



Sindh Employment Trends 2013

SKILLS



Developed by: **Research & Development Unit**
(Sindh Technical Education and Vocational Training Authority)
Government of Sindh, Karachi

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with the Technical Support from the International Labour Organization (ILO)
Financial Support from the One UN Fund
under Empowering Vulnerable Groups through Education, Employment and Training

Foreword from MD, STEVTA

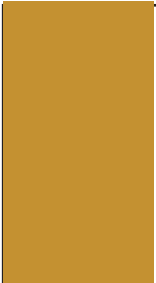
In Pakistan, the low level of Education and Skills in the labour force is one of the major causes of low productivity, un-employment and increasing poverty. The Technical Education and Vocational Training System is confronted with number of issues including quality and irrelevance. There is mismatch between the skills imparted and skills needs of labour market which is mainly because of its poor linkages with local industry. In order to ensure that the TEVT System is responsive to labour market needs and cater to the needs of individual, enterprise and the economy as whole, it is important that the skills development strategies / policies are based on actual labour market needs. This requires to build in an effective labour market system that could provide comprehensive labour market information. Availability of labour market information is foundation for designing labour, employment and skills development strategies – that foster decent & productive employment and macroeconomic policies.

To achieve economic and social targets and remained competitive, the Sindh Government has attached high priority to skills development. Establishment of Sindh Technical Education and Vocational Training Authority to streamline regulate and promote TEVT in Sindh is a major step towards this direction. The Sindh TEVTA has initiated number of initiatives to increase governance, quality and relevance of training for increasing opportunities of decent and productive employment to youth. The Manpower Research Cell has been re-named as TEVT Research Unit. The functions of the Research Unit includes Conducting annual establishment enquiries and Professional Technical and Vocational Training Institutions Survey (PTVTI) to provide supply and demand for skills. The Unit is also mandated with the production of Labour Market Information and Analysis (LMIA) to inform policymakers and other labour / skills market stakeholders in the province.

The Unit has produced its first report on the Sindh Employment Trends-Skills. Through the production of analytical reports the unit is intended to provide information based on agreed standard set of Key Indicators of Labour market (KILM) complementing with indicators for skill. This first issue of Sindh Employment Trends which is the main dissemination tool of TEVT Research Unit under Sindh-TEVTA, reports on skill trends in Sindh's labour market.

The upcoming issues in the series of Sindh 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 and aspects of skill development in Sindh. The scope of the labour market analysis will be extended to the trends in the TVET access, participation, quality assurance, labour market relevance of TVET and so on.

We would like to extend gratitude to ILO for their continued support to Sindh TEVTA to built its capacity to improve governance, quality and relevance of training. 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).

June 2013.

Muhammad Jaffer Abbasi
Managing Director

Preface

Human Resource Development, Employment and skills development strategies to promote opportunities of decent employment for men, women to reduce poverty should be based on up to date labour market information.

The Sindh Technical Education and Vocational Training Authority has carried out research to find out the actual skills need and match these need with trainings as a result of which the training system becomes responsive and ensures better employability and productivity. The conclusions and recommendations in this document are based on this research, and should underpin the development of an employment policy and strategy for the province.

Investment in education and training, through increased participation, improving the productivity of workers, and encouraging innovation, boosts economic growth and living standards. World class skills, education and training have been identified as the key area in which Sindh can continue to develop competitive advantage in building sustainable enterprise.

The skills requirements of the economy are not static. As the economy increases its dependence on services and high technology manufacturing, and traditional sectors decline in importance, there will be a corresponding change in the particular skills and the balance of skills needed in the economy. An analysis of skills requirements needs to take account of:

- Changes in the balance of the different economic sectors;
- Changes in the demand for specific occupations within each sector;
- Changes in the specific skills required in each occupation; and
- An increasing emphasis on basic and generic skills.

As employment in sectors such as agriculture and the manufacture of machinery continues to decline, it is areas such as ICT, medical devices, pharmaceuticals/biotechnology, food and drink, and high-value engineering that hold the potential for future growth. Services sector, such as finance, business and marketing, will continue to grow strongly.

Over the coming years, education and vocational training will continue to play a significant role in ensuring the country's economic prosperity and sustained improvement in our national educational attainment levels will yield much broader benefits, through contributing to greater social cohesion, better public health, reduced levels of poverty and social welfare dependency and a reduction in crime rates.

