



PAKISTAN EMPLOYMENT TRENDS FOR WOMEN 2009

(SERIES No. 5)



Ministry of Labour & Manpower
Labour Market Information & Analysis Unit



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Labour Market Information and Analysis Unit
Ministry of Labour and Manpower
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ISLAMABAD

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List of acronyms

DWCP	Decent Work Country Program
ECOSOC	United Nations Economic and Social Council
EFP	Employers Federation Pakistan
EMP	Employment
EPR	Employment-to-population ratio
EU	European Union
FBS	Federal Bureau of Statistics
GDP	Gross domestic product
HIES	Household Integrated Economic Survey
HRD	Human resource development
ICLS	International Conference of Labour Statisticians
ICSE	International Classification by Status in Employment
ILC	International Labour Conference
ILO	International Labour Organization
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification
KILM	Key Indicators of the Labour Market
LMIA	Labour Market Information and Analysis
LF	Labour Force
LFS	Labour Force Survey
LFPR	Labour Force Participation Rate
MDG	Millennium Development Goals
MTDF	Medium Term Development Framework
NCSW	National Commission on Status of Women
NAVTEC	National Vocational and Technical Education Commission
OECD	Organisation for Economic Co-operation and Development
PIDE	Pakistan Institute for Development Economics
PIHS	Pakistan Integrated Household Survey
PRSP	Poverty Reduction Strategy Paper
PSLM	Pakistan Social and Living Standards Measurement Survey
PWF	Pakistan Workers Federation
SNA	System of National Accounts
TVET	Technical and Vocational Education and Training
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNSTATS	United Nations Statistics Division

Foreword

Timely and up-to-date labour market information and analysis are preconditions for creating employment related policies that promote decent and productive employment opportunities for all, including women and young people.

LMIA Unit, a PSDP Project of the Ministry of Labour & Manpower, through technical support of ILO and financial assistance of the UNDP, was able to fill existing labour market information gaps and provide frequent analyses that inform policy makers, various stakeholders and national and international researchers about the most recent developments on the labour market.

The results published in a series of *Pakistan Employment Trends* reports, serve as an input into the formulation and monitoring of pro-poor, decent work and other policies, and development frameworks as set out in the government's *Medium Term Development Framework (2005-10)*, the *Poverty Reduction Strategy Paper II (2008)*, the *2002 Labour Policy* and other policy documents.

This fifth issue of *Pakistan Employment Trends* reports on female labour market integration. The results highlight that more women are participating in the labour market than ever before, but full gender equality in terms of labour market access and conditions of employment has not yet been attained. The promotion of gender equality and empowerment, as highlighted in MDG 3, is crucial in order to achieve the remaining Millennium Development Goals (MDGs), in particular, MDG goal 1 target 1b on “*full and productive employment for all, including women and young people.*”

This issue of *Pakistan Employment Trends*, like earlier reports, provides fundamental information to policy makers, researchers and other stakeholders in order to inform future labour market interventions.

I would like to express my gratitude to the ILO for their technical assistance and the UNDP for their generous financial support. Further, this report would not have been possible without the collection and dissemination of Labour Market Information by the Federal Bureau of Statistics.

I also like to extend my appreciation for the contribution made by LMIA Advisory Panel and ILO Technical Advisor to Labour Market Information and Analysis Unit, Mrs Ina Pietschmann along with LMIA team for their hard work in producing *Pakistan Employment Trends* reports.

The Ministry of Labour & Manpower is looking forward to continue collaboration with our national and international partners for further strengthening Labour Market Information in the country that will facilitate the promotion of “full and productive employment and decent work for all, including women and young people.”

Malik Asif Hayat
Federal Secretary
Islamabad

Message from the ILO Country Director

I am delighted to see the next issue of *Pakistan Employment Trends* - a report that sheds light on women in Pakistan's labour market, that are often in a disadvantaged position in comparison to men in labour markets around the world.

The report identifies important issues on the labour market from recent economic circumstances within the country but the global financial crisis impacts to the labour market in 2009 and 2010 are yet to be seen through statistics. Considering the impact that the global financial crisis is having on labour markets around the world, we all know that it will also be detrimental for both women and men in Pakistan.

To limit the impact the crisis will have, it is more important than ever to work together with our ILO constituents the Employers Federation of Pakistan (EFP) and Pakistan Workers Federation (PWF) on a coordinated response to the crisis through coherent measures, mitigating impacts on jobs and social protection, and ensuring that labour standards are not eroded. The crisis is an opportunity to drive new ways of thinking on economic and social policies, since women are much more integrated into the world of work than ever before.

I would like to renew my gratitude to Mr. Asif Hayat Malik, Secretary Ministry of Labour and Manpower, for his excellent initiative for establishing a Labour Market Information and Analysis Unit within his Ministry, which frequently disseminate these extremely important analyses to inform policy makers as well as stakeholders and researchers about recent labour market developments. Up-to-date and timely Labour Market Information and Analysis are the precondition for determined policy interventions.

My special appreciation also goes to all those involved in the collection and dissemination of labour market information. The publication of this report would not have been possible without the data collected and provided by the Federal Bureau of Statistics and the help of the Employers Federation of Pakistan (EFP) and Pakistan Workers Federation (PWF) in promoting the need for meaningful Labour market information and analysis in the country.

In addition, it gives me an immense pleasure to see that the ILO is providing technical support to the LMIA unit as well as the reports. I would also like to express my gratitude to UNDP for providing the needed financial assistance to the LMIA unit. In the context of the DWCP the ILO will continue to provide technical assistance to the Ministry of labour & Manpower to further strengthen Labour Market Information and Analysis as a key instrument in achieving decent employment outcomes in the country.

Donglin Li
Country Director
ILO Office for Pakistan

Executive Summary

If women and men had a chance to be more productive and increase their earnings through better quality jobs, poverty and employment vulnerability in the country would decline. This is why equal access to decent work and productive employment for women and men is essential as a sustainable way out of poverty and therefore, to meet the Millennium Development Goals (MDG's).¹

The analysis in this sixth issue of *Pakistan Employment Trends* discusses the economic integration of women and their access to decent work opportunities. The results confirm persistent gender inequalities in the labour market. Despite improvements in labour market access over the last decade, women are still in a much more disadvantaged position compared to men and often do not have the freedom to work if they want to.

Pakistani women face a number of challenges when seeking work in specific economic sectors. They also face difficulties finding work that is not vulnerable employment and has decent working conditions. Working women are significantly overrepresented in the agriculture sector with more than two thirds (67.6 per cent in 2008) of the female labour force working in the sector. This is 5.4 percentage points higher than in 2000.

Women who manage to find employment in non-agricultural sectors mainly work in the informal economy (71.7 per cent in 2008). Further, the majority of employed women is classified as at “risk of lacking decent work” or in other words are vulnerable, since they are working as contributing family or own account workers. Both status groups are likely to be characterized by insecure employment arrangements, low earnings and low productivity.

The review of wage data available in the Labour Force Survey shows enormous wage discrepancies for male and female employees in average real wages. In 2008, women generally earned almost one third less than their male counterparts. In addition, the wage gap significantly widened since the beginning of the decade, in particular during the most recent survey years. Further, among the few women working in wage and salaried employment, a status considered to be more secure, almost six out of 10 women were engaged in casual or piece rate work (56.8 per cent in 2008).

To look more in depth at the employment conditions of women and men, one can see that in 2008 almost a third (35.4 per cent) of women and 17.5 per cent of men with paid jobs outside the agricultural sector were identified as employees that work from home, as so called “home workers”, a status which is often associated with low pay, especially among workers engaged in manual work. “Homework” is very common for female employees in industrial sectors, as the proportion of female “home workers” in industries increased from 74.0 to 77.4 per cent, between 2000 and 2008.

1

ILO Global Employment Trends for women, 2008

Analyses of women's working hours show increases (from 19.4 to 28.6 per cent, between 2000 and 2008) of the mean hours (35-39 hours a week) worked. Again, there is a difference between men and women as hours of work for men (as opposed to women) tend to increase, mainly in the 45 to 49 hours bracket.

Both the increases of the mean hours worked by women, and the growing proportion of employed men working excessive hours between 2000 and 2008, raises questions about the impact of recent global economic developments on the majority of workers in the years to come.

It seems that Pakistan's weekend economy of recent years has already effected on living, working and employment conditions of women and men in the country. Analysis show that especially women need to work more and more in order to contribute to the family income and have to work longer hours to keep themselves and their families above the poverty threshold.

The difficult labour market situation of women compared to men is also reflected in their higher risk of being unemployed if they are economically active. The female unemployment rate in 2008 was 8.7 per cent compared to 4.0 per cent for men.

Female inactivity decreased in Pakistan in line with growing employment shares in the female population and decreasing unemployment rates for the same, during the last decade. Nevertheless, 78 out of 100 women in the country were not economically active in 2008. The opportunity cost of leaving traditional unpaid family care duties such as housework and childcare to seek work in a male oriented job market is far too high for the majority of women. In addition, female labour force participation is still a challenge in some parts of the country.

Given the significant constraints that women are facing in the labour market, the promotion of gender equality and empowerment as highlighted in MDG 3 is fundamental to achieving the remaining MDGs, in particular, MDG 1 target 1b on *"full and productive employment for all, including women and young people."*

Acknowledgements

This fifth issue of *Pakistan Employment Trends* series looks at the gender aspects of Pakistan's labour market and was prepared by the Labour Market Information and Analysis Unit (LMIA) of the Ministry of Labour and Manpower with technical support from the International Labour Organization (ILO), and funding from the United Nations Development Program (UNDP).

The report was the responsibility of Ms. Ina Pietschmann (ILO, Islamabad) and is the result of a strong technical collaboration between the Ministry of Labour and Manpower under the leadership of Mr. Malik Asif Hayat, Secretary, M/o Labour & Manpower, the ILO Country Office Islamabad, under the guidance of the Country Director, Mr. Donglin Li, and the ILO Employment Trends Unit in Geneva. This publication would not have been possible without technical contributions from the LMIA Unit team: Saleem Afzal, Afsheen Ashraf, Fozia Aftab, Nayyar Siddiqui and Muhammad Khan Mansoor Zaib Khan, Zeshaan Ahmad, Awais Malik, under the guidance of Mr. Hasan Iqbal and Project Director/JS(HRD) Mr. Iftikhar Ahmed Soomro.

The manuscript benefited greatly from the comments and suggestions of the ILO Employment Trends Unit Team, Geneva, including Mr. Lawrence Jeff Johnson, Dr. Theo Sparreboom and Jon Beaulieu as well as from the ILO Office Islamabad, including, Mrs. Margaret Reade Rounds and Mrs. Munawar Sultana, and Dr. Zafar Mueen Nasir (PIDE), Dr. Rehana Siddiqui (PIDE) and Dr. Aliya H. Khan (Quaid-i-Azam University).

Pakistan's Employment Trends for Women report would not have been possible without the continuing support of the Federal Bureau of Statistics (FBS) that collects Labour Market Information, the basis for our timely and up-to-date Labour Market Information and Analysis.

1. Introduction

The international community stresses more and more the fact that promoting decent work is the only sustainable way out of poverty. The United Nations system as well as the European Union (EU) have endorsed the Decent Work Agenda² as contributing significantly to the achievement of the Millennium Development Goals, and in particular target 1b of MDG 1 stressing “*full and productive employment for all including women and young people.*”³

There is also growing recognition that labour markets are the key mechanism through which the benefits of growth can be distributed to the poor and disadvantaged groups. Access to labour markets and more specifically, to decent work is thereby crucial in the process towards improving inequality between men and women. Decent work for women is also a precondition for economic development since, in the long run, economies can not afford to ignore an untapped recourse such as that which could be offered by female labour.⁴

During the last decade women’s labour force participation grew substantially in Pakistan. This gave a reason to hope that the newly obtained economic autonomy for women would also bring greater gender equality in the country. In order to determine in how far these expectations are being realized, it is necessary to monitor labour market trends through gender sensitive lenses. In this regard, this issue of *Pakistan Employment Trends* focuses specifically on labour market trends for women.

Economic empowerment of women has a lot to do with their ability, and inability, to participate in labour market, and with the conditions of employment that women face. The analysis of this report shows that women who were able to find work often do so in less productive economic sectors, and in employment status groups that are at risk of lacking aspects of decent work, including social protection, basic rights and a voice at work. Women working outside of the agricultural sector are mostly subjected to low skilled, low paid atypical jobs, mainly performed from home with inadequate earnings. Further, women generally earn much lower wages than men and their wages have barely increased over time. This can be in part explained through the large gap in educational attainment between women and men.

Despite the evident challenges that need to be addressed in order to achieve gender equality in the world of work, the goal will pay off and the challenges well worth taking up. *While one should not assume that all women want to work, it is safe to say that women want to be given the same freedom as men to choose to work if they want to; and if they do choose to work, they should have the same chance of finding decent jobs then men.*⁵

2 For further information see:

http://www.ilo.org/global/About_the_ILO/Mainpillars/WhatIsDecentWork/lang--en/index.htm

3 For more information on the target 1b of MDG 1, see *Pakistan Employment Trends Achieving MDG target 1b – “Full and productive employment and decent work for all”* (Islamabad, MOL, December 2008)

4 See: *ILO Global Employment Trends for women, 2008*

5 *ibid*

1.1 Promoting gender equality and decent work

1.1.1 ILO mandate and approach to gender equality and decent work

The concept of bringing gender issues into the mainstream of society was clearly established as a global strategy for promoting gender equality in the Platform for Action adopted at the *United Nations Fourth World Conference on Women*, held in Beijing (China) in 1995. It highlighted the necessity to ensure that gender equality is a primary goal in all area(s) of social and economic development. In July 1997, the United Nations Economic and Social Council (ECOSOC) defined the concept of gender mainstreaming as follows:

"Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of women as well as of men an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve gender equality."

Therefore, the promotion of opportunities for women and men to obtain productive employment and decent work in conditions of freedom, equity, security and human dignity is also the overall objective of the International Labour Organization (ILO), and provides a framework for various policies and action plans. The framework brings together multiple goals regarding rights at work, employment, social protection, and social dialogue in an integrated manner with regards to gender equality as a cross cutting theme and condition to achieving social and economic development. The ILO's mandate to promote equality is embedded in its Constitution and in a number of international labour standards.⁶

The four fundamental ILO Conventions stressing gender equality cover: (1) equal remuneration (C100), (2) non-discrimination in employment and occupation (C111), (3) workers with family responsibilities (C156) and (4) maternity protection (C183). The obligation of the ILO to promote gender equality is also reflected in a series of resolutions adopted. The most recent one concerns the promotion of gender equality, pay equity and maternity protection (2004). In addition, there will be a general discussion on "*Gender equality at the heart of decent work*" at the 98th Session (June 2009) of the International Labour Conference.

Further, there is increasing empirical evidence, as highlighted in the 2007 "Global Report on, Equality at work - Tackling the challenges", of the role that gender inequality plays in constraining productivity, growth and prosperity. Likewise, there is evidence that addressing gender issues benefits individuals and families, workers and employers, society and national economies. Improving women's wages and earnings has been identified as a key element in tackling poverty and achieving the MDGs. Especially, to fulfil MDG target 1b calling for: "*full and productive employment and decent work for all, including women and young people.*"

⁶ See: *ILO Action Plan for Gender Equality, 2008/09*

Globally more women are working in the paid economy than ever before, while at the same time continuing to bear and raise children. There are trade-offs for such women, their families and society as such, from engagement in the labour force; there are also barriers to overcome in order to ensure that women and men have equal opportunity to participate in economic activities. That is why workers, employers and governments would benefit from achieving gender equality in the world of work.⁷

To implement gender equality, the ILO issued a policy statement highlighting a strong and visible political commitment at the highest level of the Office, in December 1999. Following the political commitment, an Action Plan on Gender Equality and Gender Mainstreaming was developed and submitted to the ILO Governing Body in March 2001.

