work opportunity at motorway (M4). I was recruited by contractor (thekedar) named Allah Rakha. The company we worked for was ZKB. We used motorcycle to commute to the worksite. From there if we had to go to a different site, we would either use the same motorcycle or would take other transport, if available. We worked between Faisalabad and Shorkot.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were people from almost all ethnicities in the country, like Punjabis, Sindhis, Siraikis and Pathans. Chinese were officers/engineers. We never spoke to them. There were underage boys working at the site but they were not involved in our work. We would our own language to communicate. And for that we never had a problem. There were no women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>It was all verbal. May be because we were not directly employed by the company, at least this is what we were told. So no paper work was involved.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No, there was no safety tools provided to the workers. We had to arrange them on our own. Yes, they would provide medical care to workers in case of an accident involving injuries. The health and sanitation conditions were fine for us because we already are used to such kind of situation (muddy air, lack or no toilets at all). Yes, the officers/engineers would inspect our work. We don't know exactly who these persons were whether they were ZKB high ups, Chinese or others. We already were so engrossed in work so no one ever had to tell us to behave.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union. We would ourselves informally organize and put our demands before contractor. It happened many times but to no avail. He would not listen to us. And If we would go to the company, they will see that we are not their employees.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was from 8 in the morning to 6 in the evening. Sunday was our off usually. But we would do overtime too. Many times we did that. The longest day I can remember was may be 18 hours working. We could get leave but then we will lose a day age. There was no paid leave in any case whether death of someone or sickness.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I started as a helper, at that time I would get Rs500 (€3.2)/Rs600 (€3.8) per day. Later, I learned the skills and then I was paid Rs900 (€5.7). No, it was insufficient because I have a household to feed. Still we managed because there was no other opportunity. Payment was supposed to be made weekly but it would get late sometime. There had been incidents in which the contractor would withheld the payment. There was no bonus or allowance. Different workers earned differently.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I would say that in other projects, including private work, we would get fully paid but here some contractors would not pay us in full. It happened with me and my colleagues that we had to trace back a contractor to his native town in Bahawalpur to get our money.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I don't think that it has affected us in a better way than that that we have gotten work for some time. No other respite. Nowadays, I am picking oranges in gardens which are many around our village. You can understand how much this investment has changed our lives.</p>
11	<p>Do you have anything else to tell us?</p>	<p>Workers should get their rights to fair wage and others. And they should be provided with jobs. Though the M4 is running through our area but we don't have any jobs here. It is the same backward village as it was.</p>

A10

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>18, single.</p>
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I was jobless and then the motorway (M4) project came. The company was ZKB. The name of contractor who hired me was A. I would go to work riding on a motorbike with a friend who too worked there. I used to be on tractor-trolley carrying water. I would water the surface around the motorway.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>The workers at the site were of mix ethnicities. Usually my work was away from the site where the Chinese would be seen but I could see them often. They were officers/engineers. There were many young workers on the site. The youngest would be 14/15. There were no women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>It was done verbally.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No we were not provided with any safety. They would provide medical care in case of an injury but sick-ness period would not be paid. The days we were not at work would be deducted from our salary. The health and sanitation conditions were fine for us. Yes, officers would visit us to see our work. No, they never spoke to us.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>The work was more than twelve hours. I would leave home at 6am and it took me around an hour to reach the site. Then I would usually off at 7pm. Yes, we were paid overtime if worked late. Sunday was our off but we would work on holidays too if there was work. I never refused an overtime because I saw the money at the end. No taking a leave was the most difficult job.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs18,000 a month. Six people of my family depended on this income. I think the salary should have been more. I left the work because the payment schedule was not good. They would withheld our money. I felt disgusted at this. There was no bonus or allowance other than the salary. No borrowing facility. No payment slip.</p>

9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	Don't know about the investment thing but the other works that I have done were better because the payment would be made at the end unlike what I have been through.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	We have not been affected much by this because there is no development in our area but of the motorway that runs nearby.
11	Do you have anything else to tell us?	There should be something in which we should get some jobs.

All

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	35, married.
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I found the job opportunity as a dumper (truck) driver. I submitted my documents with ZKB through my contractor A. Yes, I signed a paper. I would use motorcycle to commute.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>There were people from Punjabi, Sindhi, Pashtun ethnicities. Yes, there were Chinese too, I know nothing but they were officers/engineers. Yes there were underage boys. The youngest among them would be 15, I guess. We used Punjabi to communicate. There were no women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>I signed a paper which read that I was responsible for taking care of the vehicle I was driving and any damage should be paid by me.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>No, they didn't provide us safety tools. Though the people directly employed by the company were provided with these. They told me that I was not the company employees but of a third-party. Hence I was not entitled to any paid leaves which the company workers were. I was never interviewed by any officer/auditor.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was a 12 hours job. I took off on Friday. They paid overtime. I worked for 24 hours a day for like three to four months. Taking a leave was a difficult thing.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs25,000 (€158) per months. I those months when I worked too much overtime I earned double salary. The payment would be withheld. They kept at least two months salary with them. They would make excuses but that meant to ensure that workers should not run off. You can call it an informal security deposit. There was no bonus nor other allowance. They would take our signature on a register when paying us. No loans were given.</p>

9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	We have been working in nearly the same circumstances. All we care is that we should be paid at the month end. Nothing else.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	No it has not made any change in our life.
11	Do you have anything else to tell us?	No.