Syed Nazar Ali
Director, Operation, STEVTA

Message from Mr. Francesco d'Ovidio Country Director, ILO

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.

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 and 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 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.

Sindh Employment Trends 2013, is a milestone achieved by STEVTA with support of ILO through the project “Empowering Vulnerable Groups through Education, Employment and Training (EET)”, 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.

I would also 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 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

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Acknowledgments

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The compilation of the report has been assisted by Dr. Lubna Shahnaz (a Consultant provided by ILO Country Office for Pakistan, Islamabad). The report is the result of the strong leadership of Director Operations, Sindh TEVTA Syed Nazar Ali and the technical assistance provided under the guidance of the Country Director, ILO, Mr. Francesco d'Ovidio.

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

Executive Summary

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 the 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 the economic conditions. The formulation of policies to promote decent work, therefore, requires an up to date Labour Market Information and Analysis (LMIA) system, based on a set of key indicators to provide a quick diagnostic understanding of any labour market.

The institutional restructuring in the province of Sindh after the eighteenth Amendment to the Constitution of Pakistan has resulted in the merger of the Directorate of Manpower and Training with the Sindh TEVTA. The research cell of the Directorate of Training has been re-named as the “Research and Development Unit” under the Sindh TEVTA authority. The functions of the research cell are taken up in the new institutional set up; i.e., conducting annual establishment enquiries through the Manpower Survey Officers (MSOs) of Employment Exchanges and the administration of the Professional Technical and Vocational Training Institutions Survey (PTVTI) through the survey staff. The R&D Unit is also mandated with the production of the Labour Market Information and Analysis (LMIA) to inform policymakers and other labour market stakeholders in the province.

To upgrade the technical capacities, particularly enhancing the analytical capacities of the R&D Unit, the ILO has extended its support to the Unit. The Unit is authorized to produce Sindh Employment Trends (SET) Reports focusing on Skills. In this regard, the Unit has produced its first report on the Sindh Employment Trends: Skills. Through the production of analytical reports the Unit is intended to provide information based on an agreed standard set of Key Indicators of Labour market (KILM) complementing those with indicators for skills.

After enjoying high rates of growth during the first seven years of the new millennium, averaging over six 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 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 the employment generating and absorption capacities of the economy. The labour market in Sindh has a dual nature, with different dynamics in the more developed urban centers of the province, consisting predominantly of metropolitan Karachi, than in the more backward and less developed rural areas. The labour market shows an improvement in terms of opportunities for work and to a lesser extent in equity in work, while the labour market outcomes have deteriorated in terms of the decent work dimensions of productive work, security at work and dignity at work.

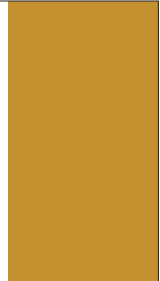
According to the Labour Force Survey, the total population of the province of Sindh in 2008 was 39.2 million, which had increased to 43 million by 2011, showing an average annual growth of 3.2 percent during the period 2007-11. In terms of the urban-rural divide, the data shows that the share of population in the rural areas of the province increased from 50.7 percent in 2007-08 to 52.3 percent in 2010-11. The working age population according to the national standard (10 years and above) in Sindh was 27.83 million in 2007-08 which subsequently increased to 31.25 million in 2010-11. The working age population in urban areas of the province, at 15.95 million, was slightly higher than the rural one at 15.3 million. The economically active population or labour force in the province was 14.07 million in 2010-11, up from 12.66 million in 2007-08. The gender breakup shows that only 2.3 million females were in the labour force compared to 11.77 million males in 2010-11. The urban-rural disaggregation shows that 7.99 million (56.8 percent) of the labour force was residing in the rural areas of Sindh, while 6.08 million (43.2 percent) was in the urban areas.

In terms of international standards, the labour force aged 15 years and above amounted to 13.28 million in 2010-11, out of which 11.2 million were male (84.3 percent) and 2.1 million (15.7 percent) were female. A majority of the labour force 15+ was resident in the rural areas of the province at close to 55 percent. During the period 2007-11, the population aged 15 years and above grew by 4.2 percent per annum, while the labour force 15+ grew at a slightly higher rate of 4.4 percent per year.

