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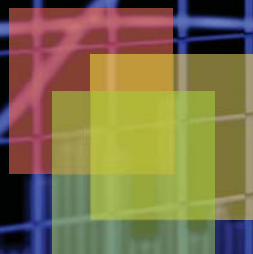
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Punjab **Employment** Trends 2013



Empowering Vulnerable Groups through Education, Employment and Training
ILO Country Office for Pakistan

Labour Market Information and Resource Center (Labour and Human Resource Department)
Government of Punjab, Lahore

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Foreword

In Pakistan, an important factor limiting employment growth, and a major constraint on reducing poverty, is the low level of education and skills in the labour force. It has been one of the principal causes of low productivity and employment creation in most sectors of the economy. The Technical and Vocational Education and Training (TVET) system in Pakistan is not sufficiently adapted to labour market requirements, and only covers a small proportion of the training needs. The institutions further suffer from a lack of decentralized decision-making, high levels of bureaucracy, insufficient funding, low wages and low levels of staff motivation. All of these have a negative impact on quality and efficiency. To ensure that the labour market develops in an efficient way and is generating decent work for all, governments formulate employment policies. Designing decent employment policies calls for the comprehensive collection, organization and analysis of labour market information. An analysis of the current situation is the basis for formulating effective policies. Labour market information is a foundation for defining employment strategies that foster decent and productive employment and macroeconomic policies.

The ILO's Recommendation (No. 195) Concerning Human Resource Development: Education, Training and Lifelong Learning guides member States as they seek to develop the knowledge and skills of their workforces so as to achieve higher productivity while promoting social inclusion. It also constitutes the policy framework for the ILO's work on skills development. Within the national priority area of competitiveness, productivity and jobs, the ILO's support for skills development focuses on three cross-cutting main issues: i) the reform of national skills strategies and policies; ii) the role of the private sector in skills development; and iii) changing patterns of work organization. Thus, the need to reform the skills development system comes from a number of directions: the need to be competitive globally, to increase the efficiency of the domestic industry, to support enhancement of foreign remittances, to provide employable skills to people in the context of a growing population and to ensure access to new career opportunities.

In order to achieve sustained economic and social development, remain globally competitive and be able to respond to changes in technology and work patterns, the Pakistan government has recently made skills development a political priority. This is one reason why the importance of skills features in several contemporary policies including draft policies on Employment, Education and the Economic Survey of Pakistan.

For this, the ILO under the project "Empowering Vulnerable Groups through Education, Employment and Training (EET)" is helping the social partners to apply the policy recommendations arrived at through tripartite consultations on skills development within the Decent Work agenda to their circumstances and priorities. Comparative research, policy guidelines and technical assistance aim to help partners:

- integrate skills development in national and sector development strategies in order to better meet current labour market needs and to prepare for the jobs of the future;
- expand access to employment-related training so that youth, persons with disabilities and other vulnerable groups are better able to acquire skills and secure productive employment

- 
- while at the same time contributing to poverty reduction; and
 - improve the ability of public employment services to provide career guidance, labour exchange services, delivery of active labour market programmes, and rapid response services in the aftermath of crises.

The study *Punjab Employment Trends 2013*, was carried out by the ILO project entitled “Empowering Vulnerable Groups through Education, Employment and Training (EET)”, as part of its research work in the area of skills needs assessment and development. The major objective for this project is to support socio-economic development through investment in education, skills, entrepreneurship and legal empowerment for attaining decent work agenda in Pakistan. This project is part of the ILO’s contribution to the One-UN Programme.

I would like to extend my gratitude to the Ministry of Human Resource Development, the provincial labour departments, provincial technical education and vocational training authorities and other partner organizations for their demonstrated commitment and immense support to us in our efforts for promotion of Decent Work in Pakistan.

I congratulate the EET project team on their successful initiatives to develop a much-needed knowledge base on the Pakistan labour market from a skills perspective. I am sure these efforts would help ILO and its partners in taking steps towards halving poverty through education, employment and training.

Thank you.

Francesco d’Ovidio
Country Director
ILO Office for Pakistan

Message from Secretary, Labour and Human Resource Department, Punjab

Designing and implementing effective employment and training policies require a good understanding of labour market conditions and changes. In many cases, however, the necessary labour market information is unavailable, unreliable, outdated or misunderstood. The reasons often include a limited mastery of concepts and methods, a lack of analytical skills and inadequate institutional arrangements for the collection, analysis and dissemination of labour market information. To provide up-to-date and timely Labour Market Information and Analysis disaggregated by sex, age and area in the form of publications and information based on internationally accepted concepts and key labour market indicators calls for a comprehensive system of labour market information and analysis in Punjab after the devolution of labour administration to the provinces.

To ensure that the labour market develops in an efficient way and are generating decent work for all, governments formulate employment policies. Designing decent employment policies calls for a comprehensive collection, organization and analysis of labour market information. An analysis of the current situation is the basis for formulating effective policies. The Labour Market Information and Resource Centre (LMI & RC) within the Department of Labour and Human Resource Punjab, through technical support of the ILO and financial assistance of the One-UN, is 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 Punjab 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 first issue of Punjab Employment Trends which is the main dissemination tool of LMI & RC reports on the general trends in the labour market of the Punjab province. This first issue covers twelve key indicators of the labour market and has been prepared with the technical assistance of the ILO. The report analyses the labour market in Punjab for the period 2007-2011, using indicators such as labour force participation rate, employment-to-population rate and unemployment rate. The structure of employment is examined using status in employment, employment by sector, educational attainment and other indicators that can be used to assess the attainment of decent work.

The later issues in the series of Punjab Employment Trends intend to provide fundamental information to policy makers, researchers and other stakeholders in order to inform future labour market interventions covering different topics. The second issue is in the preparation phase and is



focusing on the Occupational safety and Health (OSH) situation in the provincial labour market. In this way LMI & RC is extending its scope in using different data sources other than Labour Force Survey (LFS) of Pakistan.

We like to extend appreciation to the ILO LMI expert for Labour Market Information and Resource Centre, Dr. Lubna Shehnaz who was responsible for the report and for the capacity building of the unit in round 1. The publication of this report could not have been possible without the data collected and provided by the Federal Bureau of Statistics.

We are also looking forward to continued collaboration with our national and international partners for further strengthening Labour Market Information in the province that will facilitate the promotion of “full and productive employment and decent work for all, including women and young people” as envisioned in the Pakistan Decent Work Country Programme (DWCP).

Secretary
Labour and Human Resource Department
Lahore, Government of Punjab
June 2013

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This first issue of the *Punjab Employment Trends* series looks at the general aspects of Punjab's labour market. It was prepared by the Labour Market Information and Resource Centre (LMI & RC) of the Labour and Human Resource Department Punjab with technical support from the International Labour Organization (ILO), and funding from the One United Nations Program (One-UN).

The report was the responsibility of Dr. Lubna Shahnaz (ILO, Islamabad) and is the result of a strong technical collaboration between the Labour and Human Resource Department under the leadership of the Director General Labour Welfare and the ILO Country Office Islamabad, under the guidance of the Country Director, Mr. Francesco d'Ovidio. This publication would not have been possible without technical contributions from the LMI & RC team: Rao Umar, Umair Siyyal, Sohaib Muhammad Haris, Muhammad Mujahid, Rab Nawaz and Daud Abdullah.

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The Punjab Employment Trends 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.

Executive Summary

The Labour Market Information and Resource Center (LMI&RC) was established in 2011 in the Labour and Human Resource Department of Punjab, for the purpose of collecting and analyzing available labour market data; promoting research through sharing of information; identifying future market trends and market knowledge of related fields; providing infrastructure and facilities for research promotion and dissemination of user-friendly information to the public. The LMI&RC has been mandated with preparing an annual employment trends report on the lines produced earlier by the LMIA Unit, based in the now defunct Federal Ministry of Labour, Manpower and Overseas Pakistanis.

After enjoying high rates of growth during the first seven years of the new millennium, averaging over 6 percent per annum, Pakistan's economic performance began to decline from 2008 onward in the wake of global food and fuel price hikes. On the domestic front, persisting power shortages have severely affected economic activity, with industries running at low levels of capacity utilization. The deteriorating law and order situation, along with the two major floods during 2010 and 2011, put further strains on the economy, which had adverse implications for employment generation and the absorption capacity of the economy.

According to the Labour Force Survey, the total population of the province of Punjab in 2008 was 90.63 million, which had increased to 97.58 million by 2011, showing an average annual growth of 2.6 percent during the period 2007-11. The change in the age structure of the labour force due to the ongoing demographic transition in the country has resulted in a “youth bulge”. In view of the fact that Pakistan has a relatively large proportion (32 percent) of uneducated youth, most of whom have little or no vocational and life skills, there is a need to provide for their health, education, and livelihood, and to engage them in activities which convert their latent energy into positive outcomes for the family, community, state and the global community. In terms of the urban-rural divide, the majority of the population in 2011 resided in rural areas of the province: i.e. nearly 66 million (68 percent). During the period 2007-11 the annual population growth rate in urban areas was higher (3.04 percent) than that in the rural areas (2.33 percent).

The economically active population or labour force in the province was 34.36 million in 2010-11, up from 30.67 million in 2007-08, showing an annual average growth of four percent during this three year period. Only 9.46 million females were in the labour force compared to 24.9 million males in 2010-11. The average annual growth rate of the female labour force was much higher than that of the male labour force (8.8 percent vs. 2.5 percent) during 2007 to 2011. The LFPR of both the 10+ and 15+ populations was above the national average for Pakistan, during both of the time periods under consideration. Female participation rates are less than half the male participation rates (26.7 percent vs. 69.7 percent).

The review highlights the fact that the rural labour force forms the backbone of the provincial labour market, accounting for over 70 percent of the economically active population in Punjab. In line with the overall trends for Pakistan, there exist large gender gaps in labour force participation, although these gender gaps are less pronounced than those observed for the other provinces.



The high and growing share of self-employed in employment is an important characteristic of the provincial labour market, pointing to a deterioration in the productive work dimension of decent work. Another cause for concern is the prevalence of child labour, particularly in the less developed rural areas of the province, which necessitates policy action to improve work under conditions of freedom. The vibrant youth labour market needs special attention from provincial policy makers to harness its full potential. The newly developed Punjab Youth Policy 2012 envisages a number of useful interventions in this regard.

The unemployment rate indicates the proportion of the labour force that is out of work and is available for and seeking employment opportunities. The unemployment rate increased marginally, both in the population aged 10 years and above as well as 15 years and over, during the period 2007-08 to 2010-11. The unemployment rate in the urban areas of the province was higher than that in rural areas.

The LMIA infrastructure in the province needs to be further developed and strengthened so that timely and up to date labour market analysis can feed into the policy formulation process. In order to properly assess employment patterns and shares and their evolution over time, it is recommended that a provincial GDP series be developed, so that the contribution of each sector to the provincial economy can be estimated. It is also recommended that a district level representative Labour Force Survey should be administered by the PBS every two years, so that the labour market situation within the different regions of the province can be properly assessed and relevant sub-provincial programs and strategies can be designed.

Policies for promoting employment generation in the province should focus on improving the productivity of the agricultural work force, through strengthened extension services and higher outlays on agricultural research and development. The livestock sub-sector, in particular, can support higher levels of employment creation through its backward and forward linkages along the production supply chain. In the urban sector, the productivity of household enterprises can be raised by the provision of business support services including developing market linkages, credit facilities and the design and implementation of relevant technical, education and vocational training programs.

Abbreviations

DWCP	Decent Work Country Program
ECOSOC	United Nations Economic and Social Council
EFP	Employers' Federation Pakistan
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
NAVTTTC	National Vocational and Technical Training 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

1.1 The decent work agenda in Pakistan

The promotion of decent work opportunities has been adopted as an explicit goal by the Government of Pakistan, which is reflected in all relevant policy documents, including the Poverty Reduction Strategy Paper (PRSP II), the Framework for Economic Growth and the Labour Policy 2010. The decent work agenda in Pakistan has been promoted with the Decent Work Country Program (DWCP) 2006-09 which was developed by the Government with the ILO, in close consultation and collaboration with the Employers' Federation of Pakistan (EFP), the Pakistan Workers' Forum (PWF) and other relevant stakeholders. The DWCP outlined a strategy and plan of action to promote the creation of decent work, which was operationalized through the National Plan of Action for Decent Work 2005.

The DWCP has been succeeded by the DWCP II (2010-15), which carries forward the decent work agenda for Pakistan, factoring in the new ground realities in the post 18th Amendment period. The DWCP II targets the four broad priority areas identified in the original DWCP, which include;

1. Labour law reform
2. Employment generation through human resource development, with focus on employable skills
3. Social protection expansion, including in the informal economy
4. Tripartism and the promotion of social dialogue.

In addition, detailed bilateral consultations have been held with the four provinces and a number of strategic areas for early ILO support have also been identified with each province. Enhancing institutional mechanisms to improve the quality of labour market data and information is one of the priority areas for ILO intervention under this new framework.

The concept of decent work encompasses the multiple goals relating to rights at work, employment, social protection and social dialogue in an integrated manner. In the context of this report decent work can be conceptualized as consisting of the following six dimensions (Anker et al, 2003, pp. 151-152):

- (i) First, opportunities for work refers to the need for all persons who want work to be able to find work. The concept of work encompasses all forms of economic activity, including self employment, unpaid family work and wage employment in the informal and formal sectors of the economy.
- (ii) Second, the idea of work in conditions of freedom emphasizes that work should be freely chosen – i.e. not forced on individuals. It also means that certain forms of work are not acceptable: specifically it lays down that bonded labour, slave labour and the worst forms of child labour should be eliminated in accordance with applicable International Conventions. It also means that workers should be free to join workers' organizations and be free from

discrimination.