A12

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	35, married.
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I drove the tractor-trolley carrying water for more than a year. I used motorcycle to commute to the site and in case the facility was not available, I would simply walk.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>They were from mix ethnicities, Sindhis, Punjabis and Pathans. We didn't have much work with Chinese but I saw them on the site often. Never spoke to them nor did they. The labour included young boys too. As low as 13 years of age. Many such boys had also come from Sindh in search of work. There were no women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>They took my documents and made me sign document which read that I was responsible for the vehicle I was driving. Any damage should be covered from my pocket.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>There were no safety tools given to us. An ambulance would take worker to hospital in case of an injury. No there no paid leaves even in cases of sickness or to attend funeral of some family member. The officers would come to visit the sites, but I never spoke to them.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>There was no union.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was a 12 hours job. Overtime was paid when I worked more. There was no holiday except national days or festivals.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs20,000 (€126) per month. No it was insufficient as compared to the amount of work we did and the hours we spent. Yet we managed because there was no other option. There was no bonus or allowance. No there was no slip for payment. They would just take our signatures.</p>

9	Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.	I prefer work in which payment is better or certain that it will be paid. No, it doesn't matter to me.
10	Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how	I think workers have not gotten anything out of it. Their conditions are the same as they were.
11	Do you have anything else to tell us?	The labour exploit should stop.

A13

1	Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.	28, male, near Toba Tek Singh, Punjab
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2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>I am a daily wager and was looking for work as I learned about the opportunity at M4 from my friends. The company I worked for was ZKB and my contractor name was Riaz. No, I don't have any relation with the recruiter. The work site was near from my place. I would commute on my motorbike.</p>
3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>I am steel fixer. There were over a dozen people I worked with in our team. There were people from almost all over the country, including Sindhis, Punjabis and Pathans. Same was for the officers/engineers who came to inspect our work. Chinese workers never talked to us. They talked to the engineers only. The youngest, I guess, would be 17/18 may be. We used Punjabi to communicate. Never saw women.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>Verbal.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>Our work involves dangers. Yes, there had been accidents in which people were injured but they were given medical care. We are not used to work with safety gears. We actually don't feel comfortable wearing. However, we were provided with them like boots, helmet and a jacket. We are already used to conditions that were on the M4 site. There was lot of mud that would be lifted up by air. In worst scenario we would make masks from handkerchief or kefiyyeh to cover our nose and mouth. No, We were not insured. There was no interview but instructions from the inspectors checking our work. There was no need to us be instructed to behave because we already would be busy with it to meet the target before the end of work.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>No, there was no union, at least I never heard or seen it.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was an 8-hour job starting at 8 in the morning upto 5/6 in the evening. Sunday usually was our holiday but often we worked overtime. The longest may be was of 15/16 hours. Yes, we could refuse but I never did because I wanted to make money. Yes, we could take off from work in case of sickness or an emergency but that would be unpaid.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I earned Rs800 per day. There are 12 people in my household. My parents, my wife, my two children, my brothers and sisters. It would be hard for us to keep the kitchen running on this income so the adults in the family would all work and pool in the income to make both ends meet. We were paid in cash fortnightly. There was no allowance or bonus. No borrowing or loan facility too. No, we were not given anything when like payslip. People with different skills and experience would earn differently. The higher the skills the higher the amount.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I think that was good enough to provide us with work for a stipulated period. But after that we are still searching for work. Yes, I would prefer this work over others only if the wage is good. For us private work is better. In it we earn handsomely but that is not always available.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>I don't know anything about CPEC but I heard from people at M4 that it is ought to be good for the country. May be for the people who live in big cities. There is nothing for us who live in villages. We are back to our daily routine. Everything unchanged.</p>

A14

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>20, male, near Toba Tek Singh, Punjab</p>
2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>My brother took me there and introduced me to a contractor, Nadeem. I have no special skill set. I was hired as a helper. I would go to work with my brother on his motorbike. Company was ZKB.</p>

3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>I was assigned to work with steel fixers. My role was to only help them in the work by bringing them the tools required for work or simply follow the instructions I was given. There were Punjabis, Siraikis and Pathans. I saw Chinese workers daily. They moved around the worksites, talking to engineers, contractors and supervisors. I never talked to them. We used our native language to communicate. Most of people including Pathans would use Punjabi to communicate. There was no woman.</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>It was a spoken contract. When I was hired, my contactor just told me about the wage I would earn. He asked for my consent and nothing else.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site) Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>It was dangerous though. Lot of room for accidents especially in the construction of bridges. But thankfully no major accidents happened before my eyes. No, I was not given safety gear. The senior workers would wear them if necessary. I heard that the company born expenses of the medical care if someone was injured. Usually the contractor saw our work because he had to report to the engineers. They did talk to other workers but never to me.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>Never heard of it.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>My work started at 8 in the morning and I would remain at the site until my senior workers have done their work. Usually, we would go back home in the evening at 6/7. We were given holidays on eid or on other national holidays. Yes, we could take a day off but that meant loss of that day's wage.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earn the same / etc.</p>	<p>I was given Rs500 per day. Of course it was insufficient. But that was all. There were no other options. We were supposed to get the payment weekly but that would get late. Sometimes we were paid after the month. Like I said, there was nothing else than the wage that we would get from the work. No, contractor would not lend us money. I don't know about the company because I was not a direct employee of the company. There was no payslip. The munshi would just see you name in the register he had and then will give you the money you had earned.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I am a newbie. Haven't worked on such projects before. So can't say anything about it.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>Don't know</p>