The gender breakup of LFPR shows that female participation rates are abysmally low in the province – only 15.9 percent of the females aged 10 years and above were part of the labour force in 2010-11, compared to the national average of 21.7 percent for Pakistan. Female participation is seen to be higher in rural areas (over three times the participation in urban areas) of the province at 25.2 percent vs. 7.2 percent.

The unemployment rate indicates the proportion of the labour that is out of work; is available for work and is seeking employment opportunities. The unemployment rate increased significantly, in terms of both the population aged 10 years and above and 15 years and above, during the period 2007-08 to 2010-11, although the unemployment rates in the province for both categories remained below the national average for Pakistan during both periods. The overall increase in the provincial unemployment rate was driven by the sharp increase in urban unemployment, which more than doubled from 4.5 percent in 2007-08 to 9.2 percent in 2010-11. On the other hand, the rural unemployment rate actually fell marginally during this period. Female unemployment rates are seen to be higher than male unemployment rates, although the male-female gap has been reduced during the period under review.

In terms of promoting greater employment generation and improving labour market outcomes in Sindh, it is vital that appropriate policies be designed and implemented for increasing the



participation of women in the urban sector, encompassing both demand and supply side interventions. Particular attention also needs to be given to the youth segment of the labour force to enable them to acquire gainful employment opportunities. The system of Employment Exchanges in the province needs to be strengthened so that it can function more effectively in acting as an intermediary between industries and job seekers. In order to improve the dissemination of employment information, online job advertisements can be placed by the Employment Exchanges to improve the accessibility of information, particularly for female job seekers who have lower levels of mobility and networking than their male counterparts.

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, shares and evolution over time, it is recommended that a provincial GDP series for the province 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 after 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.

With regard to improving the skills development framework in the province the following recommendations are offered:

- The LFS section on technical and vocational training needs to be redesigned, so that information on TVET is better captured, leading to more useful analysis. There is a need to capture technical education separately from vocational training, as the two concepts are not synonymous.
- There is a need to strengthen and integrate the various secondary sources of data related to skills acquisition and development currently being collected by STEVTA, which includes the Establishment Enquiry Survey and the Professional Technical and Vocational Training Institutions Survey. In addition, specialized studies on various aspects of skills development can be commissioned, which can include tracer studies. Possible topics for future research can include analysis of wages and income and their relationship with education and skills levels.
- STEVTA may involve, organize and support research organizations and universities in conducting research on the state of TEVT in Sindh. Like apprenticeship in TEVT, STEVTA may offer apprenticeship for research on TEVT in Sindh
- A mechanism is needed for assessing the demand generated in LF markets abroad and devising, designing and implementing TEVT programs to fulfil the demand in those labour markets. This may involve establishing links with labour welfare Attaches abroad
- Involve Chambers of Commerce in implementing Public-Private Partnership models like those in Malaysia, where TEVT and the Chambers provide basic infrastructure (land, building, and allied facilities) and industry provides machinery and trainers to run purely demand-driven skills development programs.

- In countries like Pakistan, where 10-14 year children are also engaged in the labour market, TEVT may design specific programs for children to invest in these young labourers in order to improve their earning potential in safer occupations and as early as possible. This may enable a child labour focus on education and spending fewer hours on work
- STEVTA should conduct a broad based inclusive study to improve the quality of training of public sector TEVT institutions, like linking industry with these institutions to upgrade the skills of teachers/trainers, curriculum redesigning/development and studies of the causes of higher dropout rates in TEVT institutions, in order to devise strategies for student retention in TEVT institutions.
- Design specific programs or study such a program that includes entrepreneurial skills development and small scale finance management (either through micro-finance linkage or otherwise) as part of TEVT in order to promote self-employment after graduating from TEVT institutions, particularly for the labour force living away from city centres. This may also be of interest in the present law and order situation in the big cities.
- Link the technical stream in education with TEVT, where the students in the technical stream from formal education would be more interested in developing their skills. There is a corresponding need to focus and market TEVT programs in such institutions where students are already familiar with the benefits of skills development.
- To overcome the shortage of quality teachers, link industry with TEVT institutions by offering flexible training design so that those already employed in industry also spend some extra time in training activities.
- Design TEVT courses and programs for agro-based industry and implement these in rural areas.