- (iii) Third, productive work is essential for workers to have acceptable livelihoods for themselves and their families, as well as to ensure sustainable development and the competitiveness of enterprises and countries.
- (iv) Fourth, equity in work represents the workers' need to enjoy fair and equitable treatment and opportunity in work. It encompasses the absence of discrimination at work and in access to work, and the possibility of balancing work with family life.
- (v) Fifth, security at work refers to the need to safeguard health, pensions and livelihoods, and to provide adequate financial and other protection in the event of sickness and other contingencies. It also recognizes workers' need to minimize the insecurity associated with the possibility of loss of work and livelihood.
- (vi) Sixth, dignity at work requires that workers be treated with respect at work, and that they be able to voice their concerns and participate in decision-making about their own working conditions. An essential aspect of this is workers' freedom to represent their interests collectively.

1.2 Labour Market Information & Analysis (LMIA) & Decent Work

Decent work can be promoted using a broad range of policies, programs and strategies. Examples can include legislation and regulation affecting labour utilization and employment conditions; education policies and skills development programs; social security and welfare programs as well as promotion of social dialogue between workers, employers and the Government. Designing the right policy mix for achieving required labour market outcomes depends on the state of the labour market prevailing in an economy. Labour markets, in turn, are dynamic and continuously changing in response to economic conditions. The formulation of policies to promote decent work, therefore, requires up to date Labour Market Information and Analysis (LMIA) system, based on a set of key indicators to provide a quick diagnostic analysis of any labour market.

LMIA is an important tool for monitoring labour market performance towards achieving “full and productive employment and decent work for all, including women and young people”. It can serve as a vital ingredient for policy makers in the formulation of labour market policies, strategies and concrete action plans to overcome persisting labour market problems.

In 2006, a Labour Market Information and Analysis Unit was set up at the Ministry of Labour Manpower and Overseas Pakistanis to provide up-to-date and timely labour market information and analysis, based on internationally accepted concepts and key indicators of the labour market (KILM). The Unit produced an annual analysis on the state of the labour market in the country in the form of Pakistan Employment Trends reports, which were published to inform policy makers and other relevant stakeholders about labour market changes and trends. The identification of labour supply

and demand requires the use of a set of indicators in order to get a picture or diagnosis of a specific labour market phenomenon. Such indicators ideally include how to tackle labour related policy processes such as formulation, implementation, monitoring and evaluation.

Following the passage of the 18th Amendment to the country's Constitution, labour administration has become an exclusively provincial subject. In 2011, the Ministry of Labour Manpower and Overseas Pakistanis was devolved to the provinces. As a result of this transfer of responsibilities, provincial governments are actively seeking to build their institutional capacity in this area by establishing LMIA units. In this regard, the Punjab Labour and Human Resource Department has requested ILO technical support in promoting employment generation in the province by using LMIA. In order to provide the required support to the Labour Market Information and Resource Center (LMI&RC) of the Punjab Labour and Human Resource Development Department, the ILO has engaged the services of a consultant as part of a Technical Assistance package.

1.3 Labour Market Information and Resource Center: Promoting Employment Generation

The Labour Market Information and Resource Center was established in 2011 in the Labour and Human Resource Department of Punjab, for the purpose of collecting and analyzing available labour market data; promoting research through sharing of information; identifying future market trends and market knowledge of related fields; providing infrastructure and facilities for research promotion and dissemination of user friendly information to the public. The Center is tasked with increasing outreach to the public, Government and job seekers to provide free and first-hand knowledge of labour market information such as employment trends, emerging industrial and commercial sectors and future skill needs, thus helping in career and infrastructure planning for the future.

In pursuance of its stated objectives, the LMI&RC has been mandated with preparing an annual employment trends report on the lines produced earlier by the LMIA Unit, based in the now defunct Federal Ministry of Labour, Manpower and Overseas Pakistanis. The present report is the first in the series of Punjab Employment Trend Reports to be prepared by the Center. These will present an overview of the labour market and employment generation trends in the province, based on a series of key indicators of the labour market.

In order to enable the LMI&RC to produce timely labour market analysis, the ILO has provided technical support by engaging a Consultant to conduct a Capacity Needs Assessment of the LMI&RC in the area of labour market information and analysis. The Capacity Needs Assessment was followed by the development and implementation of a Capacity Building Plan for the staff of the Center to develop their data analysis and research skills for producing labour market analysis of the province.

1.4 Structure of the Report

This first issue of the Punjab Employment Trends Report 2013 consists of three chapters. The introductory chapter provides background information about the decent work agenda in Pakistan; the role of LMIA in promoting decent employment and the institutional structure in the post 18th Amendment period. The second chapter provides an analysis of the labour market situation in Punjab, using the key indicators of the labour market which are supplemented with additional indicators. The last chapter provides some concluding remarks and concrete policy recommendations to improve the system of LMIA in Punjab for employment generation.

Employment Trends in Punjab

We start our analysis of the labor market conditions in the Province of Punjab by examining the economic environment in Pakistan during the past few years. The present framework of labour market regulations as laid out in the Labour Policy 2010 is also reviewed and the salient features of the Policy are highlighted.

2.1 Economic and Labour Market Developments in Pakistan

After enjoying high rates of growth during the first seven years of the new millennium, averaging over 6 percent per annum, Pakistan's economic performance began to decline from 2008 onwards in the wake of global food and fuel price hikes. On the domestic front, the persisting power shortages severely affected economic activity, with industries running at low levels of capacity utilization. The deteriorating law and order situation along with the two major floods during 2010 and 2011 put further strains on the economy, which had adverse implications for employment generating and absorption capacity of the economy.

In order to overcome the growth and development challenges facing the country, the Government has recently developed a new Framework of Economic Growth, which emphasizes the role of growth in total factor productivity, i.e., the accumulation of labour and capital as well as increases in their efficiency, in achieving a high and sustainable growth trajectory (Planning Commission-Government of Pakistan 2011). The FEG considers the 'software of economic growth', which includes inter alia, the organization of institutions, incentives, etc., that supports innovation in developing better uses of new and existing resources and assets to generate higher productivity, to be more vital for promoting growth, than the traditional 'hardware' of economic growth.

Based on the recognition that the economy has experienced low and declining productivity, the Framework lays special emphasis on developing the human capital base of Pakistan. The change in the age structure of the labour force due to the ongoing demographic transition in the country has resulted in a "youth bulge". In view of the fact that Pakistan has a relatively large proportion (32 percent) of uneducated youth, most of whom have little or no vocational and life skills, there is a need to provide for their health, education, and livelihood, and to engage them in activities which convert their latent energy into positive outcomes for the family, community, state and the global community.

To productively utilize the growing youth labour force, the FEG calls for provision of quality basic and college education, market led skills development and instituting National Youth Service Policy Reforms. This is in addition to other reform agendas aiming at: targeted youth entrepreneurship programs in major civic centres; a National Youth Volunteer Services programme; and the establishment of a Youth Service Learning Program with the help of educational institutions and civil society. The latter will integrate community and social service with academics. The strategy notes that the performance of Pakistani labour is not exemplary in any of the major sectors of the economy. In

to be explained first. This explanation is provided in Annex 2, which details the concepts of working-age and non-working-age population, economically active population (current and usual), and the definition of employment. Annex 4 provides a summary of the definition and the use of each indicator listed in Box 1.

The labour market analysis of Punjab, using the KILMs presented in this section, is based on the data extracted from the two rounds of the Pakistan Labour Force Survey (LFS) 2007-08 and 2010-11. The LFS data allow for a comprehensive picture of the labour market in terms of the labour force, employment and unemployment, with the appropriate disaggregations, permitting a broad analysis of different aspects of employment and unemployment. It is important to point out that the LFS data do not provide information on all aspects of decent work, particularly for the indicators relating to rights at work, social protection and social dialogue. Therefore, the subsequent analysis does not examine these dimensions of decent work.

Box 1. Selected Key Indicators of the Labour Market in Punjab

KILM 1.	Labour force participation rate
KILM 2.	Employment-to-population ratio
KILM 3.	Status in employment
KILM 4.	Employment by sector
KILM 5.	Employment by occupation
KILM 7.	Hours of work
KILM 8.	Employment in the informal economy
KILM 9.	Unemployment
KILM 10.	Youth unemployment
KILM 14.	Educational attainment and illiteracy

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

2.3 Analysis of Key Indicators of the Labour Market

The three indicators fundamental to labour market analysis are the labour force participation rate, the employment to population ratio and the unemployment rate. The overall population and labour force numbers that have been used to compute these three labour market indicators for Punjab are reported in Table 1. According to the Labour Force Survey, the total population of the province of Punjab in 2008 was 90.63 million, which had increased to 97.58 million by 2011, showing an average annual growth of 2.6 percent during the period 2007-11. In terms of the urban-rural divide, the majority of the population in 2011 was residing in rural area of the province, at nearly 66 million (68 percent). During the period 2007-11 the annual population growth rate in urban areas was higher (3.04 percent) than that in the rural areas (2.33 percent).

fact productivity is low in key sectors having higher labour intensity, including agriculture, construction and commerce. To effectively address the issue of low productivity, the FEG stresses the need to develop a market responsive, efficient and robust skill development mechanism in collaboration with public and private stakeholders.

The Government announced a new Labour Policy in 2010 to promote employment generation and protect the rights of workers. The new Policy recognizes the need to revitalize the economy; increase the levels of productivity of the work force; promote investment and generate broad-based employment opportunities. It lays particular emphasis on the maintenance of harmonious relationships between workers and employers. It encompasses four core areas of reform: (i) Legal Frame Work; (ii) Advocacy: Rights of Workers and Employers; (iii) Skill Development and Employment; and (iv) Manpower Export. It proposes to restructure training activities in order to meet the demands of new technologies, with one part of the Policy exclusively focusing on bringing forward Skill Development and Employment priorities of the Government.

The main elements of the Human Resource Development and Employment strategy as outlined in the Labour Policy 2010 are given below:

- Special measures to be taken to reduce unemployment among the educated, not through unproductive public sector employment in administrative jobs but to meet the real needs of the economy especially in the social sectors and private sector employment.
- Effort will be made to accelerate development, increase productivity of small scale/informal sector enterprises and to generate employment in less developed regions to remove regional disparity.
- Concerted efforts to be made to radically improve the participation of females in income generating economic activities.
- A well trained skilled labour force will be developed to help achieve significant gains in productivity and efficiency primarily through the efforts of the private sector.
- Full support will be provided to Pakistanis seeking employment opportunities abroad and assistance in productive re-absorption of returning migrants.
- Opportunities for self-employment will be incurred for those with education, skills and entrepreneurship especially through better access to credit facilities.

2.2 Selected Key Indicators of the Punjab Labour Market

The ten indicators that constitute the initial selection of the key indicators of the labour market for the purpose of monitoring labour market in Punjab are listed in Box 1. These ten indicators have been selected from the internationally adopted set of eighteen KILMs in view of the capacity constraints of the newly established LMI&RC as well as some data limitations. This set of ten indicators, nevertheless, allows for insightful quantifications and analysis of the provincial labour market, and these are supplemented with other data from the Government of Pakistan Labour Force Survey (LFS). In order to fully understand these indicators some basic concepts related to their construction need

In Pakistan, the national standard for working age population is all individuals aged 10 years and

	2007-2008	2010-2011	Change 2007- 2008 to 2010-2011 (percentage points)
Population	90.63	97.58	6.95
Urban	28.98	31.62	2.64
Rural	61.65	65.96	4.31
Population 10+	65.81	71.2	5.39
Male	33.02	35.71	2.69
Female	32.79	35.48	2.69
Urban	21.95	23.92	1.97
Rural	43.86	47.27	3.41
Labour force 10+	30.67	34.36	3.69
Male	23.19	24.9	1.71
Female	7.48	9.46	1.98
Urban	8.76	9.87	1.11
Rural	21.91	24.49	2.58
Population 15+	54.27	58.95	4.68
Male	27.06	29.3	2.24
Female	27.19	29.65	2.46
Urban	18.36	20.15	1.79
Rural	35.89	38.3	2.41
Labour force 15+	29.18	32.82	3.64
Male	22.31	23.98	1.67
Female	6.87	8.84	1.97
Urban	8.52	9.62	1.1
Rural	20.66	23.2	2.54

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

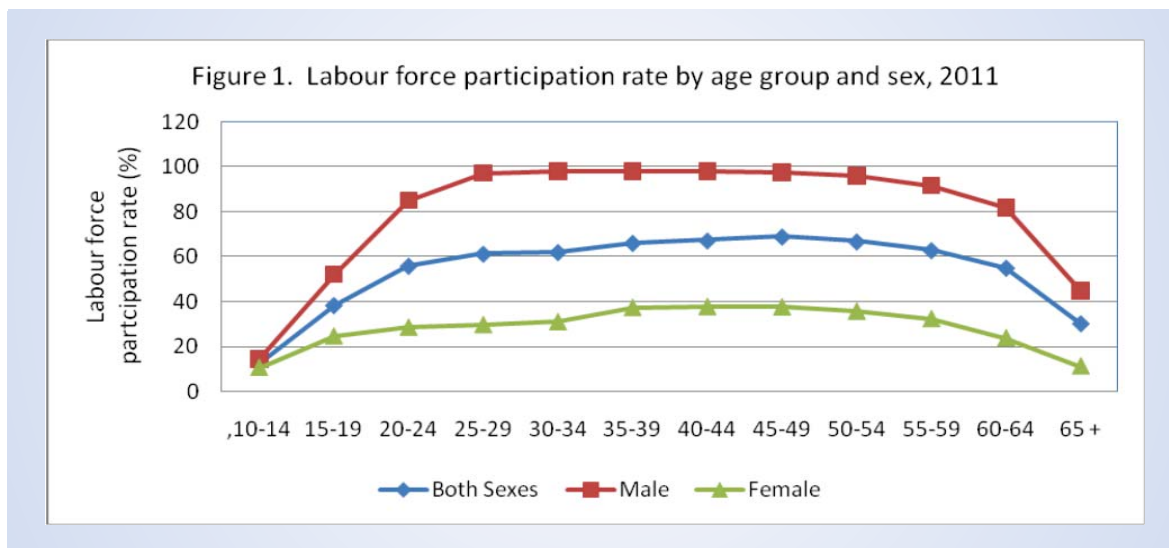


Table 2: Labour force participation rate (KILM 1, %)