The Action Plan on Gender Equality and Gender Mainstreaming provides a participatory approach to mainstream gender equality in the world of work. It covers: (1) new methodologies for analysis to ensure gender concerns are incorporated in planning, programming, implementation, monitoring and evaluation. (2) gender-sensitive data, and gender-specific development tools and indicators; and implementation of gender balance in its personnel policy and practices. All instruments aim to ensure that gender analysis and planning are used during all ILO activities at various stages.

Gender mainstreaming is the primary strategy used by the ILO to accelerate progress toward equality between women and men. A two-sided approach is applied: (1) First, through explicitly and systematically addressing the specific and often different needs and concerns of both women and men in all policies, strategies and programmes. (2) The second is through targeted interventions when analysis shows that one sex, usually women, is socially, politically and/or economically disadvantaged. Such initiatives aimed at women's empowerment are an essential complement to gender mainstreaming and might include, for example, affirmative action measures.

Mainstreaming also includes gender-specific activities and affirmative action, whenever women or men are in a particularly disadvantageous position. Gender-specific interventions can target women exclusively, men and women together, or only men, to enable them to participate in and benefit equally from development efforts. These are necessary temporary measures designed to combat the direct and indirect consequences of past discrimination.

7

ibid

1.1.2 Country specific activities to promote gender equality and decent work

Pakistan's constitution ensures all fundamental human rights and guarantees equal employment opportunities for men and women. Existing labour legislations do not discriminate against anyone on the basis of sex, but women are not allowed to work in a few areas for health and safety reasons, which are in line ILO Convention (C111) on the elimination of all forms of discrimination against women. Until now Pakistan has signed two out of four fundamental ILO Conventions that stress gender equality: (1) Convention 111 non-discrimination in employment and occupation and (2) Convention 100 on equal remuneration.

To fulfil the obligations of these Conventions the Government initiated a number of activities to promote gender equality at the heart of decent work and to achieve MDG target 1b calling for “*full and productive employment and decent work for all including women and young people.*” Those activities range from gender sensitive revisions of constitutional and legal provisions to the establishment of new policy frameworks that help to accomplish the target.

Therefore, the promotion of rights of women and men in the world of work and to achieve gender equality are reflected in a number of national development frameworks and policy documents including the Medium Term Development Framework (MTDF) for 2005-10, the Poverty Reduction Strategy Papers (PRSPs) and documents exclusively relating to labour markets such as the 2002 Labour Policy and the 2006 Labour Protection Policy. Pakistan's Decent Work Country Program (DWCP) spells out the main strategy and plan of action to promote the creation of decent work with gender equality as a cross cutting theme. (Box 1 provides a detailed overview of existing national policies and development frameworks that stress gender equality and decent work in the country.)⁸

In 2000 a National Commission on Status of Women (NCSW) has been established to examine existing policies, programmes and other initiatives taken by the government that promote women's development and gender equality. To assess the effectiveness of such policies and programmes the NCSW reviews laws, rules and regulations that particularly affect the status and rights of women. Moreover, it suggests necessary repeals, amendments or new legislations essential to eliminate gender discrimination in the country. Thus, interaction and dialogue with non-governmental organizations, experts and individuals are important features of the NCSW as well as its mandate to collaborate with similar commissions and institutions in and outside the country to achieve gender equality and development at national, regional and international level.⁹

8 Government of Pakistan (GoP), 2005. *MTDF 2005-10: An overview*, Planning Commission, Islamabad, GoP, 2003. *Poverty Reduction Strategy Paper: An overview*, Ministry of Finance, Islamabad

9 Government of Pakistan (GoP), 2002, *National Policy for Development and Empowerment of Women*, Ministry of Women's Development, Social Welfare and Special Education, Islamabad

Box 1
Policies and action plans that promote gender equality in Pakistan

Following up on Beijing Declaration and Platform of Action from September 1998 that aims to ensure that gender perspectives are reflected in all national policies and programmes, Pakistan adopted its **National Plan of Action for Women**. The plan considers women as “vital contributors to the economic survival of poor households”, and recognized the double burden of productive and household chores. The Plan envisages that economic empowerment of women promotes women’s economic image in the family, community and nation. It aims to facilitate women’s participation in all areas of life besides ensuring protection of women’s rights within the family and the society.

Further, A **National Policy for Development and Empowerment of Women (March 2002)** was developed that specifically aims to: (1) remove inequalities and imbalances in all sectors of socio-economic development, and to ensure women’s equal access to all development benefits and social services; (2) ensure the participation of women as equal partners in national development and decision-making processes in the community and society; (3) safeguard and ensure the protection of women’s rights including economic, legal, political and social rights; and (4) provide equality of opportunity and create liberty for women to realize their full potential. The document set the benchmark for economic empowerment in the country through a) the inclusion of gender sensitization measures that need to be institutionalized and integrated into all sectors of development including the private sectors; b) developing multi-sectoral and inter-disciplinary approaches for women’s development and c) mainstreaming gender issues into all sectors of national development. Further, the document tries to enhance more women to earn wages and salaries by providing them equal employment opportunities as employees through appropriate legislation that stresses:

1. Equal remuneration for men and women for work of the same value
2. Making the work place conducive for women so they can work without discrimination and harassment
3. Protection against sexual harassment at the work place and relief in cases of occurrence
4. Special capacity building for women with entrepreneurial skills, helping them to get engaged in their own small scale enterprises.

The **Gender Reform Action Plan (GRAP)** was launched in August, 2002 as a tool to align policies, structures and procedures enabling the government to implement its national and international commitments regarding gender equality at the federal, provincial and district levels. The GRAP focuses on four areas which include administrative and institutional reforms, policy and fiscal reforms, public sector employment, and political reforms through capacity building interventions and other support actions.

The 2002 published **Labour Policy** renews its commitment to improve the status and wages of women in the labour force by providing equal employment opportunities for women and men. Care of women empowerment is also being taken in Labour Policy being prepared.

Pakistan’s Decent **Work Country Program (DWCP)** spells out the main strategy and plan of action to promote the creation of decent work with gender equality as a cross cutting theme.

Ministry of Labour and Manpower through its one of the Departments “Directorate of Workers Education” launched a nation wide programme for Gender Sensitization. Under this programme 35000 persons including Employers, Trade Union Leaders and Industrial Workers were sensitized.

Another programme was also launched for Capacity Building of Labour/Peasant Councillors. Participants from each District, Tehsil and Union Council attended the training programme. 19400 Labour/Peasant Councillors were trained, more then 50% were female.

Annually more than **2000 women** receive **training in computer skills** free of cost in Worker Education Centres located at different cities.

Directorate of Workers Education implemented a project “Promotion of Awareness and Training/Education about Human Rights among Workers and Employers” under this programme 22500 workers, trade unions leaders and employers were trained. A large number of women workers took benefit of programme.

In pursuance of Governments commitment for empowerment of women and address gender issue, seats are reserved in parliament for women to become a member while no seats are reserved for men.

The countries **Poverty Reduction Strategy Paper (PRSP)** highlights the multi-dimensional nature of poverty, cutting across various sectors like gender, employment and environment.

Pakistan’s **Medium Term Development Framework (MTDF, 2005-2010)** reflects the government’s commitment to protect women and men in the labour force from labour exploitation. The framework points at the governments need to (1) insist on a minimum wage; (2) ensure equal pay for equal work; (3) endorse laws against sexual harassment at work place; (4) regulate conditions of work in the informal sector; (5) make piece-rate contracts for home-based work obligatory and (6) treat agricultural workers and industrial workers, who have rights to social security medical and old-age benefits, equally.

The **Labour Protection Policy** from 2006 acknowledges that gender equality and non-discrimination of women and men are basic human rights that need to be protected. It states that the government of Pakistan is committed to the implementation of the ILO Conventions on gender equality.

Another tool for monitoring how effectively policy commitments on gender equality are implemented was developed by ILO in consultation with Ministry of Labour and Manpower. The project “Women’s Employment Concerns and Working Conditions in Pakistan” (WEC-PK) was implemented under the supervision of Steering Committee headed by Secretary, Labour & Manpower, with senior level members from Ministry of Women Development, Economic Affairs Division, Finance Division, Planning Commission, Provincial Labour Secretaries, Employers Federation, Pakistan Workers Federation, National Commission on Status of Women (NCSW), Pakistan Institute of Labour Education and Research (PILER), CIDA and ILO. Under this programme 5500 women were trained in different employable skills, including entrepreneurship training, and were provided with linkages to the labour market. More than 700 senior Government Officers in Staff Training College were Gender Sensitized, 267 Parliamentarians were sensitized on women employment in five regional and one national seminar, Gender audit training was provided to 72 employees of NCSW and GRAP, 300 women were trained in Textile/Garments trades, 300 women were trained in hotel management. The Employer Federation of Pakistan (EFP) and Pakistan Workers Federation (PWF) under this project initiated on a volunteer basis the development of a “Gender Equality Policy and Guideline” (2009) with aim to institutionalize gender mainstreaming at the work place through appropriate policy frame work.

1.2 Overview of recent employment trends

Political unrest combined with supply shocks and increasing energy, food and other commodity prices in 2007 and 2008 are reflected in declining GDP growth from 6.8 to 5.8 percent since 2007.¹⁰ (Table 1)

Table 1. Economic growth (%)

Pakistan	GDP growth	Agriculture	Manufacturing	Commodity producing sector	Services sector
2000	3.9	6.1	1.5	3.0	4.8
2001	2.0	-2.2	9.3	0.8	3.1
2002	3.1	0.1	4.5	1.4	4.8
2003	4.7	4.1	6.9	4.2	5.2
2004	7.5	2.4	14.0	9.3	5.8
2005	9.0	6.5	15.5	9.5	8.5
2006	5.8	6.3	8.7	5.1	6.5
2007	6.8	3.7	8.2	6.0	7.6
2008	5.8	1.5	5.4	3.2	8.2

Source: Finance Division, 2008, *Economic Survey 2007-08*.

The weakened economy also stalled Pakistan’s labour market progress experienced in the past decade. According to the latest Labour Force Survey 2008, improvements in employment opportunities and equity in work stagnated in most recent years. The employment-to-population ratio, the share of the working age population (15+) that is in employment barely changed. It stood at 49.9 percent in 2008, 0.1 percentage points higher than 2007 (Figure 1).

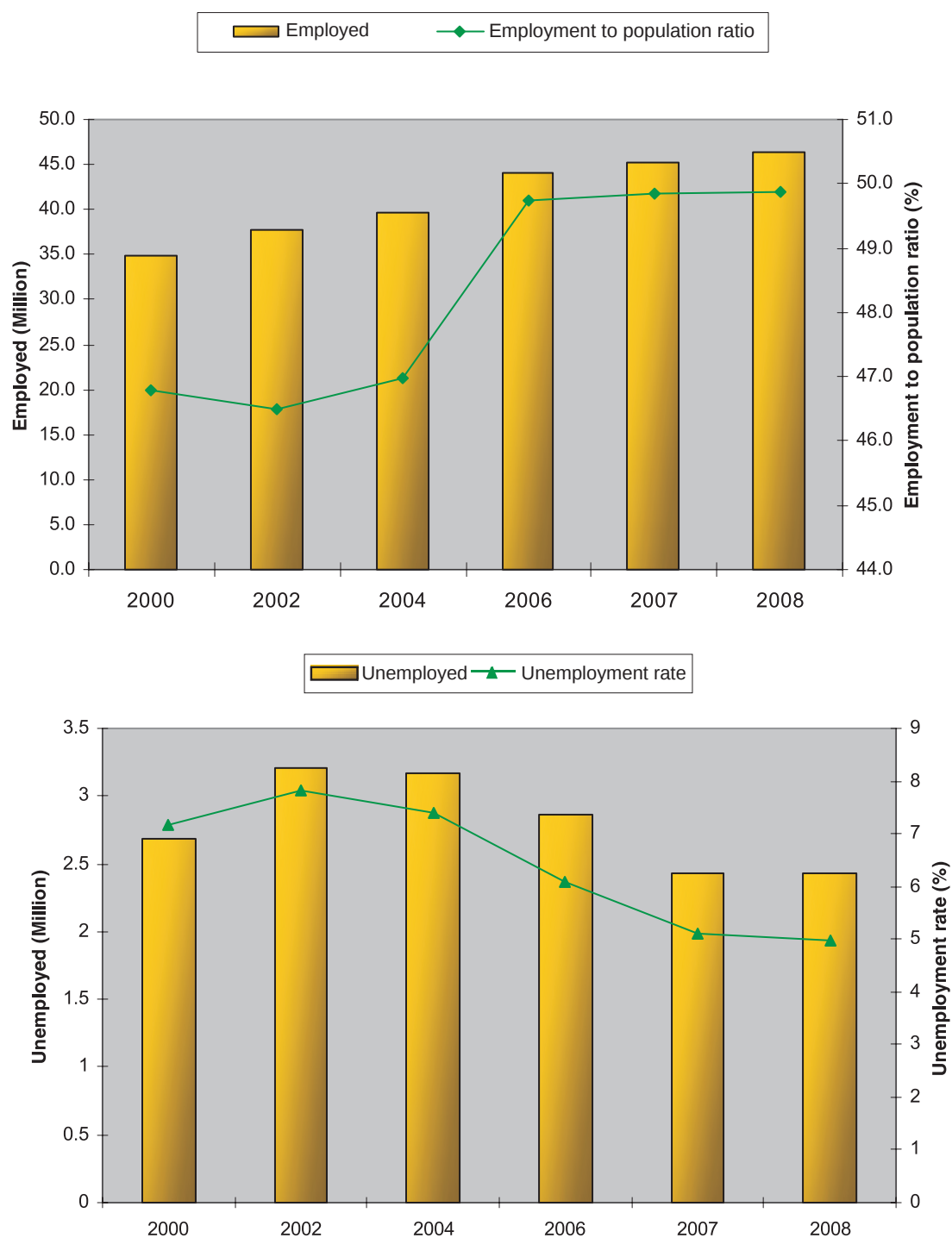
10

For a detailed analysis of the economic situation in 2007/2008 see *Pakistan Economic Survey 2007/2008*.

At the same time the labour force participation rate remained at 52.5 per cent unchanged and the unemployment rate declined insignificantly from 5.1 to 5.0 per cent between 2007 and 2008. (Table 1)

Also the structural transformation of the labour market with its shifts away from the traditional agriculture sector into the industry and service sectors seems to have stagnated. During the last two years the proportion of jobs in the industrial sectors declined from 21.4 to 20.6 per cent, back to the state of 2004. At the same time the proportion of jobs in service sectors remained with 36.6 per cent the same. This is mainly through the fact that almost all new jobs created, between 2007 and 2008, can be found in agriculture, leading to an increasing employment share of such, 0.8 percentage points up to 42.8 per cent.