Abbreviations

DWCP	Decent Work Country Program
ECOSOC	United Nations Economic and Social Council
EFPP	Employers' Federation Pakistan Employers'
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
PSLMS	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 the major 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) as well as other relevant stakeholders. The DWCP outlines 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, as 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 social dialogue promotion.

In addition, detailed bilateral consultations have been held with the four provinces and a number of strategic areas for early ILO support have 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 workers' need to enjoy fair and equitable treatment and opportunity in work. It encompasses 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 and 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 the 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 the economic conditions. The formulation of policies to promote decent work, therefore, requires an up to date Labour Market Information and Analysis (LMIA) system, based on a set of key indicators to provide a quick diagnostic understanding of any labour market.

The 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 Labour Market (KILM). The Labour Market 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 a diagnosis of a specific labour market phenomenon. Such indicators ideally include how to tackle policy processes such as formulation, implementation, monitoring and evaluation.

Following the passage of the 18th Amendment to the country's Constitution, labour administration and skills development 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 Sindh Technical Education and Vocational Training Authority (STEVTA) has requested the ILO to provide technical support in identifying skills and technical training needs in the province by using LMIA. In order to provide the required technical support to STEVTA, the ILO has engaged the services of a labour market expert.

1.3 STEVTA: Promoting Employment Generation through Skills Development

The Sindh Technical Education and Vocational Training Authority was established in 2010 under an Act of the Sindh legislature to promote technical and vocational training and education in the province. The main functions of the Authority include: formulating technical education and vocational training policies and plans; facilitating linkages with industry to ensure alignment of training programs with industry requirements; implementing technical education and vocational training programs; providing policy direction and frameworks and facilitating financial and human resources. In order to extend complete autonomy and effective management, the Technical Education and Vocational Training (TEVT) policy-making task has been entrusted to the STEVTA Board. The Board consists of eminent professionals from both the public and private sectors, representatives from leading industries, universities, etc. The Sindh Cabinet has entrusted the administrative control of all TEVT Institutions of the province to STEVTA.

As a result of the institutional restructuring in the wake of the 18th Amendment, the Directorate of Manpower and Training, previously working under the provincial Labour Department, has been merged with the STEVTA. This Directorate had a Research and Planning Cell, whose capacity is being upgraded with the help of technical assistance from the ILO to enable it to undertake analytical and diagnostic work on labour market analysis for skills development and formation in Sindh.

The Research and Planning Cell, renamed the Research and Development (R&D) Unit, has been regularly conducting the Annual Establishment Enquiry (A.E.E) Survey of all known industrial establishments in the province since 1953. The information was collected on the prescribed EE2 proforma through personal visits by Manpower Survey Officers of the Employment Exchanges in the province of Sindh. The AEE Survey collects statistical data on labour market information, such as



registration status, employment levels, wages, turn-out (separation/appointments), occupations, education and wages from both the manufacturing and non-manufacturing establishments in Sindh.

Employment Trends 2007-2011 in Sindh

We start our analysis of the labor market conditions in the province of Sindh 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, 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 strain on the economy, which had adverse implications for the employment generating and absorption capacities 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 (FEG), 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 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 puts special emphasis on developing the human capital base of Pakistan. Changes in the age structure of the labour force due to the ongoing demographic transition in the country have resulted in a "youth bulge". In view of the fact that Pakistan has a relatively large proportion (32 percent) of uneducated youth, most of them with little or no vocational and life skills relevant to the labour market, there is a need to provide for their health, education, and livelihood, and 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 and the FEG calls for provision of quality basic and college education: market led skills development; instituting the National Youth Service Policy Reforms apart from other reform agendas aiming at targeted youth entrepreneurship programs in major civic centres. To these would be added: National Youth Volunteer Services, and the establishment of a Youth Service Learning Program with the help of educational institutions and civil society, that integrates community and social service with academic studies. The FEG notes that the

performance of Pakistani labour is not exemplary in any of the major sectors of the economy. In 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 level of workforce productivity, promote investment and generate broad based employment opportunities. It lays particular emphasis on the maintenance of harmonious relationships between the workers and employers. It encompasses four core areas of reform – (i) the 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 the Skill Development and Employment priorities of the Government.