	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Both sexes			
10+	46.6	48.26	1.66
15+	53.8	55.67	1.87
Males			
10+	70.22	69.72	-0.5
15+	82.46	81.85	0.61
Females			
10+	22.81	26.66	3.85
15+	25.26	29.81	4.55
Urban (10+)			
Both sexes	39.89	41.24	1.35
Males	68.39	67.99	-0.4
Females	10.49	13.42	2.93
Rural (10+)			
Both sexes	49.95	51.81	1.86
Males	71.15	70.62	-0.53
Females	28.87	33.19	4.32
Urban (15+)			
Both sexes	46.43	47.76	1.33
Males	79.58	78.9	-0.68
Females	12.11	15.42	3.31
Rural (15+)			
Both sexes	57.57	59.78	2.21
Males	83.98	83.44	-0.54
Females	31.79	37.00	5.21
National - both sexes (10+)			
	45.17	45.69	0.52
Male	69.54	68.7	-0.84
Female	20	21.67	1.67
Urban	38.58	39.54	0.96
Rural	48.76	49.05	0.29
National - both sexes (15+)			
	52.48	53.44	0.96
Male	82.38	81.9	-0.48
Female	21.76	24.42	2.66
Urban	45.46	46.46	1.00
Rural	56.42	57.4	0.98

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11

The disaggregation of LFPR by age group and gender in 2010-11 shows that males in the age bracket 25-29 years to 40-44 years have the highest participation rates (Figure 1). In case of females, participation rises initially, peaking at the age bracket 35-49 years and subsequently starts declining. The gap between male and female participation rates are lowest in the age bracket of 10-14 years, but starts rising for each successive age group, reaching a relatively stable level between 35-49 years and starts narrowing again for ages 60 years and above.



Source: PBS, Pakistan Labour Force Survey 2010-11

The employment to population ratio (EPR), which is defined as the share of the working age population that is employed, is an important indicator for gauging the employment generation capacity of an economy. The employment to population ratio in Punjab was 45.3 percent in 2010-11, implying that only 42.7 percent of the working age population in the province (10 years and above) was actually employed (Table 3). The analysis further shows that the EPR in Punjab increased by 1.31 percentage points during the period under review (2007-11) indicating an improvement of the labour market situation in the province during this period.

Table 3: Employment-to-population ratio (KILM 2, %)

	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Both sexes			
10+	44.01	45.32	1.31
15+	51.05	52.51	1.46
Males			
10+	66.81	66.06	-0.75
15+	78.92	77.99	-0.93
Females			
10+	21.06	24.43	3.37
15+	23.31	27.33	4.02
Urban (10+)			
Both sexes	37.05	37.69	0.64
Males	64.45	63.51	-0.94
Females	8.76	10.84	2.08
Rural (10+)			
Both sexes	47.5	49.18	1.68
Males	68.01	67.39	-0.62
Females	27.1	31.14	4.04
National (10+)			
Both sexes	42.82	42.97	0.15
Males	66.54	65.22	-1.32
Females	17.92	19.75	1.83
Urban	36.14	36.05	-0.09
Rural	46.46	46.76	0.3
National (15+)			
Both sexes	49.87	50.37	0.5
Males	79.07	77.97	-1.1
Females	19.87	22.23	2.36
Urban	42.74	42.5	-0.24
Rural	53.88	54.84	0.96

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.



In terms of the gender breakup, it is seen that EPR for females is lower compared to their male counterparts in 2011 (24.4 percent vs. 66.1 percent), although it is higher than the national female EPR for Pakistan. Similarly, the EPR in urban Punjab at 37.7 percent is much lower than the EPR prevailing in rural Punjab (49.2 percent), with the female EPR in rural areas being nearly three times higher than the corresponding female EPR in urban areas. It is also pertinent to point out that while the EPR for males has declined between 2007-08 and 2010-11, it has increased by 3.4 percentage points for females during this period, with the increase being higher for rural females as compared to their urban counterparts.

The unemployment rate indicates the proportion of the labour that is out of work and is available/seeking employment opportunities. Table 4 presents the unemployment rates in Punjab during the period under review. The analysis shows that the unemployment rate increased marginally, both in the population aged 10 years and above as well as 15 years and over, during the period 2007-08 to 2010-11. The unemployment rate for the population aged 10 years and above in Punjab was slightly above the national average for Pakistan during both the periods under review, while the unemployment rate for the population aged 15 years and above in the province was at the national level (5.7 percent) in 2010-11, whereas it was marginally higher than the national average in 2010-2011.

The unemployment rate in the urban areas of the province was higher than that in rural areas during both the years under review. The unemployment rate, moreover, rose in both urban and rural areas of the province during 2007-11, with the increase being more pronounced in urban Punjab. Comparing urban and rural unemployment rates, it can be observed that whereas the male-female gap has widened for urban areas, it has narrowed in the case of rural Punjab during the period under review.

Table 4: Unemployment rate (KILM 9, %)

	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Both sexes			
10+	5.54	6.10	0.56
15+	5.11	5.69	0.58
Males			
10+	4.85	5.25	0.40
15+	4.30	4.72	0.42
Females			
10+	7.69	8.35	0.66
15+	7.73	8.32	0.59
Urban (10+)			
Both sexes	7.14	8.61	1.47
Males	5.76	6.59	0.83
Females	16.43	19.24	2.81
Rural (10+)			
Both sexes	4.91	5.09	0.18
Males	4.41	4.58	0.17
Females	6.13	6.17	0.04
National (10+)			
Both sexes	5.2	5.95	0.75
Males	4.31	5.07	0.76
Females	8.52	8.88	0.36
Urban	6.34	8.84	2.50
Rural	4.71	4.68	-0.03
National (15+)			
Both sexes	4.98	5.74	0.76
Males	4.02	4.80	0.78
Females	8.68	8.95	0.27
Urban	5.99	8.52	2.53
Rural	4.52	4.45	-0.07

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.



The preliminary analysis of the labour market situation in Punjab, seen through the lens of the three basic indicators – labour force participation rate, employment to population ratio and the unemployment rate — will now be supplemented with some additional indicators to better understand the nature of employment, in particular the hours of work, employment by sector, status and occupational groupings.

An analysis of the hours of work of the employed labour force gives useful insights into the quality as well as productivity of work undertaken by the employed. Internationally, there is no standard definition of full time work, although according to OECD guidelines working hours up to 30 hours a week is considered part-time work. Working hours exceeding 50 hours a week are taken as excessive hours of work, which are not considered conducive to the physical and mental health of the workforce. Excessive working hours are likely to indicate low levels of hourly pay stemming from undertaking low productivity work.

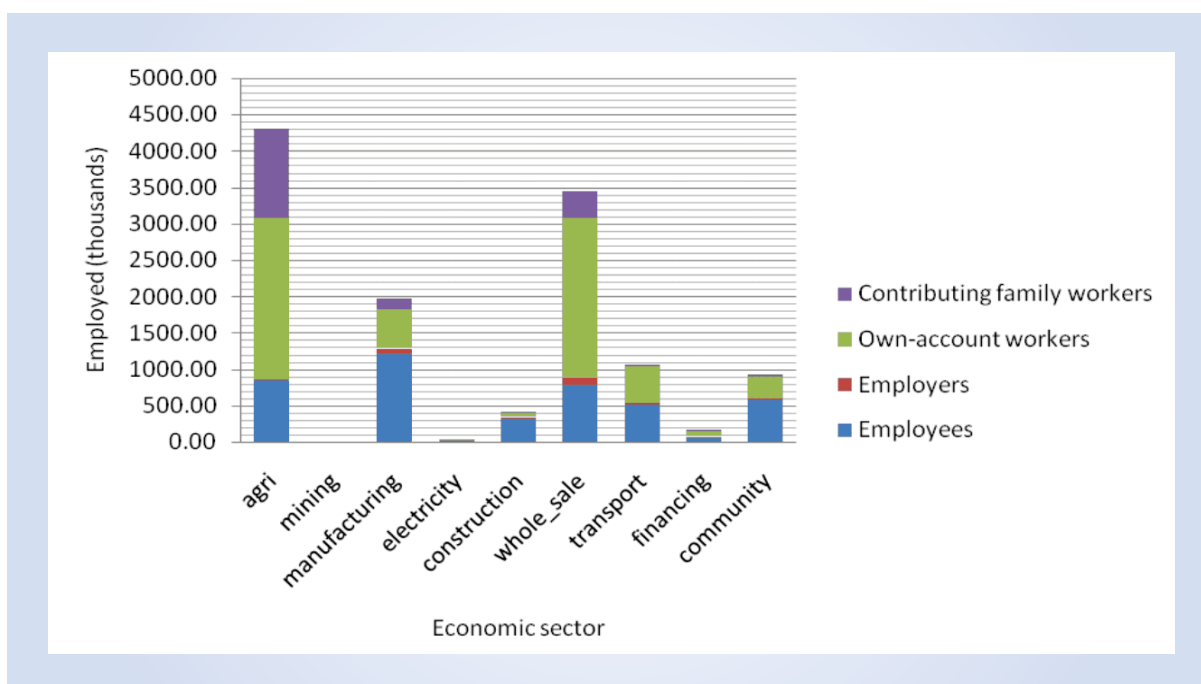
Table 5 shows the hours of work by different categories for the employed labour force aged 10 years and above in Punjab Province during 2007-08 and 2010-11. The figures show that over 38 percent of the employed were working excessive hours in 2010-11: this share had declined nominally by 0.7 percentage points between 2007-08 & 2010-11. However, the proportion of both employed males and females working 50 hours and above increased slightly during 2007-11, with a higher share of males working excessive hours in 2011 (49.1 percent) compared to females (9.2 percent). On the lower end of the working hours' distribution, it is observed that the share of the employed working less than 30 hours a week has remained the same during the period under review, at almost 12 percent, with over one-third of all employed females working less than 30 hours a week in 2011.

Table 5: Hours of work (KILM 7, %)

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Fewer than 20 hours			
Both sexes	3.89	3.99	0.10
Males	1.43	1.45	0.02
Females	11.76	10.96	-0.8
20 - 29 hours			
Both sexes	8.00	7.92	-0.08
Males	2.81	2.90	0.09
Females	24.62	21.65	-2.97
30 - 34 hours			
Both sexes	3.13	4.12	0.99
Males	1.89	2.57	0.68
Females	7.07	8.33	1.26
35 - 39 hours			
Both sexes	13.17	13.66	0.49
Males	8.79	7.84	-0.95
Females	27.21	29.57	2.36
40 - 44 hours			
Both sexes	12.87	12.93	0.06
Males	12.18	12.67	0.49
Females	15.06	13.66	-1.40
45 - 49 hours			
Both sexes	19.81	18.97	-0.84
Males	24.05	23.48	-0.57
Females	6.23	6.64	0.41
50 - 59 hours			
Both sexes	17.13	16.19	-0.94
Males	20.80	20.06	-0.74
Females	5.38	5.61	0.23
Greater than 59			
Both sexes	22.01	22.22	0.21
Males	28.04	29.04	1.00
Females	2.68	3.58	0.90
All hours			
Both sexes	100	100	
Males	100	100	
Females	100	100	

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11

Figure 2: Employed working 50 hours or more by sector and status, 2011



Source: PBS, Pakistan Labour Force Survey 2010-11

Note: Manufacturing and community, whole sale trade, social and personal services are the breaking series as compared to the 2007-08 estimates based on PSIC 1970 (corresponding to ISIC Rev. 2). In 2010-11, PSIC 2007 is used which is corresponding to ISIC Rev.3.1. 'Manufacturing' excludes the sale of motor vehicles and automotive fuel and is included in wholesale and trade which is non-separable from the repair and maintenance of motor vehicles. Likewise the goods-producing activities of private households for own uses are included in personal and community services.

In order to have a sector-wise perspective of the share of employees working excessive hours vis-a-vis the decent work agenda, Table 6 shows that around 70 percent of those employed in the transport, storage and communication sector, followed by around 67 percent of those involved in wholesale and retail trade, restaurants and hotels, were working excessive hours in 2010-11 in Punjab. It also shows that the respective share in these sectors had increased by more than two percentage points in the transport, storage and communication sector while it declined by 1.8 percentage points in wholesale and retail trade, restaurants and hotels sector from their respective levels in 2007-08.