Figure 1: Employment and unemployment trends, 2000-2008



Source: FBS, various years, *Pakistan Labour Force Survey*

Table 2. Selected key indicators of the labour market, Pakistan (%)

Pakistan (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Labour force participation rate							
Both sexes	50.4	50.5	50.7	53.0	52.5	52.5	+2.1
Males	83.2	82.7	82.7	84.0	83.1	82.4	-0.8
Females	16.3	16.2	18.0	21.1	21.3	21.8	+5.5
Employment-to-population ratio							
Both sexes	46.8	46.5	47.0	49.7	49.8	49.9	+3.1
Males	78.6	77.6	77.6	79.6	79.6	79.1	+0.5
Females	13.7	13.6	15.6	19.0	19.4	19.9	+6.2
Unemployment rate							
Both sexes	7.2	7.8	7.4	6.1	5.1	5.0	-2.2
Males	5.5	6.2	6.2	5.2	4.2	4.0	-1.5
Females	15.8	16.4	12.9	9.6	8.6	8.7	-7.1
Share of industry in total employment							
Both sexes	18.2	21.0	20.6	21.2	21.4	20.6	+2.4
Males	19.8	22.0	21.7	22.7	23.5	22.6	+2.8
Females	8.4	14.8	14.9	15.1	12.6	12.2	+3.8
Share of agriculture in total employment							
Both sexes	47.8	41.1	41.8	41.6	42.0	42.8	-5.0
Males	43.4	37.2	37.0	35.6	35.0	35.2	-8.2
Females	73.7	64.5	66.6	67.7	71.4	73.8	+0.1
Share of services in total employment							
Both sexes	34.0	38.0	37.6	37.1	36.6	36.6	+2.6
Males	36.8	40.8	41.3	41.8	41.5	42.2	+5.4
Females	17.8	20.7	18.4	17.3	16.0	13.9	-3.9
Share of wage and salaried employees in total employment							
Both sexes	35.9	40.4	38.5	38.4	38.3	37.1	+1.1
Males	36.4	40.9	39.8	41.2	41.5	40.6	+4.1
Females	33.1	37.1	31.5	26.6	25.1	22.9	-10.2
Share of own account workers in total employment							
Both sexes	43.6	39.9	38.6	36.5	36.0	35.9	-7.7
Males	48.0	43.7	42.9	41.3	41.1	41.2	-6.8
Females	16.8	16.5	17.0	15.9	14.3	13.9	-2.9
Share of employment in the informal economy							
Both sexes	65.0	63.8	69.4	72.3	71.5	72.4	+7.4
Males	65.0	64.1	69.9	72.2	71.6	72.4	+7.4
Females	63.9	60.8	64.5	73.0	69.9	71.7	+7.7
Share of vulnerable employment in total employment							
Both sexes	63.1	58.7	60.6	60.4	60.6	61.9	-1.2
Males	62.5	58.1	59.0	57.5	57.3	58.2	-4.3
Females	66.7	62.6	68.4	73.0	74.6	77.1	+10.3
Share of the employed working 50 hours or more							
Both sexes	41.6	40.7	42.7	41.0	40.0	37.5	-4.1
Males	46.4	45.2	48.9	48.3	47.8	44.9	-1.5
Females	12.8	13.4	11.6	9.4	7.7	6.9	-5.9

Source: FBS, Various years, Pakistan Labour Force Survey.

Work in the informal economy increased from 71.5 per cent of non-agricultural employment in 2007 to 72.4 per cent in 2008.¹¹ During the same period, wage and salaried employment decreased by 1.2 percentage points of the employed (15+).

Steep increases in vulnerable employment unveil the number of non-decent jobs produced in recent years. The share of employed who are considered to be at “risk of lacking decent work”, rose from 60.6 to 61.9 per cent during the same period. (Table 2)

Analyses in previous issues of Pakistan Employment Trends discovered a number of additional challenges in Pakistan’s labour market including; low labour productivity (1.8 per cent per year on average) and wages, skill gaps in the working age population, and persisting gender imbalances which hinder the maximum utilization of Pakistan’s labour potential.¹²

1.3 Indicators and data sources

This issue of *Pakistan Employment Trends* focuses on female labour market trends in the country. For the analyses in this report, a mix of updated key labour market indicators has been used. These include: labour force participation; unemployment, sector and status of employment, hours of work, wages and education and skills. Taken together, they show whether women who want to work can actually do so under conditions they aspire.

However, if additional indicators were available it would be much easier to judge the quality of female employment in all its complexity. For example available data do not support additional decent working indicators, such as decision-making power, balancing work and family life, earnings, violence at the workplace, social protection, occupational injuries, and credit market access to name a few. With such additional information, a more in-depth analysis of gender disparities could be produced.

Unless otherwise cited, labour market information analyzed in the following chapters was primarily taken from the Labour Force Survey conducted by the FBS. GDP data has been taken from the FBS, Finance Division. Global and regional estimates are taken from the ILO, Trends Econometric Models, 2009.¹³

11 *Pakistan Labour Force Survey 2008* (FBS, Islamabad, 2008) for the definition of the informal economy

12 *Pakistan Employment Trends, Achieving MDG target 1b – “full and productive employment for all, including women and young people* (Islamabad, MOL, December 2008)

13 See ILO, *Global Employment Trends*, 2009.

2. Labour market trends for women

2.1 Introduction

One of the greatest achievements in Pakistan, during the last decade has been the increasing proportion of women in the labour force, enabling women all over the country to use their potential in the labour market and to achieve economic independence. But does the fact that women increasingly entering the labour market mean that gender equality in terms of both conditions of employment and conditions of work¹⁴ could be achieved in the country? Does it mean that women who look for work are successful in finding it? If women do find work, is it the work they want and what are the typical characteristics of female work compared to that of male counterparts?

The following chapters shed light on a series of questions and discover pronounced gender disparities in Pakistan's labour market that need to be addressed by policy makers.

2.2 Demographic trends and developments in labour force participation of females

Pakistan's female population was estimated at 78 million out of the national population of 161 million in the year 2008 and is steadily increasing with an average annual growth rate of 2.1 percent since 2000. (Table 3)

Approximately 45.9 million women in the country were at working age (15 years and above) compared to 47.2 million men, in 2008. In line with the increases in the female population, the number of women in working age is constantly growing with the largest increases in rural areas. In 2008, almost two thirds of working age women (29.8 million) were living in rural areas and just 16.1 per cent in urban areas. (Table 3)

In accordance with a growing female working population, the female labour force participation rate increased over time. Nevertheless, it was with 21.8 per cent in 2008 still very low if considered from an international or regional point of view. Globally, 52.6 percent of women in working age were economically active (employed or unemployed) in 2007.¹⁵ Furthermore, the regional average labour force participation of women in South Asia was with 35.6 percent, much higher than Pakistan's labour force participation rate for women. (Table 4)

14 The expressions "work" or "in work" summarize all people employed according to the ILO definition, which includes self employed, employed, employers as well as contributing family members. There is no distinction between formal sector employment and informal sector employment. The expressions "employed", "in work", "working" and "have a job" are used as synonyms in this publication.

15 *Global Employment Trends for women, 2009, ILO, Geneva*

Table 3. Population (millions)

Pakistan (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (millions)	Average annual growth rate
Population								
Both sexes	136.0	145.8	148.7	155.4	158.2	161.0	+25.0	+2.1
Male	69.8	75.4	76.2	79.5	81.3	82.7	+12.9	+2.1
Female	66.2	70.4	72.5	75.9	76.9	78.2	+12.0	+2.1
Population 15+								
Both sexes	74.3	81.2	84.3	88.7	90.5	93.1	+18.7	+2.8
Male	37.9	41.8	42.7	45.0	45.8	47.2	+9.2	+2.7
Female	36.4	39.4	41.7	43.7	44.7	45.9	+9.5	+2.1
Urban population 15+								
Both sexes	24.6	28.3	30.6	32.0	32.5	33.4	+8.9	+3.8
Male	12.8	14.9	15.9	16.6	16.8	17.3	+4.5	+3.8
Female	11.8	13.4	14.7	15.4	15.7	16.1	+4.4	+3.9
Rural population 15+								
Both sexes	49.7	52.8	53.8	56.7	58.0	59.6	+9.9	+2.3
Male	25.1	26.8	26.8	28.4	28.9	29.8	+4.7	+2.2
Female	24.6	26.0	27.0	28.3	29.1	29.8	+5.2	+2.4

Source: FBS, various years, Pakistan labour force survey.

Table 4. Labour force participation rate (%)

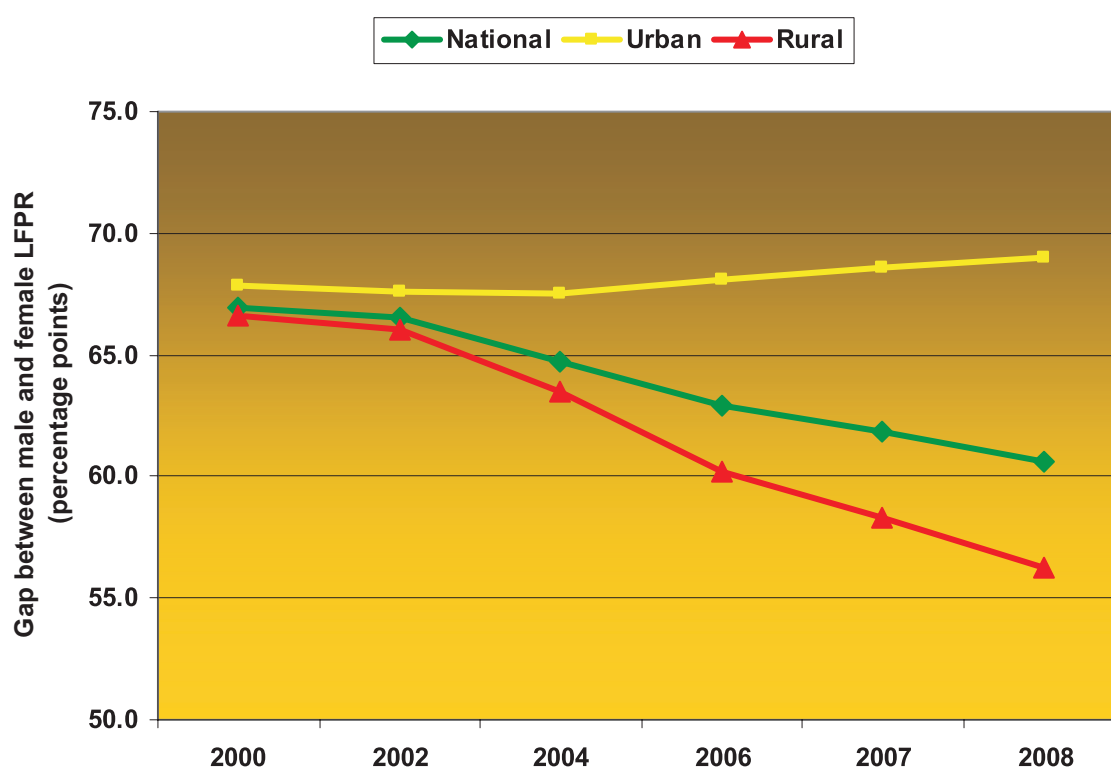
Pakistan (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)	Average annual growth rate
National (15+)								
Both sexes	50.4	50.5	50.7	53.0	52.5	52.5	+2.1	+3.3
Males	83.2	82.7	82.7	84.0		82.4	-0.8	+2.6
Females	16.3	16.2	18.0	21.1	21.3	21.8	+5.5	+6.5
Urban (15+)								
Both sexes	45.7	47.1	46.1	47.6	46.5	45.5	-0.2	+3.8
Males	78.1	79.1	78.5	80.3	79.5	78.7	+0.6	+3.9
Females	10.3	11.5	11.1	12.2	10.9	9.7	-0.6	+3.2
Rural (15+)								
Both sexes	52.7	52.3	53.4	56.0	55.9	56.4	+3.7	+3.1
Males	85.7	84.8	85.2	86.1	85.1	84.5	-1.2	+2.0
Females	19.1	18.7	21.7	25.9	26.8	28.3	+9.2	+7.3
South Asia (15+)								
Both sexes	59.8	59.6	59.5	59.7	59.5			
Males	83.1	82.8	82.8	82.2	82.1			
Females	34.9	34.9	34.9	35.9	35.6			
East Asia (15+)								
Both sexes	76.8	76.1	75.2	74.5	74.4			
Males	82.1	81.2	80.1	79.2	79.2			
Females	71.3	70.8	70.1	69.6	69.5			

Source: FBS, various years, Pakistan labour force survey.

Further, Pakistan's female labour force participation rate was still four times lower than the male labour force participation rate of 82.4 per cent, in 2008. Figure 2, shows the largest gender gap in labour force participation in urban areas of the country, reflecting the limited job opportunities for women outside the agriculture sector compared to men. Whereas in rural areas where the agriculture sector provides the majority of jobs for both women and men, gender differences in labour force participation are significantly lower.

As the following analysis will disclose the large gender gap in labour force participation is also reflected in a number of other key labour market indicators.

Figure: 2. Gender gap in the labour force participation rate (%)



Source: FBS, various years, Pakistan labour force survey.

2.3 Women's working conditions

The overall aim of this section is to provide an overview of the state of working conditions of women throughout Pakistan. There is no single agreed upon indicator to measure the decency and productivity of employment. However, by using the following mix of selected *Key Indicators of the Labour Market*¹⁶ the position of women and men in an ever changing work place can be gauged. An initial assessment of these indicators shows that although labour market access for women improved

¹⁶ *Key Indicators of the Labour Market, Fifth Edition, 2008, ILO Geneva*

over the years, this has not gone hand in hand with progress in the creation of decent work opportunities for the same.

2.3.1 Female employment by sector

Out of roughly 46 million people that were employed in the country in 2008, just 9 million were women (19.4 per cent). As reflected in Table 2, still a very small proportion of females worked in industry (12.2 per cent in 2008 compared to 22.6 of males) and service sectors (13.9 per cent in 2008, as compared to 42.2 of males).

Agriculture continues to provide the vast majority of jobs for women: 7 out of 10 women (73.8 per cent in 2008) worked in the agricultural sector mainly as contributing family workers under tough working conditions with little or no economic security. This share has frequently increased over the last couple of years (from 64.5 percent in 2002 to 73.8 per cent in 2008).

Table 5. Employment by sector (%)

Employed (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Agriculture							
Both sexes	47.8	41.1	41.8	41.6	42.0	42.8	-5.0
Males	43.4	37.2	37.0	35.6	35.0	35.2	-8.2
Females	73.7	64.5	66.6	67.7	71.4	73.8	+0.1
Industry							
Both sexes	18.2	21.0	20.6	21.2	21.4	20.6	+2.4
Males	19.8	22.0	21.7	22.7	23.5	22.6	+2.8
Females	8.4	14.8	14.9	15.1	12.6	12.2	+3.8
Services							
Both sexes	34.0	38.0	37.6	37.1	36.6	36.6	+2.6
Males	36.8	40.8	41.3	41.8	41.5	42.2	+5.4
Females	17.8	20.7	18.4	17.3	16.0	13.9	-3.9

Source: FBS, Various years, Pakistan Labour Force Survey.

Although in a very slow pace when compared to males, more and more women find jobs in industrial sectors. Since 2000, the proportion of females employed in industry increased by 3.8 percentage points from 8.4 to 12.2 per cent compared to a 2.8 percentage point growth for males. Employment shares for women in the service sectors decreased from 2000 by 3.9 percentage points whereas they increased significantly from 36.8 to 42.2 per cent for men.

2.3.2 Female employment in the informal economy

The fact that more and more women find a job in industrial sectors is indeed a positive development but does not mean that all those women have decent jobs. Further analysis show that the informal sector¹⁷ plays a major role in employment creation; production and income generation for females outside the agriculture sector. Pakistan's informal economy tends to absorb most of the females especially in urban areas where the agricultural sector is less pronounced. The same accounts for males, even if less obvious.

Although, an international adopted standard definition exists, measuring employment in the informal economy is not an easy task. Many countries have difficulties in adequately capturing the informal economy in employment statistics. In particular, the criterion of legal organization of the enterprise is often not (correctly) used resulting in an overestimate of employment in the informal economy.¹⁸

However, the concept of employment in the informal economy assumes that workers in the informal sector have little or no legal or social protection and are excluded from or have limited access to public infrastructure and benefits. Informal economy workers are rarely organized for effective representation and often have little or no voice at the workplace or in the socio-political arena. Informal employment is mostly defined as unstable and insecure work and is therefore generally considered as non-decent.

Especially, during 2008, a year characterized by supply shocks, increasing energy, food and other commodity prices, informal sector employment for women became a necessary survival strategy for many families reflecting the lack of social safety nets in the country. Between 2007 and 2008 the share of female employment in the informal sector increased by 1.8 percentage points from 69.9 to 71.7 per cent compared to a 0.8 percentage point increase for males. (Table 2) Considering the impact that the global financial crisis is having on labour markets around the world, the share of women performing work in the informal economy is likely to increase through 2009 and 2010.