The main elements of Human Resource Development and Employment strategy as outlined in 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.
- Efforts 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 disparities.
- Concerted efforts to be made to radically improve the participation of females in income generating economic activities.
- A well trained and 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 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 Sindh 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 Research & Development Unit in STEVTA 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's Labour Force Survey.

In order to fully understand these indicators some basic concepts related to the construction of these indicators need to be explained. This explanation is provided in Annex 2, which details the concepts of working-age and non-working-age populations, the 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 labor market analysis of Sindh 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 disaggregation, 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.

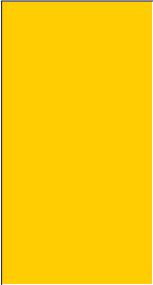
2.3 Analysis of Key Indicators of the Labour Market

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 Sindh are reported in Table 1. According to the Labour Force Survey, the total population of the province of Sindh in 2008 was 39.2 million, which had increased to 43 million by 2011, showing an average annual growth of 3.2 percent during the period 2007-11. In terms of the urban-rural divide, the data shows that the share of population in the rural areas of the province increased from 50.7 percent in 2007-08 to 52.3 percent in 2010-11.

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

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



In Pakistan, the national standard for working age population is all individuals aged 10 years and above, while according to the international convention the working age population is considered to

Table 1: Population and labour force (millions)

			Change 2007-2008 to 2010-2011
		2007-2008	2010-2011
Population		39.2	43.04
	Urban	19.32	20.52
	Rural	19.87	22.52
Population 10+		27.83	31.25
	Male	15.08	16.73
	Female	12.75	14.52
	Urban	14.43	15.95
	Rural	13.4	15.3
Labour force 10+		12.66	14.07
	Male	10.7	11.77
	Female	1.95	2.3
	Urban	5.38	6.08
	Rural	7.27	7.99
Population 15+		22.36	25.18
	Male	11.95	13.38
	Female	10.41	11.8
	Urban	11.85	13.2
	Rural	10.51	11.98
Labour force 15+		11.74	13.28
	Male	10.01	11.2
	Female	1.73	2.08
	Urban	5.27	5.99
	Rural	6.47	7.3

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

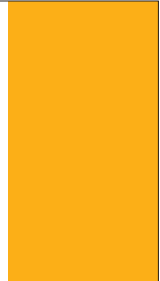
The analysis of labour force participation rate in Sindh presented in Table 2 shows that 45 percent of the population aged 10 years and above was economically active in 2010-11, while in terms of the threshold applied internationally (population aged 15 years and above), the LFPR in the province was somewhat higher at 52.8 percent in 2010-11. The LFPR in terms of the population aged 10 and above declined slightly by 0.44 percentage points between 2007-11, while increasing slightly for the population aged 15 years and above. This indicates that the incidence of child labour in Sindh went down nominally during the period under review. Labour force participation is observed to be higher across rural Sindh as compared to urban Sindh (52.3 percent vs. 38.1 percent).

The gender breakup of LFPR shows that female participation rates are abysmally low in the province – only 15.9 percent of the females aged 10 years and above were part of the labour force in 2010-11, compared to the national average of 21.7 percent for Pakistan. Female participation is seen to be higher in rural areas (over 3 times the participation in urban areas) of the province – 25.2 percent vs. 7.2 percent.