Table 6: Share of the employed working excessive hours by sector (%)

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Agriculture, forestry, & fishing			
Both sexes	30.34	29.34	-1.00
Male	45.4	45.67	0.27
Female	6.77	8.6	1.83
Urban	36.09	37.21	1.12
Rural	30.09	28.95	-1.14
Mining and quarrying			
Both sexes	11.19	43.2	32.01
Male	11.19	43.2	32.01
Female	0	0	0
Urban	56.77	46.12	-10.65
Rural	6.34	40.64	34.3
Manufacturing			
Both sexes	37	39.52	2.52
Male	45.73	48.59	2.86
Female	8.5	6.12	-2.38
Urban	37.95	42.24	4.29
Rural	36.15	36.98	0.83
Electricity, gas and water			
Both sexes	18.27	19.43	1.16
Male	18.47	20.37	1.9
Female	0	0	0
Urban	13.84	8.74	-5.1
Rural	23.66	30.11	6.45
Construction			
Both sexes	20.35	18.71	-1.64
Male	20.21	18.73	-1.48
Female	29.19	15.57	-13.62
Urban	19.65	18.96	-0.69
Rural	20.63	18.61	-2.02
Wholesale and retail trade, restaurants and hotels			
Both sexes	68.51	66.73	-1.78
Male	69.95	67.91	-2.04
Female	30.27	31.22	0.95
Urban	67.95	65.96	-1.99
Rural	69.14	67.61	-1.53

Transport, storage and communication			
Both sexes	67.1	69.43	2.33
Male	67.2	69.51	2.31
Female	53.29	53.28	-0.01
Urban	65	67.31	2.31
Rural	68.54	70.94	2.4
Financing, insurance, real estate and business services			
Both sexes	44.37	39.98	-4.39
Male	45.99	40.7	-5.29
Female	1.03	21.42	20.39
Urban	40.29	39.73	-0.56
Rural	54.8	40.42	-14.38
Community, social and personal services			
Both sexes	35.87	28.91	-6.96
Male	42.48	36.17	-6.31
Female	9.43	11.32	1.89
Urban	33.11	23.86	-9.25
Rural	38.32	33.83	-4.49

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

With regard to the change recorded over 2007-2008 and 2010-2011, it is seen that share of employees working excessive hours in mining and quarrying sector has drastically increased by 32 percentage points (from 11.2 percent in 2007-2008 to 43.2 percent in 2010-2011) - all excessive hours contributed by male employees. There has been a noticeable dip in the share of employed people engaged in excessive working hours in community, social and personal services, which decreased by around 7 percentage points followed by 4.4 percentage points reduction in the share of employed people working excessive hours in the finance, insurance, real estate and business services sector. The share of female employees working excessive hours increased by around 20 percentage points in the financing, insurance, real estate and business services sector while it fell by over 13 percentage points in the construction sector over the period under review in Punjab.

Gender disaggregated analysis show that the highest share of males working excessive hours were employed in the transport, storage and communication sector (around 69.5 percent) followed closely by males working employed in the wholesale, retail trade, restaurants and hotels sector (around 68 percent). The highest proportion of females working excessive hours (above 53 percent) was employed in the transport, storage and communication sector, while this share was around 31 percent in the wholesale, retail trade, restaurants and hotels sector.



Analysis of the change over time by urban-rural sectors reveals that the share of employed people working excessive hours in the mining and quarrying sector in rural Punjab increased by 34.3 percentage points during 2007-11, due mainly to the shrinking of overall employment in this sector as well as an increase of 3.5 times in the number of employed people working excessive hours in this sector. On the other hand, working excessive hours fell in the financing, insurance, real estate and business services sector in rural areas by 14.3 percentage points, while in the community, social and personal services sector, the share of employees working excessive hours declined considerably both in urban and rural areas (9.25 percentage points and 4.49 percentage points, respectively) during the period under review.

The structure of employment in any economy is determined by the structure of economic activities in terms of the contribution of different sectors to the country's GDP. The analysis of the employment structure of the province of Punjab is constrained by the fact that provincial GDPs are not computed in Pakistan, so the sectoral contributions of different sectors to provincial outputs is difficult to estimate accurately. The distribution of the employed in Punjab by the three broad economic sectors seen in Table 7 shows that the agriculture sector is the largest employer in the province, which provided employment to 45.4 percent of the employed workforce in 2010-11. This is followed by the services sector and industry, which provided work to 39 percent and 15.5 percent, respectively of the employed in 2010-11.

In terms of the changes during the period 2007-11 it can be seen that the share of agriculture and industries sectors in total employment has increased by 1.9 percentage points and 0.3 percentage points respectively, while the share of services in total employment has come down by 2.2 percentage points. The agriculture sector continues to be the biggest employer in the province; in the rural areas it is supporting over 60 percent of all employment. The services sector is the predominant employment provider in urban Punjab, employing over 65.6 percent of the employed urban workforce.

The analysis of employment sectors by gender shows that an overwhelming majority of females (74.4 percent) are engaged in the agriculture sector, and their share in this sector has increased by 3.4 percentage points between 2007-08 and 2010-11. The highest proportion of males is employed in the services sector at 48.6 percent in 2010-11, followed closely by agriculture at around 35 percent.

Table 7: Employment by sector (KILM 4, %)

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Agriculture			
Both sexes	43.44	45.39	1.95
Males	34.80	34.73	-0.07
Females	71.06	74.41	3.35
Urban	6.34	7.66	1.32
Rural	57.92	60.03	2.11
Industry			
Both sexes	15.16	15.50	0.34
Males	15.26	16.68	1.42
Females	14.85	12.27	-2.58
Urban	25.40	26.74	1.34
Rural	11.17	11.13	-0.04
Services			
Both sexes	41.27	39.11	-2.16
Males	49.78	48.59	-1.19
Females	14.09	13.31	-0.78
Urban	67.95	65.60	-2.35
Rural	30.86	28.84	-2.02
All sectors			
Both sexes	100	100	
Males	100	100	
Females	100	100	
Urban	100	100	
Rural	100	100	

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

Note: The 2007-2008 round of LFS contained an 'undefined' category, which has been excluded from the above table. The proportion of the employed falling in this category was negligible (0.1%).

The analysis of the employed by status in employment, presented in Table 8, shows that the own account workers make up the highest share of the employed labour force at the provincial level, which is followed closely by paid employees, with each representing over 35 percent of the employed in 2010-11. The regional disaggregation reveals that the majority of the urban employed fall in the category of paid employees at over 50 percent in 2010-11, with own account workers making up another 34 percent of the urban workforce. In the rural sector, own account workers constitute the largest share of the employed, representing over 36 percent of the rural employment, followed closely by contributing family workers (33.2 percent).

Table 8: Status in employment (KILM 3, %)

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Employees			
Both sexes	37.20	35.49	-1.71
Males	40.61	40.16	-0.45
Females	26.33	22.79	-3.54
Urban	53.50	50.27	-3.23
Rural	30.85	29.75	-1.10
Employers			
Both sexes	0.64	1.28	0.64
Males	0.83	1.69	0.86
Females	0.03	0.16	0.13
Urban	1.34	2.81	1.47
Rural	0.37	0.68	0.31
Own-account workers			
Both sexes	35.41	35.67	0.26
Males	41.97	42.32	0.35
Females	14.46	17.56	3.10
Urban	33.46	34.06	0.60
Rural	36.17	36.29	0.12
Contributing family workers			
Both sexes	26.74	27.57	0.83
Males	16.59	15.84	-0.75
Females	59.18	59.49	0.31
Urban	11.69	12.85	1.16
Rural	32.62	33.28	0.66
All status groups			
Both sexes	100	100	
Males	100	100	
Females	100	100	
Urban	100	100	
Rural	100	100	

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

In terms of the gender breakup, own account workers make up the highest share (42 percent) of employed males followed closely by paid employees (40 percent); while a substantial majority of employed females (60 percent) are unpaid family workers. A comparison of the labour market situation in 2010-11 with the earlier period of 2007-08 shows a slight slippage in terms of the quality of employment. A noticeable point of concern is the decrease in the share of paid employees of 1.7 percentage points and an increase of 0.8 percentage points in the proportion of contributing family workers, during this period.

The examination of the employed by occupational grouping is shown in Table 9. It can be seen that the highest proportion of the employed are skilled agriculture workers, representing over 37 percent of all those employed in 2010-11, followed by workers engaged in elementary occupations at 19 percent and those employed in crafts (17 percent). At the upper end of the skills spectrum, around 10 percent of the employed are legislators and senior managers, while 4.7 percent are technicians, followed by professionals (1.6 percent). The urban-rural disaggregation reveals that the highest share of employed in urban areas of the province (around 29 percent of all employed) fall in the crafts category. This is followed by legislators (around 20 percent) and those involved in elementary occupations (18 percent). In rural Punjab, the predominant occupation is skilled agricultural workers, who represented 50 percent of the rural employed in 2010-11. Next come the share of employed people engaged in elementary occupations at above 19 percent, followed by 13 percent employed in crafts and related trades. In terms of the gender breakup, the majority of employed females (60 percent) are working as skilled agricultural workers, followed by those engaged in elementary occupations (around 18 percent) in 2010-11.

Table 9: Employment by occupation (KILM 5, %)

Employed 10+	2007-08	2010-11	Change 2007-2008 to 2010-2011 (percentage points)
Legislators			
Both sexes	11.70	10.46	-1.24
Male	14.96	13.59	-1.37
Female	2.16	1.96	-0.20
Urban	21.75	19.86	-1.89
Rural	7.78	6.81	-0.97
Professionals			
Both sexes	1.45	1.67	0.22
Male	1.67	1.8	0.13
Female	0.74	1.34	0.60
Urban	3.21	3.40	0.19
Rural	0.77	1.01	0.24

Technicians			
Both sexes	5.02	4.72	-0.30
Male	4.52	4.33	-0.19
Female	6.63	5.79	-0.84
Urban	9.14	8.97	-0.17
Rural	3.42	3.08	-0.34
Clerk			
Both sexes	1.45	0.82	-0.63
Male	1.85	1.09	-0.76
Female	0.15	0.09	
Urban	3.27	1.56	-1.71
Rural	0.73	0.53	-0.20
Service			
Both sexes	4.49	4.35	-0.14
Male	5.72	5.78	0.06
Female	0.57	0.43	-0.14
Urban	8.62	8.00	-0.62
Rural	2.89	2.93	0.04
Agriculture			
Both sexes	36.29	37.59	1.30
Male	30.03	29.2	-0.83
Female	56.28	60.44	4.16
Urban	5.65	6.73	1.08
Rural	48.25	49.57	1.32
Crafts			
Both sexes	18.35	17.35	-1
Male	19.34	19.33	-0.01
Female	15.21	11.94	-3.27
Urban	29.05	29.05	0
Rural	14.18	12.8	-1.38
Plant			
Both sexes	3.86	3.11	-0.75
Male	5.01	4.24	-0.77
Female	0.17	0.03	-0.14
Urban	5.54	4.31	-1.23
Rural	3.20	2.64	-0.56
Elementary Occupations			
Both sexes	17.39	19.93	2.54
Male	17.16	20.64	3.48
Female	18.09	17.98	-0.11
Urban	13.78	18.11	4.33
Rural	18.79	20.63	1.84
Total	100	100	

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

The analysis of the changes in the occupational groupings over the period 2007-11 shows that the share of the employed in the high skill category of legislators and senior officials fell by over one percentage point during this period, with the drop being higher for males and urban residents. This can be attributed to the economic slowdown experienced in the country during the period under review, as a result of which job creation in the skill-intensive sectors declined. Another noteworthy development is the rise of four percentage points in the share of females employed as skilled agricultural workers; this was offset by around a three percentage point decrease in their share in the crafts category.

The preceding analysis of the employment by industry division, status in employment and occupational groupings is supplemented in Table 10 by information on the types of enterprises where the provincial work force is employed to get a flavor of the demand side of the labour market in Punjab. The analysis shows that the vast majority of the employed are working in their own enterprises, representing above 78 percent of all employed people in 2010-11, with their share being similar in both the urban and rural sectors of the province. Another 6.7 percent were employed in private limited companies, while 6.5 percent were working for provincial government departments. The share of the employed working in private companies is slightly higher in the urban sector as compared to the rural one (7.1 percent vs. 6.2 percent).

Table10: Employment by type of enterprise (%)

Employed 10+ Employer Type	2007-08	2010-11	Change 2007-2008 to 2010-2011 (percentage points)
Federal Gov't.			
Both sexes	3.38	2.62	-0.76
Male	3.57	2.73	-0.84
Female	2	1.8	-0.2
Urban	4.46	3.21	-1.25
Rural	2.43	2.08	-0.35
Provincial Gov't.			
Both sexes	6.65	6.48	-0.17
Male	6.01	5.66	-0.35
Female	11.25	12.2	0.95
Urban	6.03	6.13	0.1
Rural	7.19	6.79	-0.4
Local body Gov't.			
Both sexes	0.81	0.7	-0.11
Male	0.82	0.69	-0.13
Female	0.74	0.78	0.04
Urban	0.87	0.89	0.02
Rural	0.76	0.53	-0.23

Table10: Employment by type of enterprise (%)

Public Enterprise			
Both sexes	0.36	0.27	-0.09
Male	0.38	0.3	-0.08
Female	0.17	0.08	-0.09
Urban	0.48	0.34	-0.14
Rural	0.25	0.21	-0.04
Private Limited Company			
Both sexes	7.24	6.66	-0.58
Male	7.86	7.36	-0.5
Female	2.76	1.8	-0.96
Urban	8.92	7.13	-1.79
Rural	5.79	6.24	0.45
Public Limited Company			
Both sexes	0.83	0.38	-0.45
Male	0.89	0.42	-0.47
Female	0.41	0.16	-0.25
Urban	1.08	0.43	-0.65
Rural	0.61	0.35	-0.26
Cooperative society			
Both sexes	0.2	0.15	-0.05
Male	0.18	0.15	-0.03
Female	0.39	0.15	-0.24
Urban	0.18	0.14	-0.04
Rural	0.23	0.16	-0.07
Individual ownership			
Both sexes	75.16	78.37	3.21
Male	74.74	78.17	3.43
Female	78.2	79.77	1.57
Urban	72.44	77.87	5.43
Rural	77.53	78.83	1.3
Partnership			
Both sexes	2.07	2.58	0.51
Male	2.15	2.71	0.56
Female	1.49	1.64	0.15
Urban	2.17	2.73	0.56
Rural	1.98	2.44	0.46
Others			
Both sexes	3.31	1.78	-1.53
Male	3.41	1.8	-1.61
Female	2.59	1.62	-0.97
Urban	3.37	1.13	-2.24
Rural	3.25	2.36	-0.89
Total			
Both sexes	100	100	
Male	100	100	
Female	100	100	
Urban	100	100	
Rural	100	100	

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.