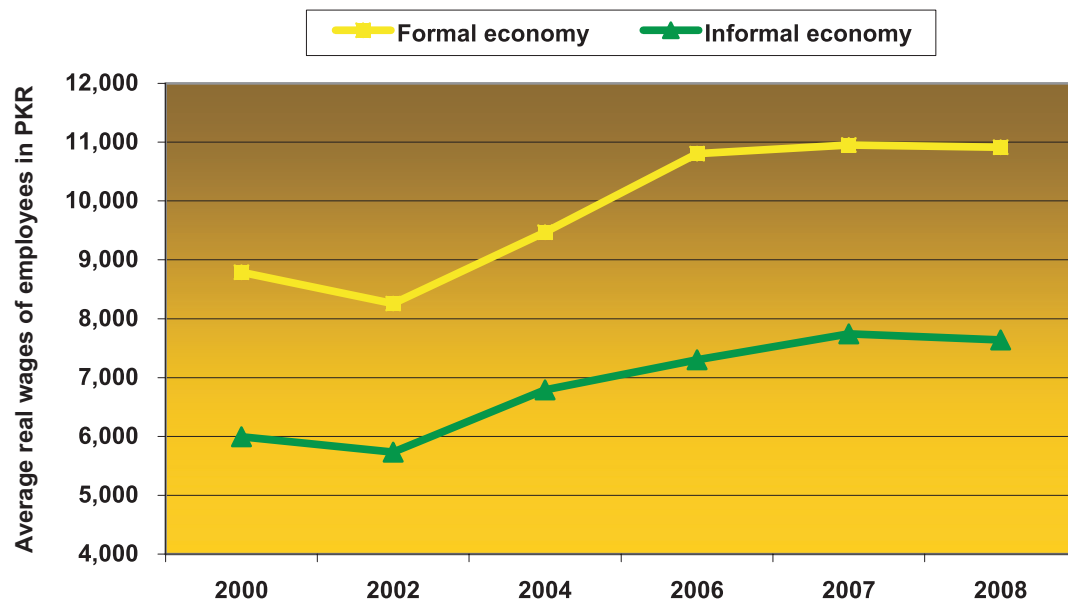
Further, it is likely that the informal economy has become a possible fallback position for women who are excluded from paid employment. For many of them it is often the only source of income, especially in those areas where cultural norms restrict them from work outside of the home or where, because of conflict with household responsibilities, they cannot undertake regular employee working hours.

¹⁷ In Pakistan, the FBS claims to measure employment in the informal economy in accordance with the international standards. For statistical purposes the informal sector in Pakistan includes: (1) all household enterprises owned and operated by own account workers, irrespective of size of the enterprise (informal own account enterprises), (2) Enterprises owned and operated by employers with less than 10 persons engaged. It includes the owner or owners of the enterprise, the contributing family workers, the employers, whether employed on an occasional or a continuous basis, or an apprentice, and (3) excluded are all enterprises engaged in agricultural activities or fully engaged in non-market production. For further information see *Pakistan Employment Trends* (Islamabad, MOL, December 2007)

¹⁸ *Pakistan Employment Trends* (Islamabad, MOL, December 2007)

There is a link (although not a perfect correlation) between working in the informal economy and being poor. This stems from the lack of labour legislation and social protection covering workers in the informal economy, and from the fact that informal economy workers in Pakistan earn, on average, less than workers in the formal economy (Figure 3).¹⁹

Figure 3. Average real wages of employees in the formal and informal economy (PKR)



Source: FBS, Various years, Pakistan Labour Force Survey.

2.3.3 Status of women's economic activity

In line with increasing shares of women in agricultural and informal employment, female vulnerable employment is on the rise and is much higher for women than for men. (Table 6 and Figure 4)

It is assumed that as result of labour related vulnerabilities, people are socially weaker, as they cannot exercise their rights as citizens because of limited or missing rights as workers. They cannot provide a better future to their families, since they do not earn enough to make their living, and they cannot hope for income security. Labour market vulnerabilities can lead to a loss of self esteem, social exclusion, impoverishment, idleness, potential attraction to illicit activities and finally to feelings of frustration with their situation and to directing their frustration against the society that created it.²⁰

¹⁹ For additional information, see ILO, *Women and men in the informal sector: A statistical picture*, Geneva, 2002; website: <http://www.ilo.org/public/english/employment/infeco/download/menwomen.pdf>; as well as the ILO website on the Informal Economy at <http://www.ilo.org/infeco>.

²⁰ ILO, *Global Employment Trends for Youth*, 2006

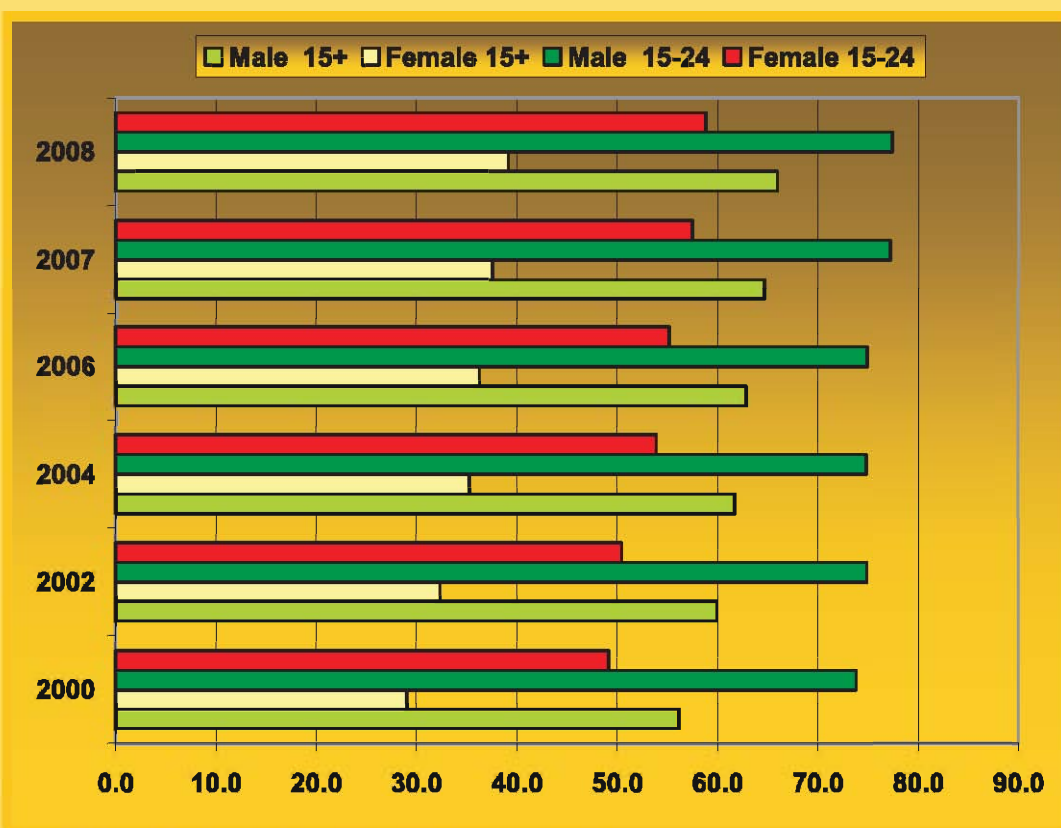
Box 2 Women and education in Pakistan

Education is a basic right. It is essential for development, as education can help people to find solutions to their problems and can provide new opportunities. It opens chances to participate in labour markets or to look for more decent employment opportunities.

Still, almost 44 million Pakistani men and women in working age (15+) have not had the opportunity to learn how to read and write, about two third (28 million) of whom are women. Even though female literacy rates have increased during the last decade, their comparatively low levels reflect the disadvantages faced by women compared to men.

Unfortunately, basic education does not always translate into better employment opportunities. This is why it is in particular important for women to continue to gain knowledge and skills beyond those acquired during youth. An underlying reason for the discrepancy in decent work opportunities between adult men and women could well be the lack of lifelong learning opportunities for many women.

Literacy rates by sex and age group (%)



Source: FBS, Various years, Pakistan Labour Force Survey.

*Traditionally, UNESCO has defined literacy as 'a person's ability to read and write, with understanding, a simple statement about one's everyday life'. The grouping of countries into regions is taken as provided by UNESCO and differs slightly from the groupings used in this publication. Source: UNESCO Institute for Statistics, September 2006, http://www.uis.unesco.org/ev.php?ID=5020_201&ID2=DO_TOPIC.

Figure 4. Distribution of female status in employment, 2008 (%)
(Percentage point change from 2000 in parentheses)



Source: FBS, Various years, Pakistan Labour Force Survey.

Table 6. Vulnerable employment by sector (%)

Employed (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Agriculture							
Both sexes	87.1	87.6	89.0	90.0	90.9	91.7	+4.6
Male	89.5	89.9	90.8	90.0	90.9	91.5	+2.0
Female	78.6	79.2	84.1	90.0	91.0	92.0	+13.4
Industry							
Both sexes	25.7	22.6	23.5	22.8	20.3	21.1	-4.6
Male	24.1	19.7	19.2	18.4	17.2	17.9	-6.2
Female	48.4	49.0	55.8	51.7	44.8	45.9	-2.5
Services							
Both sexes	49.4	47.4	49.2	48.7	49.5	49.9	+0.5
Male	51.3	49.7	51.6	51.0	51.7	52.0	+0.7
Female	26.2	20.5	22.2	25.0	25.1	24.5	-1.7

Source: FBS, Various years, Pakistan Labour Force Survey.

In 2008, almost 8 out of 10 employed women were working in vulnerable employment either as contributing family or own account workers; this is 10.3 percentage points more than in 2000.²¹ In other words not more than 2 out of 10 women had relatively higher economic security or better working conditions as wage and salaried worker, in 2008. (Figure 4)

For men, vulnerable employment is on the downward trend. Since 2000, more and more men could find wage and salaried employment. It needs to be mentioned here that this does not necessarily mean men are better off the women in terms of job decency. (Table 7)

Table 7. Distribution of wage and salaried workers, by sex (%)

Wage and salaried workers (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Regular paid employees							
Both sexes	51.7	49.1	50.8	55.5	52.8	54.9	+3.2
Male	54.4	50.7	52.3	57.1	54.2	56.5	+2.1
Female	34.0	38.4	41.4	45.2	43.5	42.9	+8.9
Casual paid employees							
Both sexes	25.5	26.2	27.7	26.3	26.8	25.7	+0.2
Male	26.5	28.7	29.8	27.8	28.6	27.4	+1.0
Female	18.8	10.0	14.2	16.2	14.0	12.9	-5.9
Paid workers by piece rate							
Both sexes	21.9	23.6	20.7	17.4	19.6	18.9	-3.0
Male	18.1	19.5	17.1	14.3	16.4	15.5	-2.7
Female	46.9	51.3	44.2	38.2	42.1	43.9	-3.0
Paid non family apprentice							
Both sexes	0.9	1.0	0.7	0.8	0.7	0.6	-0.4
Male	1.1	1.1	0.8	0.9	0.8	0.6	-0.4
Female	0.2	0.4	0.2	0.5	0.5	0.2	0.0
Total wage and salaried workers							
Both sexes	100.0	100.0	100.0	100.0	100.0	100.0	
Male	100.0	100.0	100.0	100.0	100.0	100.0	
Female	100.0	100.0	100.0	100.0	100.0	100.0	

Source: FBS, Various years, Pakistan Labour Force Survey.

Wage and salaried workers in the country consist out of four subgroups, including not only (1) “regular employees with fixed wages” which are considered to be non-vulnerable. As Table 7 shows a large proportion of Pakistan’s wage and salaried men and women work as (2) “casual paid employees”, (3) “paid workers by

21 The indicator of vulnerable employment is based on the status of employment indicator (KILM 3), that distinguishes between three broad categories of employment. These are (a) wage and salaried workers also known as employees); (b) self-employed workers that include self-employed workers with employees (employers), self-employed workers without employees (own-account workers) and members of producers cooperatives; and (c) contributing family workers (also known as unpaid family workers).

piece rate or work performed”, and (4) “paid non-family apprentices”. One can argue that the last three subgroups face a similar risk of lacking decent work than own account workers engaged in subsistence activities.

Unlike wage and salaried men who are mostly hired in regular paid positions (56.5 per cent in 2008), wage and salaried women are likely to be hired in more insecure employment arrangements. In 2008, almost 6 out of ten female employees were engaged in casual or piece rate work. However, this is far less than in 2000, where nearly 7 out of ten women had a non-regular paid job compared to 5 out of 10 men.

To look more in depth at the employment conditions of women and men in wage and salaried employment, one can see that in 2008 almost a third (35.4 per cent) of women and 17.5 per cent of men with paid jobs outside the agriculture sector were identified as employees that work from home, as so called “home workers”²², a status which is often associated with low pay, especially among workers engaged in manual work.

“Home workers” refer to a subset of “home-based” workers which are mostly considered to be “industrial out workers” who carry out paid work from their home or in premises of choice, other than the workplace of the employer. Bearing this in mind, Table 8 shows that especially for women, employed in industrial sectors, “homework” is very common. The proportion of female “home workers” in industries even increased from 74.0 to 77.4 per cent between 2000 and 2008. Industrial homework for men is less common although it increased from 13.9 to 15.3 per cent, since 2004.

Given, that family responsibilities are still very much assigned to women in the country, many of them are required to find a solution for balancing household performances (including child raising activities) and economic activities. One alternative for them seems to be “home work”. Thus, it appears that many women in Pakistan are forced by circumstances to work for low wages without secure contracts or fringe benefits and if working as “home workers” often cover production costs (in particular, equipment, space, utility costs) out of their own pockets.

22 According to the ILO convention C177 *home work* means work carried out by a person, to be referred to as a home worker, (1) in his or her home or in other premises of his or her choice, other than the workplace of the employer; (2) for remuneration; (3) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions. Persons with employee status do not become home workers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces; the term *employer* means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity. See: http://www.ilo.org/public/english/employment/skills/hrdr/instr/c_177.htm

Table 8. “Home workers” as proportion of wage and salaried workers, by non-agricultural sectors (%)

Employed (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Industry							
Both sexes	20.3	18.0	17.9	19.8	19.8	20.3	+0.1
Male	17.6	14.0	13.9	14.6	14.8	15.3	-2.3
Female	74.0	73.8	70.9	75.6	78.0	77.4	+3.3
Services							
Both sexes	19.0	19.2	17.1	19.3	17.9	18.4	-0.6
Male	19.7	20.3	18.4	20.6	18.7	19.6	0.0
Female	13.5	11.4	7.9	10.5	12.0	8.9	-4.6
Total							
Both sexes	19.5	18.7	17.5	19.5	18.8	19.3	-0.2
Male	18.7	17.4	16.3	17.7	16.8	17.5	-1.2
Female	28.7	31.2	27.8	34.1	36.4	35.4	+6.7

Source: FBS, Various years, Pakistan Labour Force Survey.

2.3.4 Hours of work

Variations and trends in working time, defined as the period of time during which the worker is bound to carry out his economic activities or duties, are a fundamental indicator of productive employment and decent work. Decent and productive working hours are essential for workers to have acceptable livelihoods for themselves and their families and are important to ensure sustainable development and competitiveness of enterprises in the country.

In Pakistan, a “normal” or “full-time” working-week is thought of as a 35 hours week. Individuals whose working hours total less than “fulltime” are defined as part-time workers. By contrast working of more than 49 working hours per week is often considered as “excessive”, for reasons including the harmful effects to physical and mental health, and the troubles such hours cause in balancing work and family life. Further, excessive hours are likely to signal inadequate hourly pay, in turn reflecting low productivity.

As shown in Table 9, mainly women (40.8 per cent) work less than the threshold of 35 hours a week. This is however, 0.9 percentage points less than in 2000. Ever since, more and more women are working “full time”. The proportion of females working in the 35-39 hours bracket shows the strongest increase between 2000 and 2008, while the longer hour brackets show significant decreases.