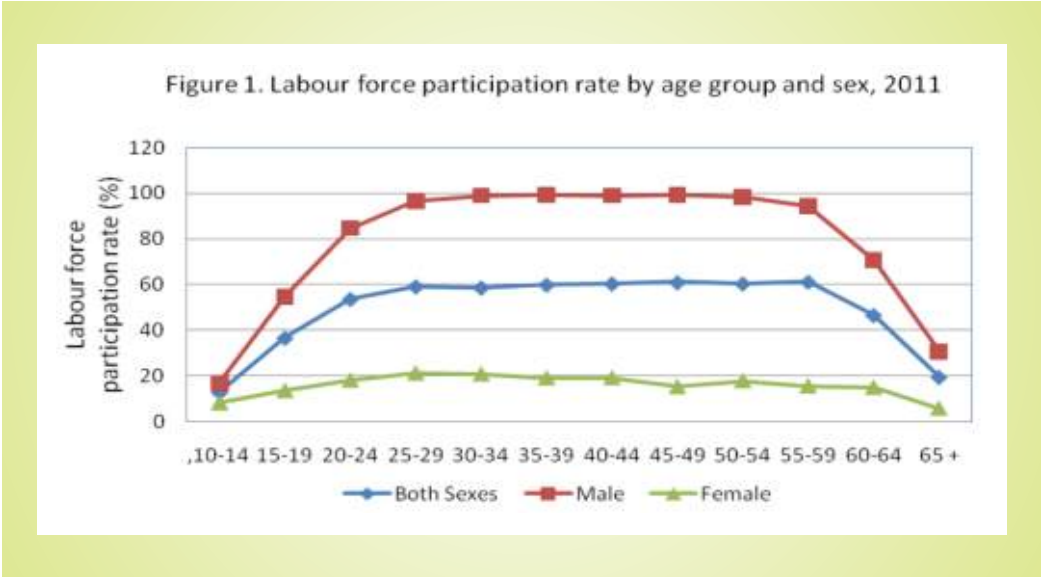
Table 2: Labour force participation rate (KILM 1, %)

	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Both sexes			
10+	45.47	45.03	-0.44
15+	52.51	52.75	0.24
Males			
10+	70.98	70.33	-0.65
15+	83.81	83.72	-0.09
Females			
10+	15.31	15.88	0.57
15+	16.6	17.61	1.01
Urban (10+)			
Both sexes	37.3	38.1	0.8
Males	64.93	65.54	0.61
Females	5.42	7.16	1.74
Rural (10+)			
Both sexes	54.26	52.26	-2
Males	77.35	75.21	-2.14
Females	26.24	25.18	-1.06
Urban (15+)			
Both sexes	44.51	45.34	0.83
Males	77.79	78.02	0.23
Females	6.28	8.39	2.11
Rural (15+)			
Both sexes	61.55	60.92	-0.63
Males	90.36	89.98	-0.38
Females	28.3	27.82	-0.48
National (10+)			
Both sexes	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
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 brackets 45-49 years and 55-59 years have the highest participation rates (Figure 1). In the case of females, participation rises initially peaking at the age bracket 25-29 years and subsequently starts declining. The gap between male and female participation rate is lowest in the lower age brackets of 10-14 years, but starts rising for each successive age group, reaching a relatively stable level between 30-59 years and starts narrowing again for ages 60 years and above.



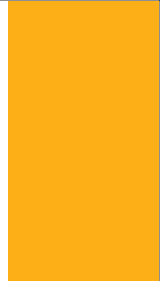
Source: PBS, Pakistan Labour Force Survey 2010-11

The Employment to Population Ratio (EPR) is an important indicator to gauge the employment generation ability of an economy, which is defined as the share of the working age population that is employed. The employment to population rate in Sindh was 42.7 percent in 2010-11, implying that only 42.7 percent of the working age population in the province (10 years and above) were actually employed (Table 3). The analysis further shows that the EPR in Sindh declined by 1.32 percentage points during the period under review (2007-11) indicating a deterioration 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+	44.06	42.74	-1.32
	15+	50.9	50	-0.9
Males				0
	10+	69.28	66.99	-2.29
	15+	81.8	79.67	-2.13
Females				0
	10+	14.26	14.79	0.53
	15+	15.44	16.34	0.9
Urban (10+)				0
	Both sexes	35.62	34.58	-1.04
	Males	62.57	60.38	-2.19
	Females	4.51	5.61	1.1
Rural (10+)				0
	Both sexes	53.15	51.26	-1.89
	Males	76.33	73.85	-2.48
	Females	25.03	24.6	-0.43
National (10+)				0
	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.



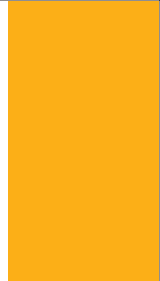
Mirroring the trends observed for LFPR earlier, it can be seen that EPR for females is very low in comparison to their male counterparts for both the 10 plus and 15 plus population brackets. Similarly, the EPR in rural Sindh at 51.3 percent is much higher than the EPR prevailing in urban Sindh at 34.6 percent, with the female EPR in rural areas being over 4 times higher than the corresponding female EPR in urban areas. It is also pertinent to point out that while the EPR for males declined between 2007-08 and 2010-11, it increased for females during this period, with the increase being higher for urban females than for rural females.