In terms of the gender breakup, it is observed that a slightly higher share of employed females is engaged in own enterprise as compared to males (79.7 percent vs. 78.1 percent). A higher proportion of males, on the other hand, are employed in private companies compared to their female counterparts (7.4 percent vs. 1.8 percent). An analysis of the changes observed during the reference period (2007-11) shows that the share of the employed working in the federal government, private limited companies, public enterprises and the provincial government declined marginally. This was offset by the 3.2 percentage point increase in the proportion of workers employed in own enterprise and a slight increase in those working in partnerships.

An examination of the different sub-categories of the employed work force falling into the employees group of employment status is shown in Table 11. This disaggregated analysis can provide important insights into the quality of employment opportunities being generated, with a lower share of regular paid employees with a fixed wage rate generally implying stagnant formal sector jobs in terms of any improvement in the decent work dimension of productive work in Punjab. The figures show a slight decrease in the share of employees in total employment from 37.2 percent in 2007-08 to 35.5 percent in 2010-11, indicating a slight deterioration in the provision of productive work opportunities. The breakup of employees, by its three main sub-groups, reveals that regular paid employees with a fixed wage rate form the majority of employees, with a share of nearly 49 percent in 2010-11. The share of regular paid employees with fixed wage rates was considerably higher in urban Punjab, as compared to rural areas (64.9 percent vs. 38.1 percent). This is followed by the share of casual paid employees and paid worker by piece rate, at 27.3 percent and 23.3 percent, respectively.

The analysis further shows that the share of regular paid employees decreased marginally by around half a percentage point, while the share of paid workers by piece rate fell by over three percentage points during the period 2007-11. This was offset by an increase in the share of casual paid employees by around 3.5 percentage points during 2007-11. The gender disaggregation shows that the highest proportion of females are employed as piece rate workers at 46.5 percent, while the highest share of males are regular paid employees with fixed wage rates at 52.2 percent in 2011.

Table 11: Shifts within the status of group of employees (%)

Employees 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Employees (proportion of the employed)			
Both sexes	37.2	35.49	-1.71
Males	40.61	40.16	-0.45
Females	26.33	22.79	-3.54
Urban	53.5	50.27	-3.23
Rural	30.85	29.75	-1.1
Regular paid employee with fixed wage rate (proportion of employees)			
Both sexes	49.17	48.69	-0.48
Males	52.35	51.18	-1.17
Females	33.53	36.72	3.19
Urban	61.11	64.86	3.75
Rural	41.09	38.09	-3
Casual paid employee (proportion of employees)			
Both sexes	23.88	27.36	3.48
Males	26.19	29.62	3.43
Females	12.48	16.52	4.04
Urban	18.3	17.55	-0.75
Rural	27.65	33.78	6.13
Paid worker by piece rate or work performed (proportion of employees)			
Both sexes	26.11	23.08	-3.03
Males	20.51	18.2	-2.31
Females	53.71	46.52	-7.19
Urban	19.56	16.61	-2.95
Rural	30.54	27.33	-3.21

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

Manufacturing is an important sector in the provincial economy of Punjab, especially in the urban domain. Table 12 presents the distribution of the employed in the manufacturing sector by employment status along with the absolute numbers of the employed by each status group. The majority share as well as the number of employed falls into the 'employees' category, representing 60 percent and 2.9 million of the employed in the manufacturing sector in 2011, respectively. The share of male employees is significantly higher than their female counterparts (65 percent vs. 41 percent). Own account workers form the second highest category as well as absolute number of the employed working in the manufacturing sector in Punjab.

During 2007-11, it can be seen that an additional 0.64 million jobs were generated in the manufacturing sector in Punjab. In terms of the share within the status group, it is observed that the share of employees has declined from 66.5 percent in 2007-08 to 59.9 percent in 2010-11 while the share of own account workers has increased by over 5 percentage points, from 21.9 percent to 27.4 percent. This increasing share of own-account workers may indicate growth in informal household enterprises in the manufacturing sector in Punjab.

Table 12: Status in employment in manufacturing

Employed 15+	2007-2008		2010-2011	
	thousands	percentage	thousands	percentage
Employees				
Both sexes	2800.25	66.55	2905.88	59.95
Males	2308.84	70.43	2490.84	65.06
Females	491.41	52.87	415.04	40.75
Employers				
Both sexes	54.72	1.3	132.18	2.73
Males	53.47	1.63	131.85	3.45
Females	1.25	0.13	0.23	0.02
Own-account workers				
Both sexes	923.73	21.98	1328.36	27.4
Males	658.53	20.09	908	23.72
Females	265.19	28.53	420.36	41.28
Contributing family workers				
Both sexes	429.01	10.2	480.77	9.92
Males	257.37	7.85	297.99	7.78
Females	171.64	18.47	182.78	17.95
All status groups				
Both sexes	4207.70	100	4847.19	100
Males	3278.21	100	3828.78	100
Females	929.49	100	1018.41	100

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

In the context of a developing country like Pakistan, employment in the informal economy usually forms a large proportion of the total employment. This is due to the dual nature of labour markets in the developing world, which are characterized at the upper end by the highly educated and skilled urban work force, while the bottom end of the labour market is stuck in a low equilibrium trap, with a large proportion of unskilled workers, usually migrants from the rural areas, involved in low productivity work in urban areas.

Employment in the informal economy presents a challenge to policy-makers who are constantly aiming at improving working conditions, and the legal and social protection of persons employed in



the informal economy. The issue of poverty goes side by side with the informal economy. Due to the importance of the informal sector in employment creation, production, and income generation, statistics on employment in the informal economy are essential in earlier to have a clear idea of the contributions of all workers to the economy.

Measuring employment in the informal economy is fraught with difficulties. Despite a clear international statistical definition of employment in the informal economy, it is difficult to adequately capture the informal economy in terms of employment statistics. The criterion of legal organization of the enterprise is often not properly used which results in an overestimate of employment in the informal economy.

Table 13 shows the share of employment in the informal sector, as defined in the Labour Force Survey, for each sector excluding agriculture in 2007-2008 and 2010-2011. The percentage distribution of informal sector employment is given in Annex 7. The analysis shows that almost all of the employment in the wholesale and retail trade sector is informal sector employment. This is followed by the construction, transport and communication and manufacturing sectors with 96.3 percent, 87.5 percent and 69.9 percent of their respective total employment being informal sector employment. The lowest incidence of informal sector employment is in the electricity and gas sector at close to three percent of total sector employment.

Table 13: Share of informal sector employment in total employment

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
All sectors (excluding agriculture)			
Mining and quarrying			
Both sexes	28.14	55.73	27.59
Male	28.14	55.73	27.59
Female	0	0	
Manufacturing			
Both sexes	67.92	69.86	1.94
Male	60.59	63.56	2.97
Female	91.85	93.03	1.18
Electricity, gas and water			
Both sexes	2.28	2.92	0.64
Male	2.31	3.06	0.75
Female	0	0	0
Construction			
Both sexes	94.73	96.27	1.54
Male	95.34	96.33	0.99
Female	55.12	88.39	33.27
Wholesale and retail trade, restaurants and hotels			
Both sexes	97.73	97.99	0.26
Male	97.72	97.93	0.21
Female	98.25	99.6	1.35
Transport, storage and communication			
Both sexes	83.3	87.45	4.15
Male	83.47	87.46	3.99
Female	59.72	84.38	24.66
Financing, insurance, real estate and business services			
Both sexes	60.67	57.16	-3.51
Male	60.89	58.85	-2.04
Female	54.84	13.6	-41.24
Community, social and personal services			
Both sexes	58.84	47.74	-11.1
Male	59.15	44.8	-14.35
Female	57.62	54.88	-2.74

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.



The gender breakup indicates that the highest share of female informal sector employment is in the manufacturing sector, at 93 percent of all female employment in that sector. In terms of the dynamics of informal sector employment in Punjab during the period 2007-11, it is observed that the highest increase in share of informal sector employment was recorded in the mining and quarrying sector at 27.6 percentage points while female informal sector employment jumped by over 33 percentage points in the construction sector. During the period under review the share of informal sector employment in community and social services and finance declined by 11 and 3.5 percentage points, respectively.

The examination of the educational attainment of the labour force is vital for gaining more in-depth insights into market dynamics and analyzing the state of skills and productivity of a labour market. The educational attainment of the population in Pakistan is quite low in comparison to countries at similar levels of income and the province of Punjab is no exception to this trend. The analysis of the educational attainment of the labour force in Punjab presented in Table 14 shows that a large share of the economically active population in the province either has no education or has less than one year of education (44.6 percent in 2010-11). Another 33 percent of the labour force has education up to middle (Class 7) but below Matriculation (Class 10), while only a small share of the labour force has obtained degree level education (five percent in 2010-11).

These provincial averages, however, mask considerable variations within the urban-rural sectors in the province; over 50 percent of the rural labour force has no formal education and/or education less than one year, while the corresponding figure for the urban sector is much less at 28 percent. The urban rural gap in educational attainment is highest at the degree level (18.8 percent vs. 10.1 percent and 11 percent vs. 2.6 percent), respectively

Similarly, there exists a wide gap between the educational attainment of male and female members of the provincial labour force, with close to 70 percent of females having obtained no education or education of less than one year compared to half this proportion for their male counterparts. The gender gap is highest at 12 percentage points at the middle (Class 7) but below Matriculation (Class 10) level, and 9.7 percentage points at Matriculation but below Intermediate (Class 12) level. The gap is at its minimum at degree level (0.5 percentage points). Although there are wide gender gaps in educational attainment of the labour force in Punjab, these gaps seem to have narrowed at all levels except at primary and middle but below Matriculation levels where it appears to have increased over the period 2007-11.

The preceding analysis shows the abysmally low levels of educational attainment of economically active females, compared to the male labour force. With just over a quarter of the female working age population being economically active, it is important to also analyze the educational attainments of the unemployed females as well as that of females out of the labour force, who form the major share of females in the working age bracket. Table 15, showing the educational attainments of the entire spectrum of female population aged 15 years and above in Punjab, reveals that in general unemployed females and those who are out of the labour force have higher education levels than their employed counterparts, with the exception of inactive females with a degree education.

The data also shows that the situation has further intensified during the years under review. The share of inactive women having less than one year of education has declined while their share in all other categories of education has increased compared to their employed counterparts. In the case of unemployed women, their share in education levels of Intermediate and degree has increased considerably compared to employed women. This phenomenon of unemployed females having better educational attainments than their employed counterparts, documented earlier for Pakistan (MoLM 2007) as well, needs to be investigated further with the contribution of specific demand and supply factors empirically established in order to develop concrete policy recommendations.

Table 14: Educational attainment of the labour force (%)

Labour force 15+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Less than one year of education			
Both sexes	45.45	44.62	-0.83
Males	37.19	35.35	-1.84
Females	72.28	69.79	-2.49
Urban	27.69	28.07	0.38
Rural	52.77	51.49	-1.28
Pre primary education			
Both sexes	3.31	3.69	0.38
Males	3.72	4.26	0.54
Females	2.0	2.15	0.15
Urban	2.4	2.82	0.42
Rural	3.69	4.06	0.37
Primary but below middle			
Both sexes	15.92	16.19	0.27
Males	17.81	18.31	0.5
Females	9.74	10.43	0.69
Urban	15.86	15.48	-0.38
Rural	15.94	16.48	0.54
Middle but below Matric			
Both sexes	12.8	13.5	0.7
Males	15.51	16.76	1.25
Females	3.99	4.67	0.68
Urban	14.91	16.42	1.51
Rural	11.92	12.29	0.37
Matric but below Intermediate			
Both sexes	13.3	12.67	-0.63
Males	15.74	15.29	-0.45
Females	5.39	5.55	0.16
Urban	19.82	18.78	-1.04
Rural	10.62	10.13	-0.49

Degree				
Both sexes	4.77	5.04	0.27	
Males	4.96	5.16	0.2	
Females	4.16	4.69	0.53	
Urban	10.8	10.99	0.19	
Rural	2.28	2.57	0.29	
All education levels				
Both sexes	100	100		
Males	100	100		
Females	100	100		
Urban	100	100		
Rural	100	100		

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

Table 15: Educational attainment and employment status of women, 2011 (%)

2007-2008					2010-2011			
Females 15+	Employed	Unemployed	Not economically active	Population of working age	Employed	Unemployed	Not economically active	Population of working age
Less than one year of education	73.8	53.88	50.94	56.33	71.69	48.82	47.3	54
Pre primary education	2.07	1.15	1.71	1.78	2.25	1.06	1.98	2.03
Primary but below middle	9.33	14.63	14.17	13.05	10.24	12.55	14.31	13.16
Middle but below Matric	3.76	6.79	11.81	9.84	4.38	7.85	13.27	10.71
Matric but below Intermediate	4.83	11.96	12.29	10.54	5.05	11.03	13.47	11.11
Intermediate but below degree	2.19	5.33	5.4	4.65	2.26	7.79	5.61	4.75
Degree	3.99	6.25	3.68	3.8	4.13	10.89	4.07	4.25
All education levels	100	100	100	100	100	100	100	100

Source: PBS, Pakistan Labour Force Survey 2010-11.