Table 9. Hours of work (%)

Employed (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
less than 20 hours							
Both sexes	2.1	3.0	2.7	3.1	2.6	3.0	+1.0
Males	1.2	1.9	1.5	1.3	1.2	1.2	0.0
Females	7.3	9.4	8.7	10.7	8.7	10.5	+3.2
20-29 hours							
Both sexes	6.3	5.9	6.1	6.8	6.9	6.9	+0.6
Males	3.5	3.4	3.0	3.3	2.8	2.9	-0.6
Females	23.4	21.0	22.3	22.3	24.2	23.1	-0.3
30-34 hours							
Both sexes	4.9	4.3	4.8	3.9	4.2	3.5	-1.4
Males	3.9	3.3	3.1	2.9	3.0	2.6	-1.2
Females	11.0	10.3	13.4	8.4	9.5	7.2	-3.9
35-39 hours							
Both sexes	9.9	9.7	9.6	11.5	12.0	13.6	+3.7
Males	8.3	8.3	7.9	8.5	9.1	9.9	+1.7
Females	19.4	18.3	18.3	24.6	24.4	28.6	+9.2
40-44 hours							
Both sexes	14.6	15.4	13.3	13.4	13.4	14.6	0.0
Males	14.3	14.9	12.7	12.9	12.9	14.2	-0.1
Females	16.6	18.1	16.1	15.8	15.4	16.3	-0.3
45-49 hours							
Both sexes	20.4	20.9	20.6	19.7	20.1	20.6	+0.3
Males	22.2	22.8	22.8	22.3	22.6	23.8	1.7
Females	9.3	9.4	9.6	8.5	9.4	7.3	-2.0
50-59 hours							
Both sexes	20.5	20.8	21.0	18.2	17.7	17.6	-2.9
Males	22.5	22.7	23.6	20.9	20.7	20.7	-1.8
Females	8.5	9.8	8.2	6.3	4.8	4.8	-3.7
Greater than 59							
Both sexes	21.4	20.0	21.8	23.3	23.0	20.2	-1.2
Males	24.2	22.7	25.4	27.9	27.6	24.5	+0.4
Females	4.4	3.7	3.5	3.3	3.6	2.2	-2.2
All hours							
Both sexes	100.0	100.0	100.0	100.0	100.0	100.0	
Males	100.0	100.0	100.0	100.0	100.0	100.0	
Females	100.0	100.0	100.0	100.0	100.0	100.0	

Source: FBS, Various years, Pakistan Labour Force Survey.

However, there is again an important difference between men and women as hours of work for men (as opposed to women) tend to increase, especially in the 45 to 49 hours bracket. (Table 9) Both the increases of the mean hours worked by women, and the growing proportion of employed men working excessive hours, raises questions about the impact of the recent national economic circumstances on the majority of workers in the country in the years to come.

It seems that Pakistan's weekend economy of recent years has already impacted on living, working and employment conditions of women and men in the country. Considering the impact that the global financial crisis is having on labour markets around the world, the situation may worsen for both men and women in 2009 and 2010.

Analysis show that especially women need to work more and more in order to contribute to the family income and have to work longer hours to keep themselves and their families above the poverty threshold. To allow for a comprehensive assessment of this impact, additional indicators of quantitative as well as qualitative nature need to be examined.

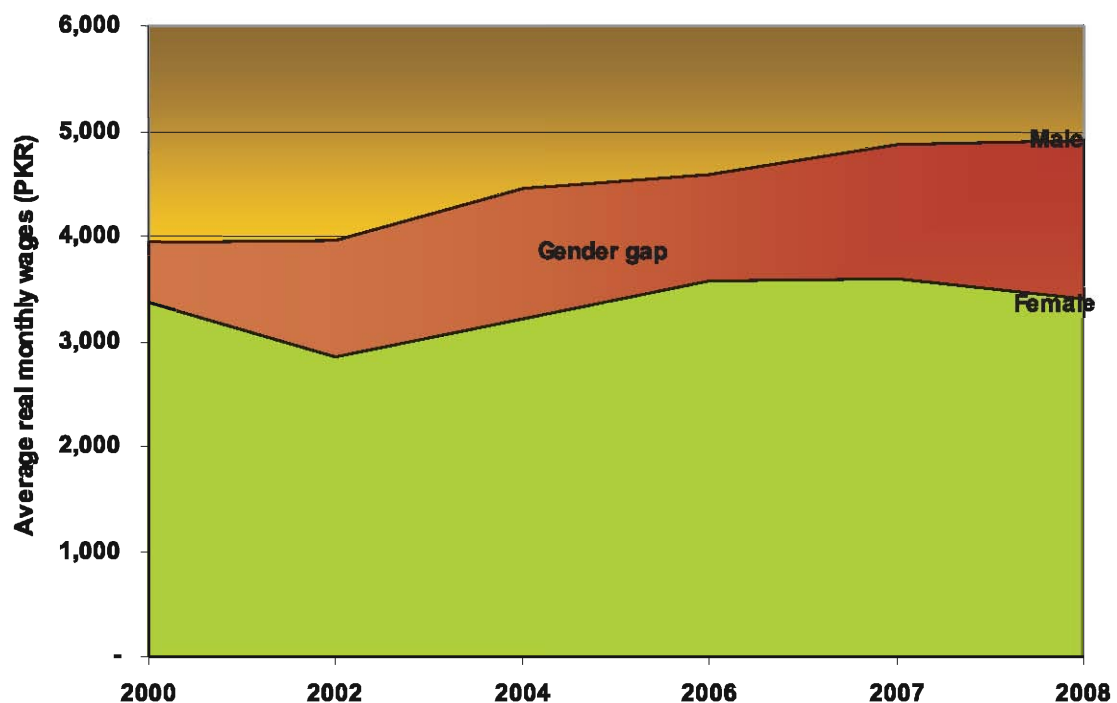
2.3.5 The widening wage gap

Wages constitute a large share of total household income in Pakistan. Therefore, wage disparities can be held responsible for much of the inequality that exists in wealth, consumption, healthcare and other well-being indicators associated with income. Since households with low wages and earning are often among the poorest households in the country, deteriorating wages could worsen their already weak economic situations.²³

The review of wage data available in the Labour Force Survey shows enormous wage discrepancies for male and female employees in average real wages. In 2008, women generally earned almost one third less than their male counterparts. In addition, the wage gap significantly widened since the beginning of the decade, in particular during the most recent survey years. Between 2007 and 2008, real wages for female employees decreased from 3'607 to 3'419 Pakistani Rupees in average per month whereby they increased from 4'878 to 4'917 Pakistani Rupees for male employees, during the same period. (Figure 5)

23 For more details see Corley, M, Peradel, Y and Popova, K, "*Wage inequality by gender and occupation: A cross-country analysis*", Employment Strategy Paper 20/2005, ILO, Geneva, 2005, <http://www.ilo.org/public/english/employment/strat/download/esp2005-20.pdf>.

Figure 5. Wage gap in average real wages of employees (PKR)

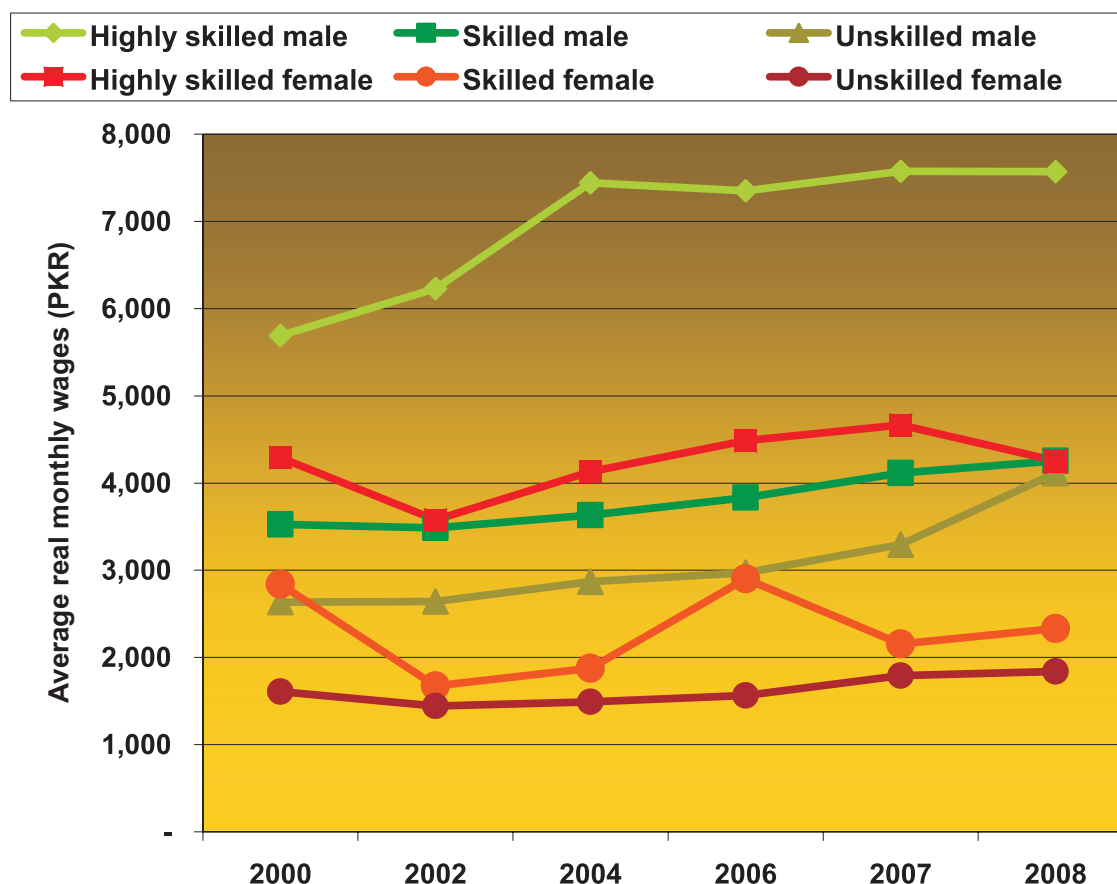


Source: FBS, Various years, Pakistan Labour Force Survey.

By dividing major occupational groups into three aggregates, “highly skilled”, “skilled” and “unskilled”, it can be seen, that structural changes in Pakistan’s labour market from agriculture into industry and services sectors were accompanied by shifts in occupations towards “highly skilled” occupational groups. Nevertheless, these shifts seem to have profited more men than women.

During the last decade average real wages for “highly skilled” men increased significantly whereas they remained the same for females in the same occupations. For “skilled” women average real wages even declined, while the wages for “skilled” males increased at the same time. Figure 3, illustrates that “highly skilled” females earned in average, as much as “skilled” males, in 2008. Further, wages of “unskilled” females are far below wages of “unskilled” males.

Figure 6. Average real wages of employees by aggregated major occupational groups (PKR)



Source: FBS, Various years, Pakistan Labour Force Survey.

* "Highly skilled" employees cover legislators, senior officials and managers as well professionals, technicians and associate professionals. "Skilled" workers cover the major occupational groups of clerks, service workers, shop market sales workers, skilled agricultural and fishery workers, craft and related trades workers and plant and machine operators and assemblers. "Unskilled" employees cover those working in elementary occupations.

Factors impacting on the rising wage inequalities between men and women in the country are the increasing size of the informal economy (which generally has lower wages and worse working conditions) that absorbs more and more females (see also Chapter 2.2.2) as well as the increasing skill differentials between male and female workers.²⁴

It should be noted that the gender wage differential is not a synonym for gender wage discrimination. Additional factors affecting the gender wage gap include also factors related to human capital and productivity, work experience, health and location of enterprise as well as differences in wage payment systems.

Box 3

Women and poverty in Pakistan

Poverty is a multidimensional phenomenon. Poor people can suffer from material deprivation, lack of money, dependency on benefits, social exclusion or inequality. Despite these many aspects, the most common measurements of poverty focus on monetary income. Usually poverty is measured as the share of people in a country living below US\$1 or US\$2 a day.

The main sources for poverty statistics in Pakistan are income and expenditure data collected through the Household Integrated Economic Survey (HIES). The HIES allows the calculation of poverty lines, household based poverty ratios and headcounts for various target populations. Unfortunately, such information is inadequate for measuring gender differences, because it concerns entire households rather than individuals. Further, HIES data give a snapshot of household poverty at a particular moment and do not capture changes over time. As a result, poverty data in the country if disaggregated by sex would not be useful to estimate poverty among women.

However, the internationally existing statistical and anecdotal evidence has led to a growing perception that poverty is becoming feminized, all over the world with women accounting for an increasing proportion of the poor and working poor. The findings of this report clearly show that as long as there are inequalities in labour markets, women will find it much harder than men to escape poverty.

Sources: Spicker, Paul, "The idea of poverty", Bristol, 2007; UNIFEM, "Report on "Progress of the World's Women, 2005", New York, 2005, <http://www.un-ngls.org/women-2005.pdf>; UNIFEM, "The World's Women 2005: Progress in Statistics", New York, 2005, <http://unstats.un.org/unsd/demographic/products/indwm/wwpub.htm>

Source: Reproduction of Box 1 in Global Employment Trends for women Brief (International Labour Office, Geneva, March 2007)

2.4 Unemployment among women

In 2008, women in Pakistan had a much higher likelihood of being unemployed compared to men. The female unemployment rate stood at 8.7 per cent, which was more than double as high as the male rate of 4.0 per cent. Nevertheless, female unemployment could be halved during the last decade from 15.8 per cent to 8.7 per cent. (Table 2 and Figure 7)

The difficulty of finding work is even more pronounced for young women between the age of 15 and 24, with 10.5 per cent of them available on the job market but not employed, in 2008. (Annex Table A10)

It must be borne in mind that the standard definition of unemployment in Pakistan includes persons who want to work but do not actively "seek" for work. This is by some means justified given the limited relevance of the criteria in the country. As reflected in the large size of the informal economy and enormous proportion of vulnerable employment²⁵ seeking work by traditional means does not seem to be common practice. This is even more valid for women, where the majority of them work in the agricultural sector as contributing family workers.

25 For further details see page 18 of this report.

Some traditional job search methods found in other countries are: school career planning and placement offices, classified ads, internet resources, professional associations, trade unions, employment exchanges, community agencies, and private employment agencies and career consultants²⁶. However, the issue in Pakistan is that seeking job opportunities through these methods is not very common since they either do not exist or are not often utilized by either workers or employers. Therefore, improving methods of helping people find jobs, either through private sector interventions or through government services, such as employment exchanges, should be promoted.

Nevertheless, there can be a number of reasons why people do not actively search for a job either because they feel that no work is available for them or because such persons have restricted labour mobility, face discrimination or structural, social or cultural barriers. These are the so-called “discouraged workers”, the majority of which are mostly women.

Analysis of Pakistan’s labour force survey shows that discouraged women made up a third of all unemployed women. This is 3.8 percentage points less than at the beginning of the decade. A similar decreasing trend can be observed for men where the share of “discouraged worker” among all male unemployed could be reduced by 3.2 percentage points between 2000 and 2008. (Table 10)

Given that discouraged workers are extremely vulnerable to facing a difficult process of reintegration into the labour force and are in danger of feeling useless and of becoming alienated from society, the presence of discouraged workers in the country represents a waste of human resources and productive potential for the economy.