The unemployment rate indicates the proportion of the labour force that is out of work, is available for work and is seeking employment opportunities. Table 4 presents the unemployment rates in Sindh during the period under review. The analysis shows that the unemployment rate increased significantly, in terms of both the population aged 10 years and above and 15 years and over, during the period 2007-08 to 2010-11, although the unemployment rate in the province for both categories remained below the national average for Pakistan during both the years. The overall increase in the provincial unemployment rate was driven by the sharp increase in urban unemployment, which more than doubled from 4.5 percent in 2007-08 to 9.2 percent in 2010-11. On the other hand, the rural unemployment rate actually fell marginally during this period. Female unemployment rates are seen to be higher than male unemployment, although the male-female gap has been reduced 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+	3.1	5.08	1.98
15+	3.07	5.21	2.14
Males			
10+	2.41	4.74	2.33
15+	2.4	4.84	2.44
Females			
10+	6.88	6.83	-0.05
15+	6.97	7.19	0.22
Urban (10+)			
Both sexes	4.52	9.24	4.72
Males	3.63	8.03	4.4
Females	16.81	21.7	4.89
Rural (10+)			
Both sexes	2.04	1.92	-0.12
Males	1.32	1.81	0.49
Females	4.62	2.3	-2.32
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	2.5
Rural	4.71	4.68	-0.03
National (15+)			
both sexes	4.98	5.74	0.76
Males	4.02	4.8	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 Sindh seen through the three basic indicators – labour force participation rate, employment to population rate 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, and status.

An analysis of the hours of work of the employed labour force gives useful insights into the quality as well as the productivity of the 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 are considered part-time work. Working hours exceeding 49 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: Hours of work (KILM 7, %)

Employed 10+	2007-2008	2011-2010	Change 2007-2008 to 2010-2011 (percentage points)
Fewer than 20 hours			
Both sexes	1.14	2.12	0.98
Males	0.63	0.88	0.25
Females	4.06	8.63	4.57
20-29 hours			
Both sexes	3.86	4.6	0.74
Males	2.39	2.56	0.17
Females	12.31	15.24	2.93
30-34 hours			
Both sexes	2.94	2.82	-0.12
Males	2.42	2.35	-0.07
Females	5.95	5.3	-0.65
35-39 hours			
Both sexes	15.41	16.67	1.26
Males	11.1	12.24	1.14
Females	40.15	39.87	-0.28
40-44 hours			0
Both sexes	16.93	12.7	-4.23
Males	16.29	12.53	-3.76
Females	20.59	13.61	-6.98
45-49 hours			
Both sexes	19.54	18.84	-0.7
Males	21.39	20.77	-0.62
Females	8.95	8.76	-0.19
50-59 hours			
Both sexes	20.03	19.54	-0.49
Males	22.67	22.15	-0.52
Females	4.87	5.87	1
Greater than 59 hours			
Both sexes	20.15	22.7	2.55
Males	23.12	26.52	3.4
Females	3.12	2.74	-0.38
All hours			
Both sexes	100	100	
Males	100	100	
Females	100	100	