In the increasingly 'knowledge based' global economy, the role of technical education and vocational training (TEVT) is becoming vital for increasing productivity and consequently the earnings of the employed work force. Skills acquisition is an area where considerable investment is necessary in the province of Punjab in the medium term for the provincial economy to make the transition from a predominantly agrarian economy to a more broad-based one encompassing manufacturing and services. In order to get an overview of the state of TEVT in Punjab, Table 16 shows the occupational grouping of the employed workforce that reported having received TEVT during the reference years 2007-08 and 2010-11.

The data shows that the highest proportion of trainings have been received by crafts and related trades workers, who represented 56.4 percent of the employed with training in 2010-11. The second highest proportion is of plant and machinery workers at 13.6 percent, followed by skilled agricultural workers (9.6 percent). These averages, however, mask considerable variations along gender and regional lines. The highest share of female trainees is craft workers (62.1 percent), followed by skilled agricultural workers (21.1 percent). In the case of males, the highest proportion is of skilled crafts workers (54.8 percent), followed by plant workers (17.3 percent).

The urban-rural disaggregation in the province across the occupational groupings reveals that nearly 62.5 percent of the trained workers in the urban sector belong to the craft and related trades workers category with another 11.9 percent employed as plant and machinery workers. The share of trained craft and plant workers in the rural sector is much lower (51.8 percent), while over 15 percent of trained workers belong to the class of skilled agricultural workers. It is pertinent to point out that the share of trained female workers belonging to the skilled agricultural worker category has gone up by over 9 percentage points during 2007-11 while their proportion in craft and related trades has decreased by almost 11 percentage points.

Table 16: Occupational status of employed people with technical vocational education/ training (%)

	2007-08	2010-11	Change 2007-08 to 2010-11 (percentage points)
Legislators			
Both sexes	4.33	4.05	-0.28
Male	5.22	4.84	-0.38
Female	1.06	1.14	0.08
Urban	5.7	5.39	-0.31
Rural	3.33	3.02	-0.31
Professionals			
Both sexes	1.14	0.86	-0.28
Male	1.06	0.89	-0.17
Female	1.43	0.73	-0.7
Urban	2.12	1.5	-0.62
Rural	0.42	0.37	-0.05
Technicians			
Both sexes	6.75	4.15	-2.6
Male	5.98	3.64	-2.34
Female	9.6	6	-3.6
Urban	9.31	5.81	-3.5
Rural	4.89	2.88	-2.01

Clerks				
	Both sexes	1.07	0.29	-0.78
	Male	1.32	0.35	-0.97
	Female	0.14	0.06	
	Urban	1.6	0.4	-1.2
	Rural	0.68	0.2	-0.48
Services				
	Both sexes	3.54	4.17	0.63
	Male	4.3	5	0.7
	Female	0.77	1.18	0.41
	Urban	2.99	4.02	1.03
	Rural	3.94	4.29	0.35
Agriculture				
	Both sexes	5.74	9.62	3.88
	Male	4.12	6.46	2.34
	Female	11.69	21.13	9.44
	Urban	0.81	1.85	1.04
	Rural	9.33	15.54	6.21
Crafts				
	Both sexes	63.79	56.43	-7.36
	Male	61.08	54.86	-6.22
	Female	73.73	62.17	-11.56
	Urban	65.43	62.49	-2.94
	Rural	62.59	51.81	-10.78
Plants				
	Both sexes	11.23	13.59	2.36
	Male	14.24	17.3	3.06
	Female	0.16	0.09	-0.07
	Urban	10.25	11.89	1.64
	Rural	11.94	14.89	2.95
Elementary Occupations				
	Both sexes	2.41	6.85	4.44
	Male	2.67	6.67	4
	Female	1.42	7.51	6.09
	Urban	1.78	6.64	4.86
	Rural	2.86	7.01	4.15
Total				
	Both sexes	100	100	
	Male	100	100	
	Female	100	100	
	Urban	100	100	
	Rural	100	100	

Source: PBS, Pakistan Labour Force Survey 2010-11.

Box 2:

TEVTA – Promoting Employment Generation through Skills Development

The Technical Education and Vocational Training Authority (TEVTA) in Punjab was established through an Ordinance in 1999. The Authority was set up to promote and provide demand-driven technical education and vocational training by consolidating the provincial TEVT system under one management structure. All the Polytechnics, Commercial Training Institutes and Colleges, Technical and Vocational Training Centres and Apprentices Training Centres working under various departments/ agencies of the Provincial Government were placed under the administrative control of TEVTA. TEVTA is presently managing a network of 49 Technical Education institutions and 318 Vocational Training Centers across the province. The TEVTA is also mandated with regulating and developing standards of technical education and vocational training including an internationally recognized curriculum, examination and certification system. The Authority works in close collaboration with the private sector to ensure the design and delivery of demand-driven training programs, including building market linkages between its trained graduates and the local industry.

Two recent initiatives of TEVTA in promoting employment generation in Punjab through skills development and formation are highlighted below:

- Provision of microfinance/ interest free loans to TEVTA graduates/ students
- Development of Skilled Labour Market Information System.

The TEVTA has recently signed agreements with two microfinance providers – *Akhuwat* and the Center for Women's Co-operative Development (CWCD) to provide small loans to the graduates (pass-outs) of TEVTA irrespective of the duration and nature of their course. The *Akhuwat* will provide interest free loans up to Rs.25,000 to the graduates of TEVTA living within a radius of 6 Km of the branches of *Akhuwat*. Similarly CWCD will provide loans up to Rs.100,000 to the TEVTA graduates (pass-outs) living within a 20 Km radius of the branches of CWCD on the terms of Islamic Financing.

The TEVTA has developed a Skilled Labour Market Information/Placement System (SLMIS) in consultation with the MULTILINE Group. This project comprises three basic components: An online Information System; Skill Mapping of 36 districts of the Punjab and an Online/Offline Placement system to facilitate TVET graduates of TEVTA and other Institutes. This project has been presented at many national and international forums and has been validated as a comprehensive baseline document/platform which will promote demand driven skills formation in the province, in an innovative way.

Source: TEVTA, Government of Punjab



The youth (aged 15 to 24) form an important segment of the labour force in a country like Pakistan, which is undergoing a demographic transition as a result of which the share of youth in the labour force is rising. Generating productive employment opportunities for this segment of the labour market is vital to ensure higher levels of growth and to promote greater social cohesion. Youth constitute the part of the labour force that is expected to remain economically active for a longer period, and therefore, returns on investment in educating and training this segment are relatively high.

Globally, this realization of the importance of the youth population has been expressed at the 2005 International Labour Conference and has been followed by numerous discussions on youth employment. It has been observed around the world that changes in the key labour market indicators are more pronounced for youth compared to the adult labour force. A large number of youth are underemployed, unemployed, or working unacceptably long hours under informal, intermittent and insecure work arrangements, without the possibility of personal and professional development. The precarious labour market position of the youth has led to the adoption of youth unemployment as one of the indicators to monitor the attainment of poverty alleviation targets under the Millennium Development Goals.

The labour market situation of youth in the province of Punjab is given in Table 17 in terms of labour force participation rate (LFPR) and unemployment, comparing it with the adult labour force. The LFPR of youth aged 15-24 years is, on average, lower than that of their adult counterparts. The participation rate of male youth is much higher than that of females, and this gap is higher than the one observed for economically active adults. This youth-adult gap in participation rates is very high for males but quite narrow for females. As shown in Table 17, changes over time in LFPR are more pronounced in adults while the changes over time in the unemployment rate are more pronounced for the youth than for the adult population.

The unemployment rates for youth increased during 2007-2011, while the unemployment rate for adults increased marginally (by 0.2 percent). The youth unemployment rate increased by more than 1.7 percentage points during this period. The youth unemployment rate in 2010-11 was 2.5 times the adult unemployment rate. Further, the gap between male and female unemployed youth has marginally widened (from 1.69 percentage points in 2007-2008 to 2.64 percentage points in 2010-2011). This gap in adult unemployment has narrowed (from four percentage points to 3.8 percentage points) during the period under review. On the other hand, the rural-urban gap between the youth and adult unemployment rates has widened, with the increase being similar for both youth and adults (1.2 percentage points).

The increasing youth to total unemployment ratio, youth unemployment to adult unemployment ratio as well as youth unemployment as a proportion of youth population, also indicate that the labour market is not adequately responding to the supply of the fast growing youth labour force. The increasing ratios also encompass within them the gap amongst the adults and the youth, which has further aggravated during 2007-08 and 2010-2011. In order to improve the situation of the youth population segment, the Government of Punjab has launched the Punjab Youth Policy 2012 (see Box 3 for details).

Table 17: Youth unemployment (KILM 10, %) and Labour Force Participation Rate (KILM 1, %)

Punjab	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
LFPR - both sexes			
15-24	45.16	46.38	1.22
25+	58.54	60.64	2.1
LFPR – males			
15-24	68.05	66.69	1.36
25+	90.32	89.9	0.42
LFPR – females			
15-24	22.63	26.47	3.84
25+	26.72	31.6	4.88
LFPR – Urban			
15-24	37.11	38.4	1.29
25+	51.83	52.98	15
LFPR – Rural			
15-24	49.5	50.69	1.19
25+	61.88	64.54	2.66
Unemployment rate - both sexes			
(a) 15-24	8.26	9.99	1.73
(b) 25+	3.77	3.93	0.16
Unemployment rate - males			
(a) 15-24	7.83	9.28	1.45
(b) 25+	2.85	2.92	0.07
Unemployment rate - females			
(a) 15-24	9.52	11.72	2.2
(b) 25+	6.89	6.79	0.1
Unemployment rate - Urban			
(a) 15-24	12.28	14.93	2.65
(b) 25+	4.25	5.28	1.03
Unemployment rate - Rural			
(a) 15-24	6.63	7.96	1.33
(b) 25+	3.57	3.37	0.2
(1) Ratio youth unemployment rate to adult unemployment rate [(a)/(b)]			
Both sexes	2.19	2.54	0.35
Males	2.75	3.18	0.43
Females	1.38	1.73	0.34
Urban	2.89	2.83	0.06
Rural	1.86	2.36	0.50

(2) Youth unemployment as a proportion of total unemployment

Both sexes	42.20	45.36	3.16
Males	45.22	48.13	2.91
Females	36.30	40.78	4.48
Urban	49.11	48.69	-0.42
Rural	38.18	43.1	4.92

(3) Youth unemployment as a proportion of the youth population

Both sexes	3.73	4.63
Males	5.33	6.19
Females	2.16	3.1
Urban	4.56	5.73
Rural	3.28	4.03

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

Box 3: Punjab Youth Policy 2012

The Vision of the Punjab Youth Policy is to create an enabling environment for the youth, by providing them equitable opportunities to realize their full potential in a safe, secure, conducive and congenial environment, working for a developed and prosperous Pakistan. The policy covers all key issues of youth and provides a framework that promotes social, economic and political empowerment of youth. The central theme of the policy is integrated youth development by creating an enabling environment to help them develop skills, competencies and a passion for a positive contribution to society.

Salient Features of the Policy

- Establishment of an online job bank, to conduct job market surveys and to build a database to inform the youth about potential openings and to guide the educational and vocational training institutes.
- Establishment of Youth Venture Capital Fund by public-private partnership to support new business ideas and entrepreneurship amongst young men and women.
- All universities to provide on campus jobs to at least 5% of their full-time students and to set up career placement offices.
- Punjab Internship Programme with public-private partnership to maximize opportunities for fresh graduates.
- Skills development through IT will be facilitated by providing laptops on merit to students.
- Provision of stipends for technical education especially in the less developed Southern Punjab.
- Local crafts-based youth enterprises for income-generation at village and urban-neighbourhood level will be established and encouraged and professional assistance for marketing of such enterprise products will be provided.
- Sectoral initiatives in livestock and dairy development i.e. Rehabilitation of *Mustahqueen-i-Zakat* (eligible to receive alms money) by promotion of livestock keeping, training of unemployed youth as veterinary workers, replication of *Idara-e-Kissan* model, provision of milk cooling tanks and promotion of livestock under the Barani Village Development Project.

In order to implement its objectives, the Punjab Youth Policy 2012 aims at establishing a robust and efficient institutional mechanism for implementation of programmes. This will be done by instituting an autonomous body, to be called the Punjab Youth Development Foundation (PYDF).

Source: Government of Punjab

Child labour

Globally, the minimum working age as defined by the ILO is considered to be 15 years. In a developing country like Pakistan however, the prevalence of child labour (individuals above 10 years of age) is a common phenomenon due to the high incidence of multi-generational poverty. The absence of safety nets for the marginalized and vulnerable segments of the population also force these segments of society to not to send their children to school. In view of the vulnerable position of the child population, it is important to analyze the labour market dynamics of the population aged 10-11 years. The labour market characteristics of the population aged 10-14 years in the province of Punjab are presented in Table 18, for the two time periods under consideration – 2007-08 and 2010-11.