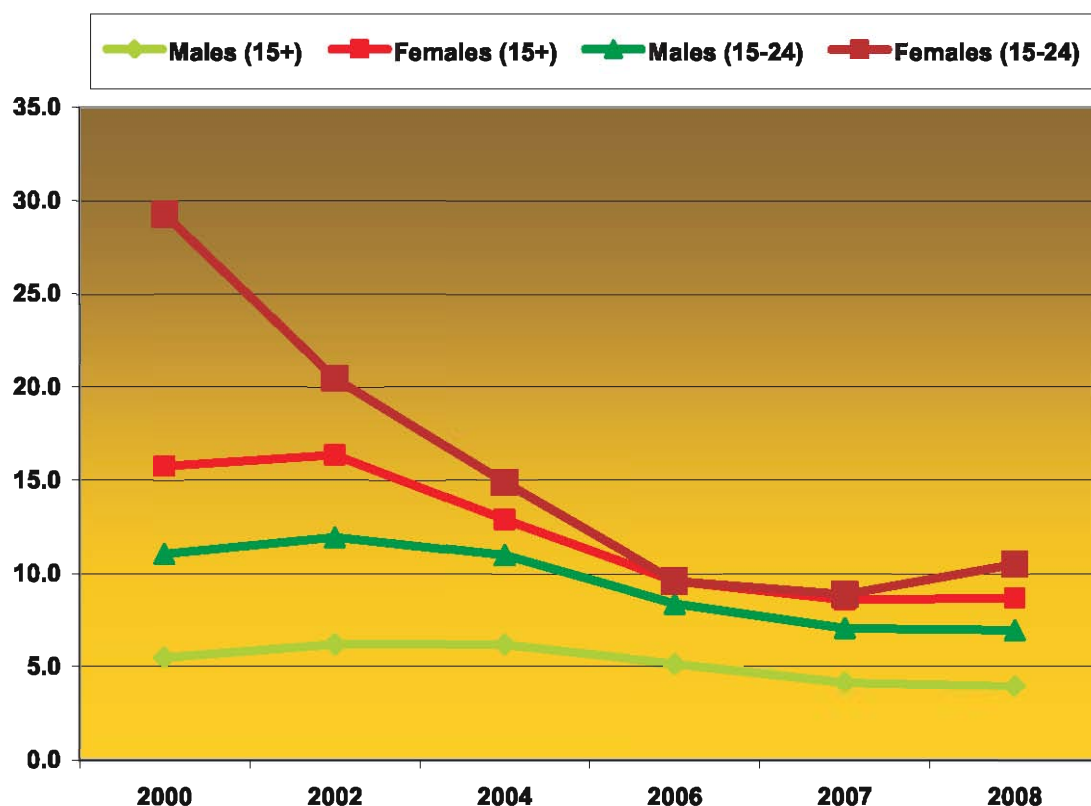
Table 10. Discouraged workers (%)

Employed (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
National							
Both sexes	35.5	36.3	36.4	31.3	31.1	32.2	-3.4
Male	34.9	38.8	37.4	32.3	33.8	31.8	-3.2
Female	36.7	31.3	34.3	29.0	25.7	32.9	-3.8
Urban							
Both sexes	40.4	40.0	40.3	35.0	35.4	34.0	-6.4
Male	36.0	39.8	39.3	33.6	34.9	32.8	-3.2
Female	48.7	40.6	43.5	39.2	36.9	36.8	-11.9
Rural							
Both sexes	32.5	34.0	33.7	28.8	28.3	31.1	-1.4
Male	34.2	38.1	35.8	31.3	33.0	31.0	-3.2
Female	29.2	26.4	29.7	24.0	20.7	31.2	+1.9

Source: FBS, Various years, Pakistan Labour Force Survey.

26 United States Bureau of Labour Statistics, *Occupational Outlook Handbook 2008-2009*, Washington. See: <http://www.bls.gov/oco/oco20042.htm>

Figure 7. Unemployment by sex and age group (%)



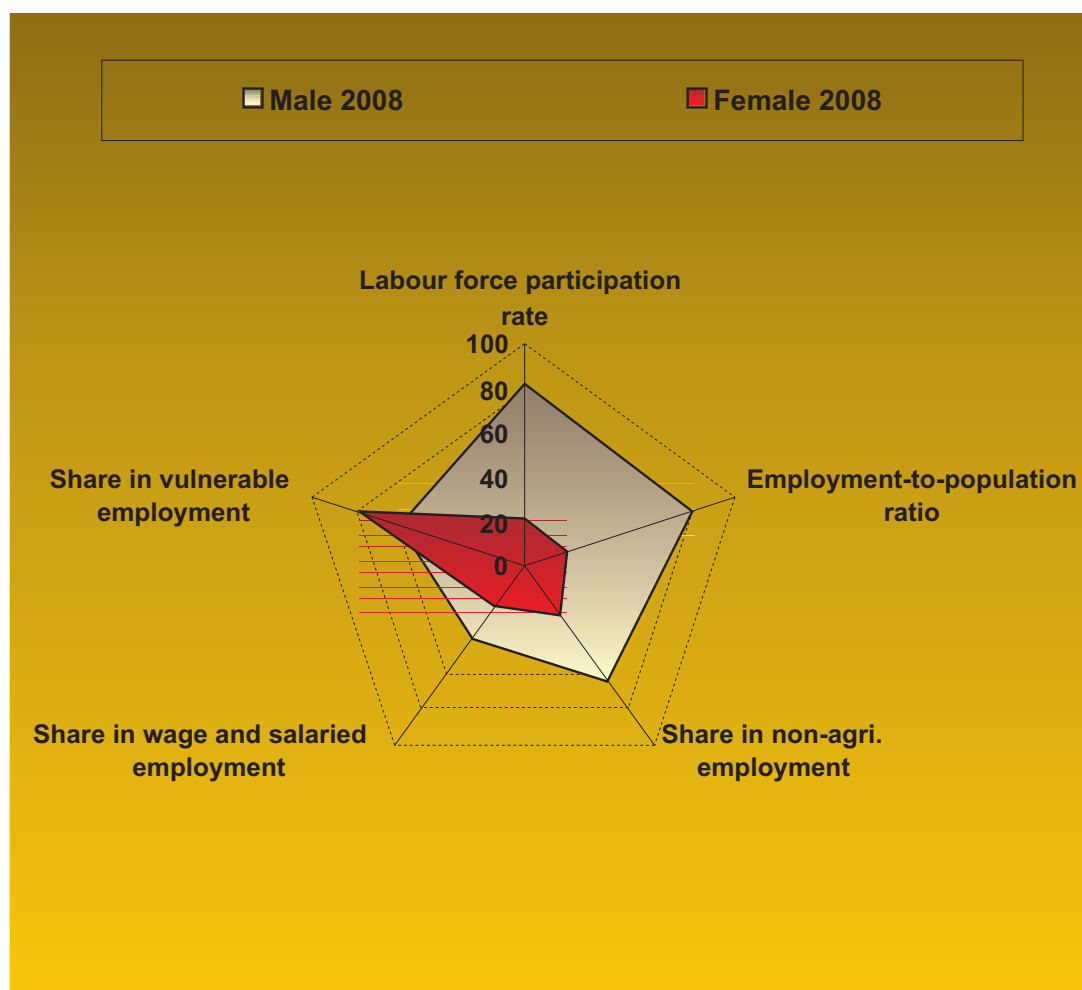
Source: FBS, Various years, Pakistan Labour Force Survey.

Extra caution is needed when interpreting the falling unemployment trend for women in the country. The decreasing unemployment rates seems to indicate that women try to adjust to the deteriorating economic conditions by taking up whatever job the labour market offers or by accepting shorter working hours rather than not to work at all.

It is also important to note that unemployment information in itself is a rather limited indicator to monitor the labour market situation in its complexity. The indicator therefore, should not be used in isolation of other indicators such as the employment-to-population ratio, employment by status and sectoral employment data, and wage indicators.

Analysis of combined labour market indicators show that regardless of the improved employment opportunities in the country during the last decade, gender equality in terms of labour market access and conditions of employment has not yet been achieved in Pakistan.

Figure 8. Five dimensions of Pakistan's gender gap (%)



Source: FBS, Various years, Pakistan Labour Force Survey.

In 2008, 9.1 million Pakistani women (15+) worked, almost 4.2 million or 83.0 per cent more than in 2000. Nevertheless, employment-to-population ratios for women (19.9 percent) are four times lower than for men (79.1 per cent) in the country and just half as high when compared to the rest of South Asia. In line with the employment-to population ratios, female labour force participation increased over time (from 16.3 to 21.8 per cent) but is also four times lower than for men (82.4 percent) in 2008. (Table 2 and Figure 8)

Figure 8 highlights what could already be revealed in the forgoing chapters of this report, women who found work are often confined to work in agricultural or low productivity sectors of the economy and in status groups that carry higher economic risk and a lesser likelihood of meeting the characteristics that define decent work, including social protection, basic rights and a voice at work. It seems that female employment, other than contributing family work and/or own account work, is still not a widely accepted part of the culture.

2.5 Female inactivity

Economically inactive people are those who do not fulfill the definitions of employment or unemployment. They are people who do not actively participate in the labour market because they are unable to find or unwilling to start a job. Inactivity rates can be very different for men and women for a wide range of factors. These include the economic climate, social and cultural norms, legislation and education to just point some.²⁷

Most commonly the economically inactive of working age are students, women looking after the family or home, those unable to work because of long-term illness or disability and those with a short-term illness. Clearly some of these groups have a greater tendency to future labour market participation than others; for instance, students are very likely to join the labour force in a relatively short period of time, whereas retired people are not. Thus, inactivity information needs to be analyzed in order to find ways (1) either how to integrate young people into the labour market after they finished their education or (2) to find out about the labour potential that can be utilized to actively contribute to the countries economy.

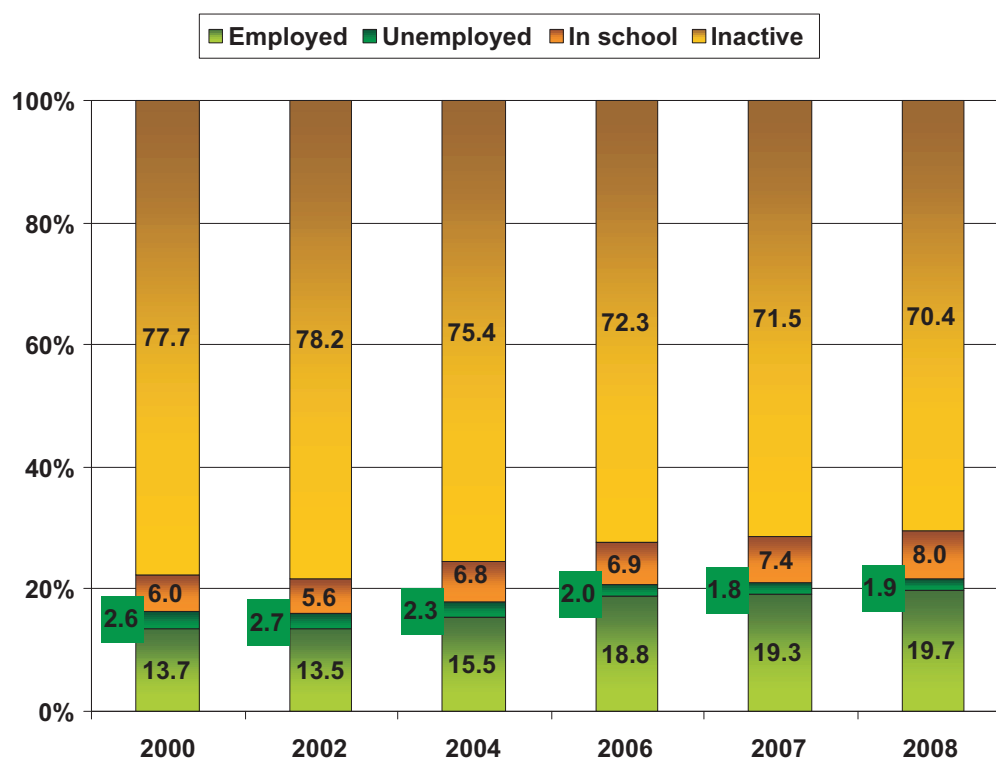
As Figure 9 shows, female inactivity decreased in Pakistan in line with growing employment shares in the female population and decreasing unemployment rates during the last decade. Nevertheless, 78 out of 100 women in the country were still not economically active, in 2008 (Table 11). It seems that the opportunity cost of leaving the traditional unpaid family care duties such as household work and childcare, to seek work in a male oriented job market is far too high for the majority of women. Further, it seems that women in Pakistan are more likely to face cultural or other constraints to labour market participation than men.

Inactivity rates for men are very low compared to women and have not changed over time. This is, to a certain extent, positive in that it shows men do not face the same difficulties as women in participating in the labour market. But, at the same time, it reflects the lack of better alternatives for them. Low inactivity rates connote that men are very likely to take any job they can get in order to maintain at least a subsistence level of support for their families. Especially for young men, labour force participation is necessary to survive and too often not a matter of choice.²⁸ (Table 11)

27 *Key Indicators of the Labour Market*, Fifth Edition, ILO, Geneva 2007

28 *Pakistan Employment Trends for Youth* (Islamabad, MOL, May 2008)

Figure 9: Female activity status, 2000-2008 (%)



Source: FBS, Various years, Pakistan Labour Force Survey.

Rural inactivity is significantly lower than urban inactivity, both for men and women. It is interesting to note that the largest reduction in inactivity was observed among women in rural areas. Since 2000, the share of inactive women in rural areas decreased by 9.2 percentage points. (Table 11) A possible explanation for this could be that, especially in the poorer rural areas, women have to work to contribute to family income. As mentioned in Chapter 2.2.3, they mainly work as contributing family workers or own account workers in the agricultural sector.

At the same time, inactivity for women in urban areas increased from 89.7 to the incredibly high rate of 90.3 per cent. It seems that especially in urban areas (1) the opportunity costs for women to leave the household are far too high due to low wages for female employees²⁹ even if their educational attainment is relatively good and/or (2) households/families can afford to let their women stay at home. Women are therefore not part of the labour force. (Table 11)

Table 11. Inactivity by area (%)

Inactivity (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
National (15+)							
Both sexes	49.6	49.5	49.3	47.0	47.5	47.5	-2.1
Males	16.8	17.3	17.3	16.0	16.9	17.6	+0.8
Females	83.7	83.8	82.0	78.9	78.7	78.2	-5.5
Urban (15+)							
Both sexes	54.3	52.9	53.9	52.4	53.5	54.5	+0.2
Males	21.9	20.9	21.5	19.7	20.5	21.3	-0.6
Females	89.7	88.5	88.9	87.8	89.1	90.3	+0.6
Rural (15+)							
Both sexes	47.3	47.7	46.6	44.0	44.1	43.6	-3.7
Males	14.3	15.2	14.8	13.9	14.9	15.5	+1.2
Females	80.9	81.3	78.3	74.1	73.2	71.7	-9.2

Source: FBS, Various years, Pakistan Labour Force Survey.

Table 12. Educational attainment of women, 2008 (%)

Females 15+	Employed	Unemployed	Not economically active	Population of working age
Urban				
Less than one year of education	40.7	46.1	39.1	39.3
Pre primary education	1.8	1.9	1.5	1.5
Primary but below middle	10.9	12.6	12.8	12.6
Middle but below matric	5.5	5.7	13.7	12.9
Matric but below intermediate	12.6	15.8	17.9	17.5
Intermediate but below degree	8.9	7.6	8.7	8.7
Degree	19.6	10.4	6.3	7.4
All education levels	100.0	100.0	100.0	100.0
Rural				
Less than one year of education	81.9	65.0	68.9	72.2
Pre primary education	2.0	0.8	2.3	2.2
Primary but below middle	7.5	10.3	11.9	10.7
Middle but below matric	2.7	4.3	7.5	6.2
Matric but below intermediate	2.9	10.1	6.3	5.5
Intermediate but below degree	1.3	4.6	2.3	2.1
Degree	1.7	4.9	0.9	1.2
All education levels	100.0	100.0	100.0	100.0

Source: FBS, Various years, Pakistan Labour Force Survey.

It is very interesting to see that women who are not economically active have, in general, a much higher education than employed or unemployed women, especially in urban areas. More than a half (59.4 per cent) of all urban inactive women had more primary or higher education. In contrast a large group of employed (40.2 per cent) and unemployed women (48.8 per cent) had pre-primary or less than one year of education. (Table 12)

There are several possible explanations for the fact that educational attainment levels of inactive females are relatively high. Analyses of labour market indicators such as status in employment and employment by sector point at persisting labour market imbalances between men and women. Further this is confirmed by research about the occupational distribution of the employed disaggregated by sex³⁰. In other words, women who are qualified for a certain type of jobs may face barriers which prevent them from obtaining such.