A15

1	<p>Who are you? Tell us a bit about yourself Age / Gender / Marital status / Where from / family / etc.</p>	<p>23, male, unmarried, near Toba Tek Singh, Punjab</p>
2	<p>How did you end up working on the M4? Work experience / Recruitment (company, subcontractor) + name / Moving for the job / Relation with the recruiter / How do you commute to the worksite / which section(s) of the motorway did you work on / Etc.</p>	<p>My relative was working at M4. He took me there. My contractor name was Sajjad. I would go to work with my relative on a tractor trolley. Many workers joined us as there was space to accommodate people.</p>

3	<p>Can you tell us more about the worksite(s)? Commute to the worksite / How many people / Migrant status of the workers / Ethnic background of the workers and managers/ status of the Chinese workers / how were Chinese workers treated comparatively / Age youngest workers / Languages used on worksite / difference on different sections of worksite? / number of women working on this site compared to previous work experience/ men-women ratio/ etc.</p>	<p>We were two people in the team. Driver and me. Our job was to provide water wherever needed on the motorway. We usually did not interact with the workers much because we were like transporter moving from one place to another. Yes there were Chinese but I never interacted with them. Never saw woman. The women of the villages around usually work in fields. We have lots of orange orchids here</p>
4	<p>How does contracting work for this project? Contract (written or spoken) / Long-term or shortcontract / Can we see a contract / Can you read the contract / Contract with company or subcontractor / who with (construction company or subcontractor?) / etc.</p>	<p>Verbal, nothing in writing.</p>

5	<p>How safe is the workplace? Safety tools: helmets, ear protection, fire protection, special clothing, training, / feeling safe / do people often get injured / What happens if you get injured / Medical care / Are you somehow insured for getting sick or injured / are health and sanitation standards sufficient / are living spaces sufficient (if on-site)</p> <p>Have you been visited by third-party auditors / how long were they on-site / how many people / what did they see / were you or your colleagues interviewed / did it lead to changes / were you made to behave differently during the audits</p>	<p>There were no safety tools for us. I saw some workers wearing them though. For us, taking a day off was quite hard because we were already two people and if one of us would not come then it affected the work. So either we had to bring a substitute or go to work by any mean. Yes, the engineers/officers would talk to us and instruct about how the water should be spilled on the surface and how not.</p>
6	<p>Freedom of association Are you aware of freedom of association / are there unions / are you allowed to join unions (or similar) / are they effective / are you encouraged/given the opportunity to form unions / would you know where to go for help</p>	<p>Dont know about a union.</p>

7	<p>Can you tell us about your working hours? Days per week / Holidays / Hours per day / Do you work overtime / Working day or at night / Longest day ever / Can you refuse overtime / Working on local or national festivals / Is it possible to take days off, for example for holidays or sick leave (if so, are there consequences?) / etc.</p>	<p>It was 12-hour job from morning to evening. We usually did not have overtimes. Sunday was our off besides the national holidays.</p>
8	<p>What is your income? What is your income / How many people depend on your income / Is your income sufficient / What do you think you should earn / Is the payment made regularly / How do you get paid / Do you get paid overtime / Do you receive any bonuses / are there penalties / Do you receive any services by employer (food, children's allowance, insurance) / Is any money withheld from your income (for example for food, hostel or transportation) / Do you need to take loans or borrow money / Payment slip / Does everyone earns the same / etc.</p>	<p>I earned Rs12,000 monthly. My family depended on it. It was hard to survive with this money but then I have others in my family who earn. So we adjusted. We were paid in cash. The contractor would take our signatures on a register when paying us. No there was no food or anything else.</p>

9	<p>Does this project differ from other projects you worked on? Wage / Working hours / Safety / Colleagues / Management / Does it matter that there is Chinese management / does it matter there is international investment / Would you prefer this job over other jobs in the construction industry / etc.</p>	<p>I should not go there back provided they offer me a better salary. It doesn't matter to me that who is financing the project. I care about earning bread for my family.</p>
10	<p>Foreign Investment How has CPEC affected you/your family / how do you regard foreign/Chinese investment / are you aware of Chinese companies investing in your local community / has this made a difference for you or your community / have resettlement policies affected you/your community; how</p>	<p>Yes, I know that CPEC is a China-Pakistan's joint project. But I don't feel that it has affected our village much. We are still short of jobs. Our village lack basic facilities.</p>
11	<p>Do you have anything else to tell us?</p>	<p>They should make some projects from which the local people could benefit in long term.</p>