The analysis reveals that in 2010-11, 12.6 percent of the children aged 10-14 years were part of the labour force in Punjab, down from 12.8 percent in 2007-08 – a marginal decline of one quarter of a percentage point over a three year period. Child labour force participation is more pronounced in rural Punjab, where it is over 2.4 times higher than that in the more developed urban centers of the province with this gap staying constant during 2007-11. The participation rate for male children was higher than that of female children (14.3 percent vs. 10.7 percent) in 2011.

In terms of the absolute number of children aged 10-14 years engaged in work, it is seen that in 2010-11 around 1.3 million children were employed in the province, with 740 thousand (56.4 percent) being male and 1.14 million (87 percent) being employed in the rural areas. The overwhelming majority of working 10-14 year olds (70.5 percent) is employed in the agriculture sector with this share being much higher in rural Punjab (79 percent): 87 percent of working female children are engaged in this sector. The analysis of these employed children by employment status reveals that close to 68 percent are contributing family workers at the provincial level and 73 percent in rural areas, while 78 percent of employed female children fall within this category. The majority of these children have never been to school: three fifths of them have less than one year of formal education.

While the absolute numbers of child labour has gone up by around 40 thousand, the prevalence of child labour in Punjab has gone down marginally between 2007-08 and 2010-11. The low level of educational attainment of child workers does not bode well for promoting decent and productive employment opportunities for them later on, increasing the likelihood that households with working children will remain in an inter-generational poverty trap.

Table 18: Participation and education of the population aged 10-14

	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Labour force participation rate (%)			
Both sexes	12.83	12.58	-0.25
Males	14.63	14.32	-0.31
Females	10.93	10.67	-0.26
Urban	6.4	6.4	-0.14
Rural	15.67	15.33	-0.34
Employed (millions)			
Both sexes	1.27	1.31	0.04
Males	0.71	0.74	0.03
Females	0.57	0.57	0
Urban	0.17	0.17	0
Rural	1.1	1.14	0.04
Employment sector: agriculture (%)			
Both sexes	67.8	70.5	2.7
Males	58.46	57.43	-1.03
Females	79.41	87.62	8.21
Urban	12.08	11.9	-0.18
Rural	76.57	79.07	2.5
Employment status: contributing family worker (%)			
Both sexes	70.18	68.35	-1.83
Males	66.17	60.36	-5.81
Females	75.17	78.82	3.65
Urban	34.57	39.44	4.87
Rural	75.78	75.58	-0.2
Employed with less than one year formal education (%)			
Both sexes	70.4	64.66	-5.74
Males	63.05	58.51	-4.54
Females	79.52	72.71	-6.81
Urban	54.25	60.2	5.95
Rural	72.94	65.31	-7.63
Unemployment rate (%)			
Both sexes	14.14	14.84	0.7
Males	18.99	19	0.01
Females	7.24	8.7	1.46
Urban	26.31	30.64	4.33
Rural	11.85	11.9	0.05

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11

Conclusion and Recommendations

This Report presents a preliminary analysis of the labour market situation in the province of Punjab, using the framework of the Key Indicators of the Labour Market. The review has covered the labour market developments in the province during the period 2007-08 and 2010-11, with the end period coinciding with the passage of the 18th Amendment to the country's Constitution, under which labour policy formulation and administration has been devolved to the provincial governments. The report can thus serve as a baseline for any future labour market analyses of Punjab in the post 18th Amendment period.

The indicators analyzed in the report provide a snapshot of the various aspects of decent work in the province. However, it is important to point out that these indicators do not comprehensively cover all six aspects of decent work as defined in Chapter 1 and there is in particular a need to supplement this with a more in-depth investigation of the decent work dimensions of security at work and dignity at work. The review highlights the fact that the rural labour force forms the backbone of the provincial labour market, accounting for over 70 percent of the economically active population in Punjab. In line with the overall trends for Pakistan, there exist large gender gaps in labour force participation, although these gender gaps are less pronounced than those observed for the other provinces.

The high and growing share of self-employed in employment is an important characteristic of the provincial labour market, pointing to deterioration in the productive work dimension of decent work. Another cause for concern is the prevalence of child labour, particularly in the less developed rural areas of the province, which necessitates policy action to improve work under conditions of freedom. The vibrant youth labour market needs special attention from provincial policy makers to harness its full potential. The newly developed Punjab Youth Policy 2012 envisages a number of useful interventions in this regard.

Recommendations

The LMIA infrastructure in the province needs to be further developed and strengthened so that timely and up to date labour market analysis can feed into the policy formulation process. In order to properly assess employment patterns and shares and their evolution over time, it is recommended that a provincial GDP series be developed, so that the contribution of each sector to the provincial economy can be estimated. It is also recommended that a district level representative Labour Force Survey should be administered by the PBS every two years, so that the labour market situation within the different regions of the province can be properly assessed and relevant sub-provincial programs and strategies can be designed.

Policies for promoting employment generation in the province should focus on improving the productivity of the agricultural work force, through strengthened extension services and higher outlays on agricultural research and development. The livestock sub-sector, in particular, can support



higher levels of employment creation through its backward and forward linkages along the production supply chain. In the urban sector, the productivity of household enterprises can be raised by the provision of business support services including developing market linkages, credit facilities and the design and implementation of relevant technical, education and vocational training programs.

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the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 12.5 million, and the number of people aged 75 and over has increased from 4.5 million to 6.5 million (Office for National Statistics 2000). The number of people aged 65 and over is projected to increase to 15.5 million by 2020, and the number of people aged 75 and over to 8.5 million (Office for National Statistics 2000).

There is a growing awareness of the need to address the needs of older people in the UK. The Department of Health (2000) has published a strategy for older people, which sets out the government's commitment to improve the lives of older people. The strategy is based on the following principles: older people should be able to live independently, safely and comfortably; older people should be able to participate in the community; and older people should be able to access the services they need.

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Annexure

ANNEX 1

Pakistan Labour Force Survey

The Labour Force Survey (LFS) has, more or less, been a regular activity of the Pakistan Bureau of Statistics (PBS) since 1963. The major aim of the survey is to collect a set of comprehensive statistics on the various dimensions of the country's civilian labour force. The survey profiles information to pave the way for skill development, planning, employment generation, assessing the role and importance of the informal sector and sizing up the volume, characteristics and contours of employment.

The Survey covers all the civilian population living in the rural and urban areas of Pakistan, which includes:

1. All usual members of the sample households present or temporarily absent at the time of enumeration.
2. Population living in dwellings located within the boundaries of institutions, for e.g., hospitals, sanitariums, jails, police stations and labour camps which fall within the sample area.
3. Members of the armed forces living in the civilian areas.
4. Persons living in “mess” households located within the sample areas.

The following population is excluded from the scope of the Survey:

1. Defense Forces personnel, whether living in barracks or with their families living in households located in restricted areas.
2. Civilian population living in the restricted areas.
3. Non-Pakistani nationals working in foreign embassies located in Pakistan, living either within the embassy premises or in households located in the sample area.
4. Foreign nationals working in Pakistan and living in sample areas.
5. Persons engaged in unsocial, non-economic and immoral activities, e.g., unpaid custodians of holy places, prostitutes, smugglers, etc.
6. Persons admitted in hospitals and clinics for medical treatment for long durations, those exceeding six months.
7. Inmates of jails sentenced to imprisonment for more than six months.
8. Persons living in police barracks, nurses' boarding houses, hotels, hostels and boarding houses of schools and colleges with no other place of residence.

The geographical coverage of the LFS extends to all urban and rural areas of the four provinces of Pakistan defined as such by 1998 Population Census of Pakistan with the exception of Azad Jammu and Kashmir, the Northern Areas, the Federally Administered Tribal Areas (FATA), restricted military areas and protected areas of Khyber Pakhtunkhwa (KPK). The number of sample households covered

by Labour Force Survey in 2007-2008 and 2010-2011 is given in Table A1. The pertinent information collected each year from a nationally representative sample is spread over four quarters of the year in order to smooth out seasonal variations.

**Table A1: Sample size of Labour Force Surveys
(2007-2008 and 2010-2011): National and Punjab**

Labour Force Survey (2007-2008)		Labour Force Survey (2010-2011)	
Pakistan	36 272		36 464
Urban	14 448		14 448
Rural	21 824		22 016
Punjab	16 080		16 080
Urban	6 288		6 288
Rural	9 792		9 792

The LFS uses a stratified two-stage sample design under which enumeration blocks in urban domain and *mouzas/dehs*/villages in rural domains are taken as the primary sampling units (PSUs). The constituent households of sample PSUs are taken as Secondary Sampling Units (SSUs). A specified number of households, i.e., 12 from each urban sample PSU, and 16 from rural sample PSUs are selected with equal probability using systematic sampling technique.

ANNEX 2

Concepts and definitions

This section introduces the various concepts, definitions and classifications used in the computation of the key indicators of the labour market for Punjab.

Working Age Population, Labour Force, Employment and Unemployment

The population of a country can be divided into the populations of working age and non-working age. In Pakistan, the working age population consists of individuals aged ten years and above, while the international standard for working age population as defined by ILO is made up of all persons aged fifteen years and above.

The working age population can be divided into the economically active population or labour force and the economically inactive population. The labour force is also referred to as the currently economically active population, which means that the determination of a person's activity status (economically inactive or active) is based on a specified reference period, which in case of Pakistan is a week or a day.

The economically active population is either employed or unemployed; in other words, the labour force of a country is the sum of the number of employed persons and the number of unemployed individuals. Employment is defined as persons above a specified age who performed at least one hour of work, in the reference period (a week), for pay, profit (or pay in kind) or family gain, or were temporarily absent from a job for such reasons as illness, maternity or parental leave, holiday, training or industrial dispute.

The concept of work for pay, profit or family gain is limited to economic activity defined in terms of the production of goods and services as defined in the United Nations System of National Accounts (SNA). The System of National Accounts covers all market production as well as certain types of non-market production, including for example production and processing of primary products for own consumption.

The unemployed comprise all persons above the specified age (10 years in case of Pakistan) who during the reference week were; without work, (i.e., were not in paid-employment or self-employment); currently available for work, (i.e., were available for paid employment or self-employment); and seeking work, (i.e., had taken specific steps in a specified recent period to seek paid employment or self-employment).

Status in Employment

Status in employment refers to the type of explicit or implicit contract of employment of a person with other persons or an organization. According to the LFS, the employment status of an individual is classified into four categories consistent with the International Classification of Status in Employment (ICSE) 1993. These four categories include:

1. **Employer:** A person working during the reference period, on own-account or with one or a few partners at a “self-employment job” with one or more employees engaged on a continuous basis.
2. **Own account worker:** An own account worker is a person who operates his or her own economic enterprise or engages independently in a profession or trade, and hires no employees. However, he/she may get the assistance of unpaid family workers.
3. **Employee:** A person who works for a public or private employer and receives remuneration in wages, salary, commission, tips, piece rates or pay in kind.
4. **Unpaid family worker:** A person who works without pay in cash or in kind in an enterprise operated by a member of his/her household or other related persons is termed an unpaid family worker.

Occupation Groups

Presently, all major occupations in the country are classified according to Pakistan Standard Classification of Occupation (PSCO) 1994, consistent with the International Standard Classification of Occupations (ISCO) 1988, under which all occupations are divided into 10 large groups. Each group, which is specified by a one-digit code number, is called a major occupation group.

Industry Division

All forms of economic activity in the country are classified on the basis of Pakistan Standard Industrial Classification (PSIC) 1970, which is based on the International Standard Industrial Classification (ISIC) Rev. 2 of 1968, into 10 large groups. Each group is specified by a one digit number and is called a major industry division.

Informal Sector

In Pakistan, the informal sector is defined for statistical purposes as consisting of the following:

- All household enterprises owned and operated by own-account workers, irrespective of the size of the enterprise (informal own-account enterprises) and
- Household enterprises owned and operated by employers with less than 10 persons engaged.

This definition excludes all those household enterprises that are engaged in agricultural activities or wholly engaged in non-market production.

Household enterprise: A household enterprise or, equivalently, an unincorporated enterprise, is a production unit that does not have a separate legal entity independent of the household(s) or household members that own it (i.e. it is not a corporation), nor has a complete set of accounts that would permit a clear distinction between the production activities of the enterprise from the other activities of the owner(s) (i.e. it is not a quasi-corporation).

ANNEX 3

Key Indicators of the Labour Market

KILM 1.	Labour force participation rate
KILM 2.	Employment-to-population ratio
KILM 3.	Status in employment
KILM 4.	Employment by sector
KILM 5.	Employment by occupation
KILM 6.	Part-time workers
KILM 7.	Hours of work
KILM 8.	Employment in the informal economy
KILM 9.	Unemployment
KILM 10.	Youth unemployment
KILM 11.	Long-term unemployment
KILM 12.	Time-related underemployment
KILM 13.	Inactivity
KILM 14.	Educational attainment and illiteracy
KILM 15.	Average monthly wages
KILM 16.	Hourly compensation costs
KILM 17.	Labour productivity
KILM 18.	Poverty, income distribution and the working poor

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

Definitions and use of selected key indicators of the labour market

KILM 1: Labour force participation rate

The labour force participation rate is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the relative size of the supply of labour available to engage in the production of goods and services. The breakdown of the labour force by sex and age group gives a profile of the distribution of the economically active population within a country.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 2: Employment-to-population ratio

The employment-to-population ratio provides information on the ability of an economy to create employment; for many countries the indicator is often more insightful than the unemployment rate. Although a high overall ratio is typically considered as positive, the indicator alone is not sufficient for assessing the level of decent work or the level of a decent work deficit. Additional indicators are required to assess such issues as earnings, hours of work, informal sector employment, underemployment and working conditions. Employment-to-population ratios are of particular interest when broken down by sex, as the ratios for men and women can provide information on gender differences in labour market activity in a given country.