In 2008, the vast majority of women (84.3 per cent) were inactive as a result of their housekeeping duties. This is 3.6 percentage points less than in 2000. However, an increasing share of females is inactive because they participate in education (from 7.1 per cent in 2000 to 10.1 percent in 2008). This is a positive development as it may translate into better job opportunities for these women in the years to come. (Table 12 and Table 13)

For men high participation in education is the main reason for inactivity. This proportion increased significantly over the last decade, whilst a decreasing proportion (-2.6 percentage points between 2000 and 2008) say they are inactive because they are agricultural land lord/property owner. (Table 12 and Table 13)

30 Nazir, Z.M., 2005, "An Analysis of occupational choice in Pakistan: A Multinomial approach", Pakistan Development Review, Vol. 44, No 1, pp 57-79

Table 13. Reasons for Inactivity (%)

Inactivity (15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Both sexes							
Student	15.6	15.3	16.4	16.5	18.0	19.7	+4.1
House keeping	73.4	73.2	71.3	72.0	70.8	69.3	-4.2
Retired	1.5	1.6	1.6	1.0	1.2	1.3	-0.2
Agricultural land lord/property owner	0.9	0.8	0.7	0.6	0.5	0.4	-0.5
Too young to work	0.0	0.1	0.1	0.2	0.1	0.2	+0.1
Too old to work	5.9	6.5	6.9	7.3	6.8	6.8	+0.9
Handicapped	1.9	1.8	1.9	1.6	1.6	1.5	-0.5
Other	0.7	0.8	1.2	0.8	0.9	0.9	+0.2
Male							
Student	56.0	55.2	54.5	55.0	58.6	61.5	+5.5
House keeping	4.8	4.3	3.3	5.5	4.4	4.5	-0.3
Retired	7.8	8.6	8.5	5.8	6.2	6.5	-1.3
Agricultural land lord/property owner	4.8	3.9	3.8	2.9	2.9	2.2	-2.6
Too young to work	0.2	0.4	0.2	0.7	0.5	0.5	+0.3
Too old to work	16.3	17.7	17.7	20.1	17.9	16.3	+0.0
Handicapped	6.8	6.7	7.4	6.1	5.9	5.0	-1.8
Other	3.2	3.2	4.7	4.1	3.6	3.5	+0.2
Female							
Student	7.1	6.6	8.1	8.5	9.1	10.1	+3.0
House keeping	87.8	88.2	86.0	85.9	85.4	84.3	-3.6
Retired	0.1	0.1	0.1	0.0	0.1	0.1	-0.1
Agricultural land lord/property owner	0.1	0.1	0.0	0.1	0.0	0.0	-0.1
Too young to work	0.0	0.0	0.0	0.1	0.1	0.1	+0.1
Too old to work	3.7	4.0	4.5	4.6	4.4	4.6	+0.9
Handicapped	0.9	0.7	0.8	0.7	0.6	0.6	-0.3
Other	0.2	0.2	0.4	0.2	0.3	0.3	+0.1

Source: FBS, Various years, Pakistan Labour Force Survey.

2.6 Competitiveness and women

The World Economic Forum (WEF) ranked Pakistan 101 overall out of 134 countries in its Global Competitive Report for 2008-2009.³¹ The country also ranked low in the pillar of labour market efficiency at 121 of 134. The most important factor of a country's competitiveness is its human capital, which includes the education, skills and productivity of its labour force. To be competitive in our globalized economy, a country must invest in the education of its population and train people to have the appropriate skills.

31 The Global Competitive Report 2008-2009, World Economic Forum, Geneva. See:

<http://www.weforum.org/documents/GCR0809/index.html>

Each country should make gender equality a goal so that all persons can contribute to the economy in order to maximize its competitiveness. In Pakistan, there remains a larger untapped resource of female workers which could improve its competitiveness and development potential. However, if women do not get equal access to education, training, finance and employment opportunities, the country will continue to lag behind others when it comes to being competitive.

The economic participation and opportunity pillar of the Global Gender Gap Index³² published by the World Economic Forum examines the participation gap, the remuneration gap and the advancement gap for women. According to its 2008 Report, Pakistan ranked 128 out of 130 countries in this pillar. Overall it ranked 127 out of 130 countries. On a positive note for Pakistan, it ranked 50th for its political empowerment of women. The report highlights the correlation between gender equality in a country and its global competitiveness. The WEF notes that current research has demonstrated that reducing gender inequality enhances productivity and economic growth.

Females make up just under half of the total population in the country. With Pakistan's female labour force participation rate and employment-to-population ratio being four times lower than that of men, and with 27.9 per cent of females aged 15 and above being illiterate, there is much potential to improve Pakistan's competitiveness by promoting gender equality. Considering the gender gap outlined in this issue of *Pakistan Employment Trends* and the relationship between gender equality and global competitiveness, there is a lot of room for improvement. Therefore, enhancing strives towards making gender equality a reality is one way to improve Pakistan's competitiveness in a globalized economy.

32 *The Global Gender Gap Report 2008*, World Economic Forum, Geneva. See:

<http://www.weforum.org/pdf/gendergap/report2008.pdf>

4. Summary and conclusion

The findings of this report that focuses on female labour market issues are only partly encouraging. The assumption that in the process of socio-economic development the quality of work for women would improve does not hold true in Pakistan.

Increases in female labour force participation over the years have in the majority of cases not been matched by improvements in job quality and working conditions for women and therefore did not lead to true social and economic empowerment of women in the country.

This sixth issue of *Pakistan's Employment Trends* identifies several women specific issues in the labour market that deserve immediate attention by policy makers and politicians:

1. The agriculture sector continues to provide the vast majority of jobs for women: 7 out of 10 women (73.8 per cent in 2008) worked in the agricultural sector mainly as contributing family workers with little or no economic security.
2. Especially, during 2008, a year characterized by supply shocks, oil and food surges, increasing commodity prices and political turmoil, informal sector employment for women became a necessary survival strategy for many families reflecting the lack of social safety nets in the country. Between 2007 and 2008 the share of female employment in the informal sector increased by 1.8 percentage points from 69.9 to 71.7 per cent compared to a 0.8 percentage point increase for males.
3. In 2008, almost 8 out of 10 women working were working in vulnerable employment as either contributing family worker or own account workers, this is 10.3 percentage points higher than in 2000.³³ In other words no more than 2 out of 10 women were employed as wage and salaried workers, in 2008.
4. Unlike wage and salaried men who are mostly hired in regular paid positions (56.5 per cent in 2008); wage and salaried women are likely to be hired in more insecure employment arrangements. In 2008, almost every sixth female employee was engaged in casual or piece rate work.
5. Industrial “homework” is on the rise in Pakistan, especially for women. Since 2000 the proportion of female “home workers” increased from 74.0 to 77.4 per cent. Given, that family responsibilities are still very much assigned to women in the country they are required to find a solution for balancing household

33 The indicator of vulnerable employment is based on the status of employment indicator (KILM 3), that distinguishes between three broad categories of employment. These are (a) wage and salaried workers also known as employees; (b) self-employed workers that include self-employed workers with employees (employers), self-employed workers without employees (own-account workers) and members of producers cooperatives; and (c) contributing family workers (also known as unpaid family workers).

performances (including child raising activities) and economic activities. One alternative for them seem to be “home work”.

6. Mainly women (40.8 per cent) work less than the threshold of 35 hours a week.
7. The review of wage data available in the Labour Force Survey shows enormous wage discrepancies for male and female employees in average real wages. In 2008, women generally earned almost one third less than their male counterparts. Factors impacting on the rising wage inequalities between men and women in the country are the increasing size of the informal economy (which generally has lower wages and worse working conditions) that absorbs more and more females.
8. Analysis of combined labour market indicators show that regardless of the improved employment opportunities in the country during the last decade, gender equality in terms of labour market access and conditions of employment has not yet been achieved in Pakistan.
9. In 2008, the vast majority of women (84.3 per cent) were inactive as a result of their housekeeping duties. This is 3.6 percentage points less than in 2000. However, an increasing share of females is inactive because they participate in education (from 7.1 per cent in 2000 to 10.1 percent in 2008). This is a positive development, as it may translate into better job opportunities for these women in the years to come.

All labour market analysis of this issue of *Pakistan Employment Trends* show that women face more difficulties than men in finding decent work, since they are less likely to be in regular wage and salaried employment with decent incomes and other social protections. It is therefore very possible that Pakistani women are also disproportionately affected by poverty, although they are employed. In other words they work hard but do not earn enough to lift themselves and their families above the poverty threshold of US \$ 1 a day.

It is clear that the creation of adequate decent and productive jobs for women “*is not just right but smart*”. Every economy should aim for a situation in which women are able to contribute to growth and, at the same time, profit from this growth as participants in labour markets, keeping in mind that the one does not automatically follow from the other.³⁴

In other words, increased labour market access of women bears an enormous potential as a contribution to economic development, but only if the jobs are decent and productive. Although if labour market access for women has improved during the last decade, Pakistan has a long way to go towards economic integration of women and therefore has enormous potential for economic development and improved competitiveness to compete in a globalized economy.

34 See ILO, *Global Employment Trends for women*, 2008.

In this regard policy makers do not just need to place employment at the centre of social and economic policies, they also have to recognize that the challenges faced by women in the world of work require interventions tailored to their specific needs.

Small contributions could be: (1) efforts that enhance female employment in non-agriculture sectors (2) efforts that enhance the quality of part-time work as well as “home work”, (3) improvements of wages and status of female-dominated jobs, and (4) promoting the representation of women in professional and highly skilled jobs.

The gender impact of the rapid economic changes in the country needs to be monitored carefully in order to avoid the risk of widening gender inequalities, in particular with the current global financial crisis which will negatively impact the labour market in Pakistan for 2009 and 2010. Since basic education does not always translate into better employment opportunities it is in particular important for women to continue to gain knowledge and skills beyond those acquired during youth. An underlying reason for the discrepancy in decent work opportunities between adult men and women could well be the limited access to basic education and the lack of technical vocational training opportunities for many women.

Annex

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Table A1. Unemployment rate (%)

Pakistan	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
National - both sexes							
15+	7.2	7.8	7.4	6.1	5.1	5.0	-2.2
15-24	13.3	13.4	11.7	8.6	7.5	7.7	-5.6
National - males							
15+	5.5	6.2	6.2	5.2	4.2	4.0	-1.5
15-24	11.1	12.0	11.0	8.4	7.1	7.0	-4.1
National - females							
15+	15.8	16.4	12.9	9.6	8.6	8.7	-7.1
15-24	29.3	20.5	14.9	9.6	8.9	10.5	-18.8
Urban (15+)							
Both sexes	9.3	9.2	9.4	7.6	6.3	6.0	-3.3
Males	6.8	7.4	8.0	6.5	5.2	4.7	-2.1
Females	29.7	23.5	20.0	15.7	15.0	17.5	-12.2
Rural (15+)							
Both sexes	6.3	7.1	6.4	5.4	4.5	4.5	-1.7
Males	5.0	5.6	5.3	4.5	3.7	3.7	-1.3
Females	12.2	14.2	11.0	8.1	7.2	7.1	-5.2
Provincial - both sexes (15+)							
Punjab	7.8	7.9	6.9	5.8	5.1	5.1	-2.7
Sindh	2.8	5.1	6.0	4.3	3.4	3.1	+0.2
NWFP	11.6	13.1	13.0	12.3	9.7	8.9	-2.7
Balochistan	5.8	7.4	7.4	3.1	2.6	2.7	-3.2
Provincial - males (15+)							
Punjab	6.3	6.2	6.1	5.4	4.5	4.3	-2.0
Sindh	2.1	4.0	4.8	3.8	2.6	2.4	+0.3
NWFP	8.2	11.1	10.1	8.6	7.3	7.0	-1.2
Balochistan	4.5	5.4	5.8	2.6	1.4	1.8	-2.7
Provincial - females (15+)							
Punjab	14.1	14.3	9.8	7.2	6.9	7.7	-6.3
Sindh	11.2	19.2	19.4	8.5	9.3	7.0	-4.2
NWFP	31.0	32.2	30.8	30.7	25.6	16.3	-14.7
Balochistan	30.1	35.4	23.8	6.5	10.4	10.6	-19.5
South Asia (15+)	2000	2002	2004	2006	2007		
Both sexes	4.5	3.3	5.3	5.4	5.4		
Males	4.4	3.1	5	5.1	5.1		
Females	4.6	3.7	6	6	6		
East Asia (15+)	2000	2002	2004	2006	2007		
Both sexes	4.1	4	3.8	3.6	3.4		
Males	4.7	4.5	4.4	4.1	3.9		
Females	3.4	3.3	3.2	3	2.9		

Source: FBS, Various years, Pakistan Labour Force Survey

Table A2. Status in Employment (%)

Employed 15+	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Wage and Salaried workers							
Both sexes	35.9	40.4	38.5	38.4	38.3	37.1	+1.1
Males	36.4	40.9	39.8	41.2	41.5	40.6	+4.1
Females	33.1	37.1	31.5	26.6	25.1	22.9	-10.2
Self employed							
Both sexes	44.5	40.8	39.6	37.7	37.0	36.9	-7.7
Males	49.1	44.8	44.0	42.7	42.3	42.5	-6.7
Females	17.0	16.8	17.1	16.3	14.6	14.0	-3.0
Employers							
Both sexes	0.8	0.9	0.9	0.9	0.9	1.0	+0.2
Males	0.9	0.9	1.1	1.1	1.0	1.2	+0.3
Females	0.1	0.3	0.1	0.1	0.1	0.0	-0.1
Own-account workers							
Both sexes	43.7	39.9	38.6	36.8	36.1	35.9	-7.8
Males	48.2	43.8	42.9	41.5	41.3	41.2	-7.0
Females	16.8	16.5	17.0	16.2	14.4	13.9	-2.9
Contributing family workers							
Both sexes	19.5	18.8	22.0	23.9	24.7	26.1	+6.5
Males	14.5	14.3	16.2	16.2	16.2	17.0	+2.5
Females	49.9	46.1	51.4	57.0	60.4	63.2	+13.2
All status groups							
Both sexes	100.0	100.0	100.0	100.0	100.0	100.0	
Males	100.0	100.0	100.0	100.0	100.0	100.0	
Females	100.0	100.0	100.0	100.0	100.0	100.0	

Source: FBS, Various years, Pakistan Labour Force Survey.

Table A3 Employment status by aggregated economic sectors (%)

Employed (15+)	2000		2008		Change in own account and contributing family workers between 2000 and 2008 (Percentage points)
	Wage and salaried workers and employers	Own account and contributing family workers	Wage and salaried workers and employers	Own account and contributing family workers	
Agriculture					
Both Sexes	12.8	87.2	8.3	91.7	+4.6
Male	10.4	89.6	8.5	91.5	+2.0
Female	21.4	78.6	7.9	92.1	+13.5
Mining					
Both Sexes	94.3	5.7	92.0	8.0	+2.3
Male	93.9	6.1	91.9	8.1	+2.0
Female	100.0	0.0	100.0	0.0	0.0
Manufacturing					
Both Sexes	64.0	36.0	69.9	30.1	-5.8
Male	65.7	34.3	73.4	26.6	-7.8
Female	49.4	50.6	53.3	46.7	-3.8
Electricity, Gas and Water					
Both Sexes	98.0	2.0	98.6	1.4	-0.6
Male	98.0	2.0	98.6	1.4	-0.6
Female	100.0	0.0	100.0	0.0	0.0
Construction					
Both Sexes	90.1	9.9	94.4	5.6	-4.3
Male	90.1	9.9	94.6	5.4	-4.5
Female	91.3	8.7	77.2	22.8	+14.1
Wholesales and Retail Trade					
Both Sexes	17.5	82.5	20.9	79.1	-3.3
Male	17.8	82.2	21.1	78.9	-3.2
Female	5.9	94.1	12.7	87.3	-6.7
Transport and Communication					
Both Sexes	64.1	35.9	60.3	39.7	+3.8
Male	64.0	36.0	60.3	39.7	+3.8
Female	82.9	17.1	67.6	32.4	+15.2
Finance					
Both Sexes	78.5	21.5	61.2	38.8	+17.3
Male	78.5	21.5	60.7	39.3	+17.7
Female	77.9	22.1	73.5	26.5	+4.4
Social Services					
Both Sexes	74.9	25.1	75.3	24.7	-0.4
Male	73.1	26.9	73.2	26.8	-0.1
Female	84.7	15.3	86.1	13.9	-1.3
All Sectors					
Both Sexes	36.8	63.2	38.0	62.0	-1.3
Male	37.3	62.7	41.7	58.3	-4.4
Female	33.2	66.8	22.9	77.1	+10.3

Source: FBS, Various years, Pakistan Labour Force Survey.

Table A4. Employment in the formal economy, 2008

Employed 15+	Share of employment in the formal economy in total employment in each economic sector (1)	Share of wage and salaried employment in total employment in each economic sector (2)	Difference (1)-(2)
Agriculture, forestry, hunting and fishing	Excluded		
Mining and quarrying	69.0	87.7	-18.8
Manufacturing	36.1	67.9	-31.7
Electricity, gas and water	97.6	98.3	-0.7
Construction	9.0	93.5	-84.5
Wholesale and retail trade, restaurants and hotels	2.6	18.4	-15.8
Transport, storage and communication	18.8	58.9	-40.1
Financing, insurance, real estate and business services	49.2	57.6	-8.4
Community, social and personal services	51.7	74.3	-22.6
All economic sectors	15.8	37.1	-21.3

Source: FBS, Various years, Pakistan Labour Force Survey.

Table A5. Population and illiteracy (millions)

Pakistan	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (millions)
Population	136.0	145.8	148.7	155.4	158.2	161.0	+25.0
Urban	43.0	47.4	49.7	52.1	52.5	54.0	+11.0
Rural	93.0	98.4	99.0	103.3	105.7	106.9	+14.0
Illiterate Population 15+	42.4	43.4	43.3	44.6	44.1	44.0	+1.5
Urban	8.7	9.9	10.0	10.4	10.2	10.1	+1.4
Rural	33.7	33.5	33.4	34.2	33.9	33.9	+0.2
Illiterate Population 15+	42.4	43.4	43.3	44.6	44.1	44.0	+1.5
Males	16.6	16.7	16.3	16.7	16.2	16.1	-0.6
Females	25.8	26.7	27.0	27.9	27.9	27.9	+2.1

Source: FBS, Various years, Pakistan Labour Force Survey

Table A6. Educational attainment of the labour force (%)

Labour force 15+	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Less than one year of education							
Both sexes	53.3	48.1	47.2	46.2	45.3	45.3	-8.0
Males	48.1	43.8	41.7	40.0	38.4	37.6	-10.6
Females	80.6	71.3	72.7	71.8	73.2	75.3	-5.3
Pre primary education							
Both sexes	2.0	3.5	3.7	3.3	2.9	2.5	+0.5
Males	2.2	3.9	4.2	3.7	3.3	2.8	+0.6
Females	0.6	1.2	1.4	1.6	1.2	1.2	+0.6
Primary but below middle							
Both sexes	14.2	14.9	14.7	15.5	16.0	15.6	+1.4
Males	16.0	16.3	16.3	17.1	17.8	17.5	+1.5
Females	5.0	7.6	7.4	9.0	8.7	8.2	+3.3
Middle but below metric							
Both sexes	10.4	11.2	11.1	11.5	11.6	11.6	+1.2
Males	11.8	12.5	12.7	13.4	13.5	13.7	+1.9
Females	2.8	4.2	3.4	3.4	3.7	3.3	+0.4
Metric but below intermediate							
Both sexes	11.4	12.3	12.6	12.8	13.3	13.4	+2.0
Males	12.5	13.3	13.9	14.5	15.2	15.6	+3.0
Females	5.2	6.9	6.5	6.1	5.5	4.9	-0.2
Intermediate but below degree							
Both sexes	4.1	4.6	4.7	4.8	5.3	5.4	+1.2
Males	4.5	4.7	5.0	5.3	5.9	6.1	+1.6
Females	2.4	4.1	3.1	2.9	2.9	2.6	+0.3
Degree							
Both sexes	4.6	5.3	6.0	5.9	5.7	6.3	+1.6
Males	4.9	5.4	6.1	6.1	5.9	6.8	+1.9
Females	3.4	4.7	5.5	5.1	4.8	4.5	+1.0
All education levels							
Both sexes	100.0	100.0	100.0	100.0	100.0	100.0	
Males	100.0	100.0	100.0	100.0	100.0	100.0	
Females	100.0	100.0	100.0	100.0	100.0	100.0	

Source: FBS, Various years, Pakistan Labour Force Survey.

Table A7. Distribution of labour force with formal/vocational training by major occupational groups (%)

Occupations(15+)	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Legislators	8.8	9.7	9.6	13.1	12.3	6.0	-2.8
Professionals	6.8	7.4	3.5	5.1	6.6	1.3	-5.5
Technicians	14.6	19.6	13.0	22.6	25.8	7.6	-7.1
Clerk	2.8	3.2	3.3	5.3	4.1	1.6	-1.2
Service	2.1	2.1	2.5	4.1	2.1	3.2	1.1
Agriculture	8.3	5.4	6.6	5.3	5.8	6.9	-1.4
Craft	33.9	26.3	37.3	20.9	24.3	53.4	+19.4
Plant	11.5	14.5	9.7	12.9	9.5	13.1	+1.6
Elementary Occupations	2.5	3.1	4.4	2.4	1.5	2.7	+0.2
Unclassified	8.6	8.6	10.2	8.2	8.0	4.3	-4.3
Total	100	100	100	100	100	100.0	

Source: FBS, Various years, Pakistan Labour Force Survey.

Table A8. Non-enrolment rate of the population aged 5-14 (%)

	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Both sexes	41.3	40.1	37.6	36.7	32.5	31.4	-8.8
Males	33.3	33.4	31.2	30.9	27.1	26.1	-6.2
Females	50.1	47.6	44.7	43.1	38.6	37.4	-11.5

Source: FBS, Pakistan Labour Force Survey 1999-2000 to 2007-2008.

Table A9. Share of employed working excessive hours by sectors (%)

Employed 15+	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)	Average annual growth rate
National	41.6	40.7	42.7	41.0	40.0	37.5	-4.1	2.3
Agriculture	41.3	38.2	38.3	33.0	29.3	27.2	-14.2	-3.0
Mining	22.1	28.2	19.2	66.2	44.0	32.4	10.3	+14.9
Manufacturing	37.9	37.6	41.1	39.9	43.0	40.4	2.4	+6.2
Electricity, Gas and Water	12.4	19.2	18.5	18.3	15.7	14.4	2.1	+5.6
Construction	19.8	20.3	23.3	25.7	27.9	20.4	0.7	+5.2
Wholesales and Retail Trade	64.5	62.8	69.4	68.4	70.3	68.2	3.7	+5.6
Transport and Communication	60.7	62.4	62.8	67.8	68.4	65.4	4.7	+5.8
Finance	22.1	20.2	39.5	42.3	44.9	44.4	22.3	+19.3
Social Services	28.6	31.3	31.6	33.1	33.4	30.3	1.7	+4.2

Source: FBS, various years, Pakistan Labour Force Survey.

Table A10. Youth labour force participation and unemployment rate (%)

15-25	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
LFPR - both sexes							
15-24	40.5	43.4	43.6	45.9	44.2	43.7	+3.2
25+	55.3	54.2	54.6	56.8	57.0	57.3	+2.0
LFPR – males							
15-24	69.3	70.2	70.5	72.2	69.2	67.0	-2.3
25+	90.1	89.4	89.4	90.5	90.7	91.0	+0.8
LFPR – females							
15-24	10.2	14.8	16.1	18.6	18.4	19.2	+8.9
25+	19.2	17.0	19.0	22.4	22.8	23.2	+3.9
Unemployment rate - both sexes							
(a) 15-24	13.3	13.4	11.7	8.6	7.5	7.7	-5.6
(b) 25+	4.9	5.5	5.5	5.0	4.1	3.8	-1.1
Unemployment rate - males							
(a) 15-24	11.1	12.0	11.0	8.4	7.1	7.0	-4.1
(b) 25+	3.4	3.8	4.2	3.8	3.0	2.8	-0.6
Unemployment rate - females							
(a) 15-24	29.3	20.5	14.9	9.6	8.9	10.5	-18.8
(b) 25+	12.2	14.5	12.0	9.6	8.5	7.9	-4.4
(1) Ratio youth unemployment rate to adult unemployment rate [(a)/(b)]							
Both sexes	2.7	2.5	2.1	1.7	1.8	2.0	-0.7
Males	3.3	3.1	2.6	2.2	2.4	2.5	-0.8
Females	2.4	1.4	1.2	1.0	1.0	1.3	-1.1
(2) Youth unemployment as proportion of total unemployment							
Both sexes	49.9	51.1	48.0	43.6	43.6	45.8	-4.1
Males	55.9	56.9	53.0	49.2	49.8	50.5	-5.3
Females	38.6	39.3	36.5	31.1	31.4	37.2	-1.4
(3) Youth unemployment as proportion of the youth population							
Both sexes	5.4	5.8	5.1	4.0	3.3	3.4	-2.0
Males	7.7	8.4	7.7	6.1	4.9	4.7	-3.0
Females	3.0	3.0	2.4	1.8	1.6	2.0	-1.0

Source: FBS, various years, *Pakistan Labour Force*

Table A11. Unemployment rate by educational attainment level (%)

Unemployment rate 15+	2000	2002	2004	2006	2007	2008	Change 2000 to 2008 (percentage points)
Less than one year of education							
Both sexes	6.2	6.9	6.0	5.5	4.8	4.6	-1.6
Males	3.9	4.5	4.2	4.1	3.5	3.4	-0.5
Females	13.4	14.8	11.1	8.7	7.6	6.9	-6.5
Pre primary education							
Both sexes	6.3	7.2	7.4	5.2	4.6	4.3	-2.0
Males	5.6	6.8	7.1	4.8	4.2	4.3	-1.3
Females	19.3	13.3	12.4	9.7	8.3	4.0	-15.3
Primary but below middle							
Both sexes	7.0	7.4	6.3	6.0	4.3	4.5	-2.5
Males	5.6	6.4	5.3	5.5	3.7	3.7	-2.0
Females	30.3	19.0	16.5	9.8	9.6	11.6	-18.7
Middle but below matric							
Both sexes	10.1	9.3	8.8	5.8	5.4	4.7	-5.5
Males	9.1	8.4	8.5	5.5	5.0	4.2	-4.8
Females	34.5	23.1	15.4	10.5	10.9	12.5	-21.9
Matric but below intermediate							
Both sexes	9.0	9.7	10.4	7.6	6.2	6.5	-2.6
Males	7.7	8.2	9.4	6.9	5.3	5.3	-2.3
Females	27.0	25.3	20.9	14.6	15.3	20.9	-6.1
Intermediate but below degree							
Both sexes	8.7	10.0	11.2	8.1	6.5	6.8	-1.9
Males	7.3	8.3	9.8	6.9	5.6	5.5	-1.7
Females	22.6	20.3	22.0	16.5	13.9	18.3	-4.3
Degree							
Both sexes	6.7	8.5	8.8	7.0	5.4	4.9	-1.8
Males	5.7	7.4	7.2	5.9	4.6	3.5	-2.2
Females	13.6	15.3	17.1	12.5	9.7	12.9	-0.7
All education levels							
Both sexes	7.2	7.8	7.4	6.1	5.1	5.0	-2.2
Males	5.5	6.2	6.2	5.2	4.2	4.0	-1.5
Females	15.8	16.4	12.9	9.6	8.6	8.7	-7.1

Source: FBS, Various years, Pakistan Labour Force Survey.

Glossary of labour market terms

Labour market statistics and the indicators generated from the statistics can cause a great deal of confusion and, therefore, misinterpretation. The following glossary of labour market concepts should serve to clarify much of the terminology used in this report:

Contributing family worker: an own account worker who works without pay in an establishment operated by related person living in the same household

Currently active population: the best known measure of the economically active population, also known as the “labour force” (see definition below).

Discouraged worker: a person who is without work and available for work, but did not seek work (and therefore could not be classified as “unemployed”) because they felt that no work would be available to them. According to the standard classification system, the discouraged worker is counted among the inactive, although many analysts would like to see the number of discouraged workers added to the unemployed to give a broader measure of the unutilized supply of labour. “Discouraged” implies a sense of “giving up”, meaning the discouraged worker has simply given up any hope of finding work for reasons such as they feel they lack the proper qualifications, they do not know where or how to look for work, or they feel that no suitable work is available. The discouraged worker, therefore, could be said to be “involuntarily” inactive.

Economically active population: all those who supplied labour for the production of goods and services in a specified reference period; in other words, all those who undertook economic activity (also known as “market activities”), as defined by the 1993 UN System of National Accounts (SNA),¹ during the measured time frame.

Employed: a person who performed some work – for at least one hour during the specified reference period – for a wage or salary (paid employment) or for profit or family gain (self-employment). A person is also considered employed if they have a job, but were temporarily not at work during the reference period.

Employer: a self-employed person with employees

Employment: a measure of the total number of employed persons.

Employment-to-population ratio: the number of employed persons as a percentage of the working-age population. This indicator measures the proportion of the population who could be working (the working-age population) who *are* working, and as such provides some information on the efficacy of the economy to create jobs.

Inactive: a person who is neither employed nor unemployed, or, equivalently, is not in the labour force.

Inactivity rate: the sum of all inactive persons as a percentage of the working-age population. As an inverse to the labour force participation rate, the inactivity rate

serves as a measure of the relative size of the population who do *not* supply labour for the production of goods and services.

Job: a paid position of regular employment. According to the standard definition, therefore, only the wage and salaried workers could have a “job”. Common usage, however, has extended the concept to encompass any work-related task, which means that any employed person, whether a paid employee or self-employed, could qualify as “with a job”.

Labour force:² the sum of all persons above a specified age (the nationally defined “working age”) who were either employed or unemployed over a specified short reference period; the labour force is the best known measure of the economically active population, and is also known as the “currently active population”. The labour force (employment + unemployment) + the economically inactive population = total working-age population of a country.

Labour force participation rate: the sum of persons in the labour force as a percentage of the working-age population. The indicator serves as a measure of the relative size of the labour supply available for the production of goods and services.

Labour market: the virtual (non-tangible) arena where workers compete for jobs and employers compete for workers. Analysts use labour market information, including statistics such as the employment-to-population ratio, the unemployment rate, etc., to make assessments of how well the labour market functions and how and/or why the supply of labour and the demand for labour do not meet at perfect equilibrium.

Own-account worker: a person who is self-employed with no employees working for them.

Unemployed: a person who, during the specified short reference period, was (a) without work, (b) currently available for work, and (c) seeking work. A person is also considered unemployed if they are not currently working, but have made arrangements to take up paid or self-employment at a date subsequent to the reference period.

Unemployment: a measure of the total number of unemployed persons.

Unemployment rate: unemployment as a percentage of the total labour force (employment + unemployment). The indicator is widely used as a measure of unutilized labour supply.

Vulnerable employment: the sum of own account workers and contributing family workers.

Work: as a verb, a general term meaning to engage in “economic activity”, or, equivalently, to supply labour as input in the production of goods and services; as a noun, “work” has come to be used interchangeably with “job” and “employment” – for example, a person who supplies labour might say they “have work” or “have a job” or even “have employment”.

Working: an informal synonym for “employed”.

¹ See the website <http://unstats.un.org/unsd/sna1993/introduction.asp> for additional information on the SNA and guidelines for determining economic activity.

² The international standard that serves to guide statisticians in the definition of the economically active population and its categories is the Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the 13th International Conference of Labour Statisticians, October 1982;

www.ilo.org/public/english/bureau/stat/download/res/ecacpop.pdf