The employment-to-population ratio is defined as the proportion of a country's working-age population that is employed. A high ratio means that a large proportion of a country's population is employed, while a low ratio means that a large share of the population is not involved directly in market-related activities, because they are either unemployed or (more likely) out of the labour force altogether.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 3: Status in employment

Indicators of status in employment distinguish between four important and useful categories of the employed – (a) wage and salaried workers, (b) employers, (c) own-account workers, and (d) contributing family workers – with each being expressed as a proportion of the total employed. Categorization by employment status can help in understanding both the dynamics of the labour market and the level of development of countries. Over the years, and with growth of the country, one would typically expect to see a shift in employment from the agriculture to the industry and services sectors, with a corresponding increase in wage and salaried workers and decreases in self-employed and contributing family workers, previously employed in the agricultural sector.

The method of classifying employment by status is based on the 1993 International Classification by Status in Employment (ICSE), which classifies jobs held by persons at a point in time with respect to the type of explicit or implicit employment contract the person has with other persons or organizations. Such status classifications reflect the degree of economic risk, an element of which is the strength of the attachment between the person and the job, and the type of authority over establishments and other workers that the person has or will have.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 4: Employment by sector

This indicator disaggregates employment into three broad sectors – agriculture, industry and services – and expresses each as a percentage of total employment. The indicator shows employment growth and decline on a broad sectoral scale, while highlighting differences in trends and levels between developed and developing economies. Sectoral employment flows are an important factor in the analysis of productivity trends, because within-sector productivity growth needs to be distinguished from growth resulting from shifts from lower to higher productivity sectors.

The sectors of economic activity are defined according to the International Standard Industrial Classification of All Economic Activities (ISIC), Revision 2 (1968), Revision 3 (1990) and Revision 4 (2008).

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 7: Hours of work

The number of hours worked have an impact on the health and well-being of workers as well as on levels of productivity and labour costs of establishments. Measuring the level and trends in the hours worked in a society, for different groups of workers and for workers individually, is therefore important when monitoring working and life conditions as well as when analysing economic developments.

The number of employed are presented according to the following hour bands: less than 25 hours worked per week, between 25 and 34 hours, between 35 and 39 hours, between 40 and 48 hours, between 49 and 59 hours, 40 hours and over, 50 hours and over and 60 hours and over, as available. The data are broken down by sex, age group (total, youth and adult) and employment status (total, wage and salaried worker and self-employed), wherever possible.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 8: Employment in the informal economy

The informal economy plays a major role in employment creation, income generation and production in many countries. In countries with high rates of population growth or urbanization, the informal economy tends to absorb most of the growing labour force. Since the informal economy is generally recognized as entailing missing legal identity, poor work conditions, lack of membership in social protection systems, incidence of work related accidents and ailments, and limited freedom of association, generating statistics that count the number of persons in the informal economy broadens the knowledge base concerning the extent and content of policy responses required.

KILM 8 combines two measures of the informal economy: employment in the informal sector, the enterprise-based measure defined in the 15th ICLS, and informal employment, the broader job-based measure recommended in the 17th ICLS. The latter includes both persons employed in informal sector enterprises and persons in informal employment outside the informal sector (employees holding informal jobs) as well as contributing family workers in formal or informal sector enterprises and own-account workers engaged in the production of goods for own end use by their household. Informal employment and its subcategories are presented as a share of total non-agricultural employment.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 9: Unemployment

The unemployment rate is probably the best-known labour market measure and certainly one of the most widely quoted by the media in many countries. Together with the labour force participation rate (KILM 1) and employment-to-population ratio (KILM 2), it provides the broadest available indicator of economic activity and status in terms of labour markets for countries that regularly collect information on the labour force. The unemployment rate tells us the proportion of the labour force that does not have a job and is actively looking for work. It should not be misinterpreted as a measurement of economic hardship, however, although a correlation often exists.

The resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the 13th ICLS, defines the unemployed as all persons above a specified age who, during the reference period, were without work, currently available for work and seeking work. However, it should be recognized that national definitions and coverage of unemployment can vary with regard to factors such as age limits, criteria for seeking work, and treatment of, for example, persons temporarily laid off, discouraged about job prospects or seeking work for the first time.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 10. Youth unemployment

Youth unemployment is an important policy issue for many countries, regardless of the stage of development. For the purpose of this indicator, the term “youth” covers persons aged 15 to 24, while “adults” are defined as persons aged 25 and over, although national variations in age definitions do occur. The indicator presents youth unemployment in the following ways: (a) the youth unemployment rate; (b) the youth unemployment rate as a percentage of the adult unemployment rate; (c) the youth share in total unemployment; and (d) youth unemployment as a proportion of the youth population.

The KILM 10 measures should be analysed together; any of the four, when analysed in isolation, could paint a distorted image. For example, a country might have a high ratio of youth-to-adult unemployment but a low youth share in total unemployment. The presentation of youth unemployment as a proportion of the youth population recognizes the fact that a large proportion of young people enter unemployment from outside the labour force. Taken together, the four indicators provide a fairly comprehensive indication of the problems that young people face in finding jobs.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

KILM 14. Educational attainment and illiteracy

An increasingly important aspect of labour market performance and national competitiveness is the skill level of the workforce. Information on levels of educational attainment is currently the best available indicator of labour force skill levels. These are important determinants of a country's capacity to compete successfully in world markets and to make efficient use of rapid technological advances; they are also among the factors determining the employability of workers.

Source: ILO 2011, Key Indicators of the Labour Market, 7th Edition

ANNEX 5

Percentage distribution of employed working excessive hours by sector (%)

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Agriculture, forestry, hunting and fishing			
Both sexes	33.90	34.93	1.03
Male	32.54	32.50	-0.04
Female	60.29	70.73	10.44
Urban	5.04	6.22	1.18
Rural	47.96	49.44	1.48
Mining and quarrying			
Both sexes	0.02	0.06	0.04
Male	0.02	0.07	0.05
Female	0	0	0
Urban	0.03	0.09	0.06
Rural	0.01	0.05	0.04
Manufacturing			
Both sexes	14.37	16.00	1.63
Male	14.29	16.53	2.24
Female	15.82	8.26	-7.56
Urban	21.23	24.57	3.34
Rural	11.03	11.67	0.64
Electricity, gas and water			
Both sexes	0.28	0.2	-0.08
Male	0.29	0.22	-0.07
Female	0	0	0
Urban	0.35	0.14	-0.21
Rural	0.24	0.24	0
Construction			
Both sexes	3.46	3.30	-0.16
Male	3.56	3.51	-0.05
Female	1.53	0.28	-1.25
Urban	2.94	2.72	-0.22
Rural	3.71	3.59	0.12

Wholesale and retail trade, restaurants and hotels			
Both sexes	24.79	28.03	3.24
Male	25.46	29.49	4.03
Female	8.15	6.59	-1.56
Urban	39.81	44.26	4.45
Rural	17.47	19.82	2.35
Transport, storage and communication			
Both sexes	9.32	8.58	-0.74
Male	9.75	9.13	-0.62
Female	1.04	0.52	-0.52
Urban	11.21	10.28	-0.93
Rural	8.40	7.71	-0.69
Financing, insurance, real estate and business services			
Both sexes	1.51	1.30	-0.21
Male	1.59	1.36	-0.23
Female	0.03	0.41	0.38
Urban	3.02	2.49	-0.53
Rural	0.78	0.70	-0.08
Community, social and personal services			
Both sexes	12.26	7.60	-4.66
Male	12.21	7.19	-5.02
Female	13.15	13.58	0.43
Urban	16.20	9.21	-6.99
Rural	10.33	6.78	-3.55
All sectors			
Both sexes	100	100	
Male	100	100	
Female	100	100	
Urban	100	100	
Rural	100	100	

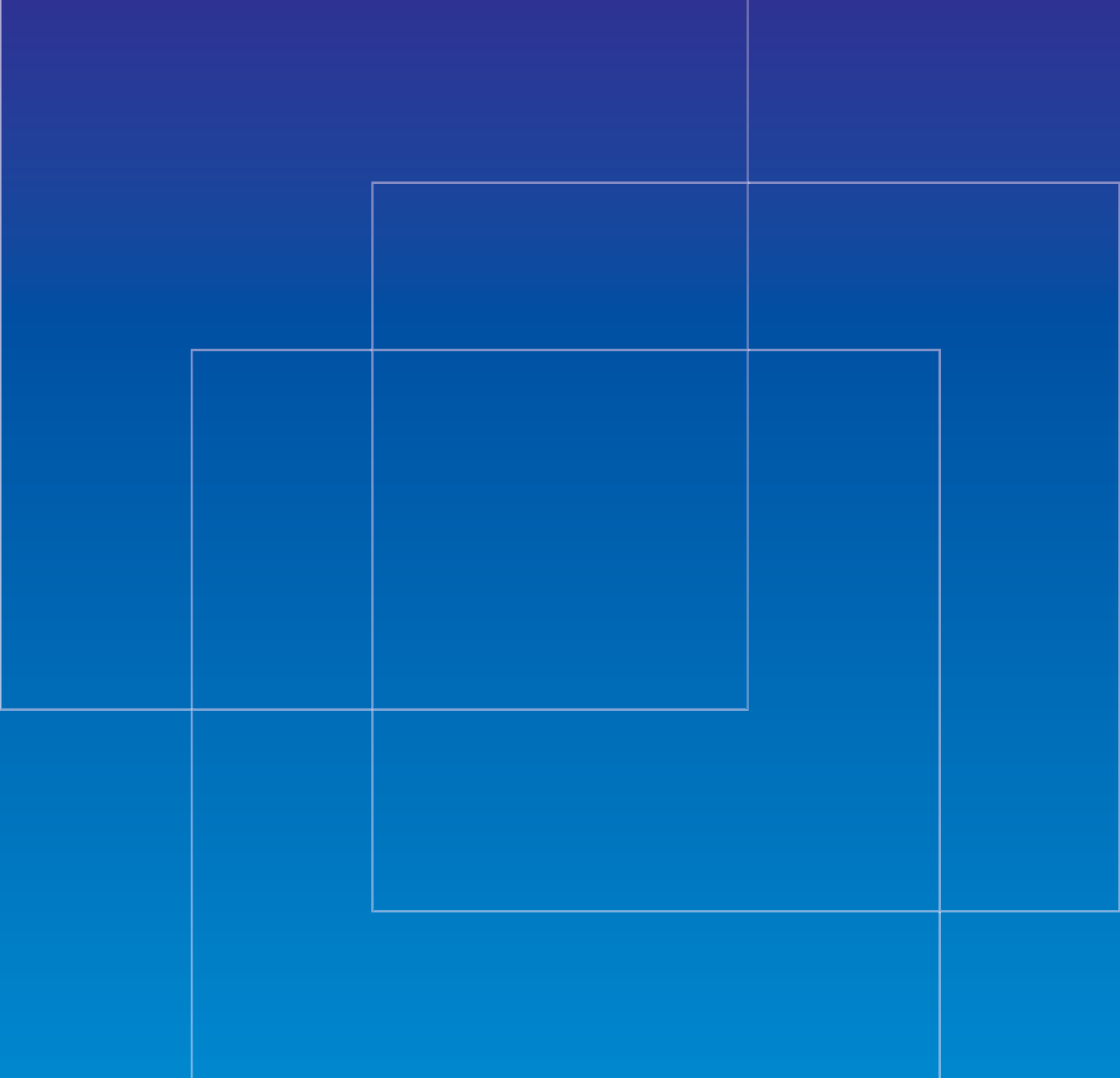
Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.

ANNEX 6

Percentage distribution of informal sector employment (%)

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
All sectors (excluding agriculture)			
Mining and quarrying			
Both sexes	0.04	0.07	0.03
Male	0.05	0.08	0.03
Female	0	0	0
Manufacturing			
Both sexes	23.62	25.32	1.7
Male	18.42	20.66	2.24
Female	60.34	58.4	-1.94
Electricity, gas and water			
Both sexes	0.03	0.03	0
Male	0.04	0.03	-0.01
Female	0	0	0
Construction			
Both sexes	14.42	15.19	0.77
Male	16.32	17.22	0.9
Female	1.02	0.73	-0.29
Wholesale and retail trade, restaurants and hotels			
Both sexes	31.67	36.83	5.16
Male	34.83	40.64	5.81
Female	9.35	9.77	0.42
Transport, storage and communication			
Both sexes	10.36	9.67	-0.69
Male	11.77	10.97	-0.8
Female	0.41	0.39	-0.02
Financing, insurance, real estate and business services			
Both sexes	1.85	1.66	-0.19
Male	2.05	1.88	-0.17
Female	0.49	0.12	-0.37
Community, social and personal services			
Both sexes	18	11.23	-6.77
Male	16.53	8.51	-8.02
Female	28.39	30.59	2.2
All sectors			
Both sexes	100	100	
Male	100	100	
Female	100	100	

Source: PBS, Pakistan Labour Force Survey 2007-08 and 2010-11.



ILO Country Office for Pakistan
ILO Building, Sector G-5/2,
Islamabad, Pakistan.
Tel: +92-51-2276456-8
Fax: +92-51-2279181-2
E-mail: islamabad@ilo.org
www.ilo.org/islamabad

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