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

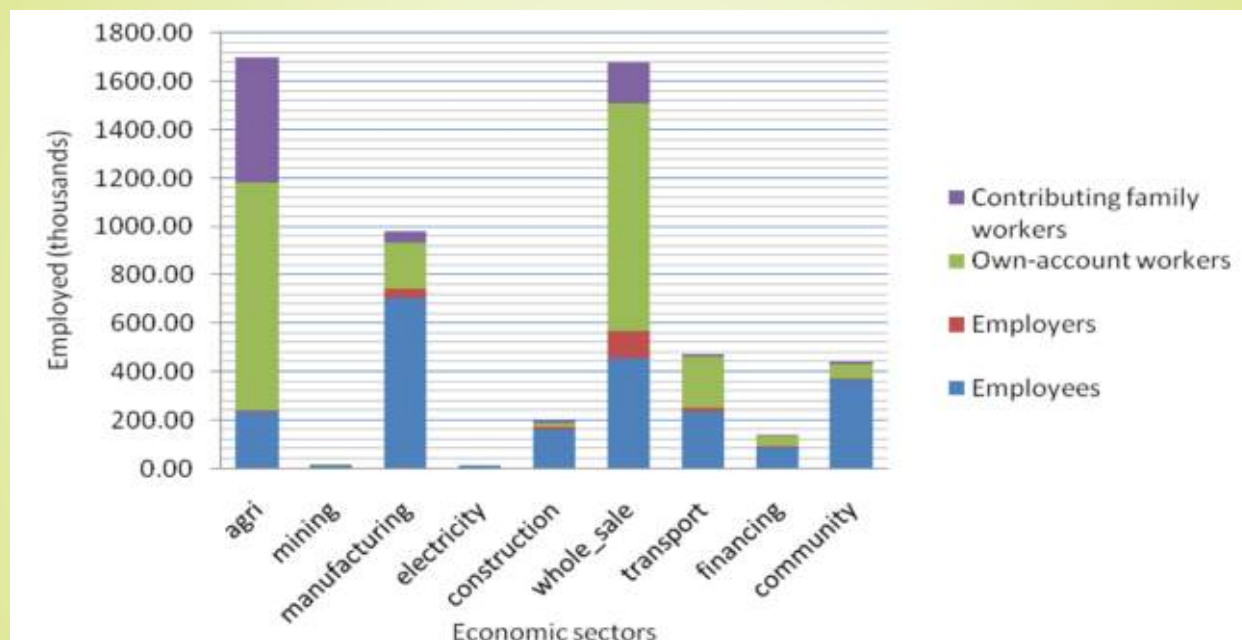


Table 5 shows the hours of work by different categories for the employed labour force aged 10 years and above for 2007-08 and 2010-11. The figures show that over 40 percent of the employed were working excessive hours in 2010-11 and this had increased by 2 percentage points from 2007-08. The proportion of both the employed males as well as females working 50 hours and above increased during 2007-11, with a much higher share of males working excessive hours (48.7 percent in 2010-11) compared to females (8.6 percent in 2010-11). 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 also increased during the period under review, from 5 percent in 2007-08 to 6.72 percent in 2010-11, with a substantially higher proportion of females working below 30 hours compared to their male counterparts (23.9 percent vs. 3.4 percent).

The share of the employed working excessive hours by industrial sector is presented in Table 6, while the percentage distribution of the employed working excessive hours is given in Annex 6. In terms of the share of employed people working excessive hours, it is seen that this share is highest in the wholesale and retail trade sector, with 74.7 percent of the total employed in this sector engaged in excessive working hours. This is followed by the transport and communications, mining and quarrying and manufacturing sectors, having 68.8 percent, 68.3 percent and 58.8 percent of their respective employed working excessive hours during 2010-11. The incidence of excessive working hours is observed to be lowest in the electricity and gas sector, where just 14.8 percent were working excessive hours in 2010-11. The second lowest share of all workers engaged in excessive hours is found in the agriculture sector at 27.8 percent of all people employed in this sector.

In terms of the distribution of the employed working excessive hours by industrial sector in 2010-11, Annex 6 shows that their highest concentration is in the agriculture sector (30.5 percent), followed by wholesale and retail trade sector at 29.3 percent and manufacturing at 17.4 percent). In case of the mining and quarrying sector, the percentage of employed people working excessive hours is negligible at under one percent of all workers involved in excessive hours' work in 2010-11 (Annex 6).

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 is excluding 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.

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, hunting and fishing			
Both sexes	24.7	27.82	3.12
Male	31.89	35.95	4.06
Female	5.42	7.03	1.61
Urban	31.52	20.34	-11.18
Rural	24.35	28.07	3.72
Mining and quarrying			
Both sexes	17.9	68.29	50.39
Male	17.9	68.29	50.39
Female	0	0	0
Urban	17.5	61.1	43.6
Rural	19.39	71.23	51.84

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

Manufacturing			
Both sexes	52.12	58.76	6.64
Male	53.71	60.95	7.24
Female	27.36	24.43	-2.93
Urban	52.02	59.96	7.94
Rural	52.67	52.43	-0.24
Electricity, gas and water			
Both sexes	22.92	14.81	-8.11
Male	22.94	14.81	-8.13
Female	0	0	0
Urban	24.53	14.96	-9.57
Rural	17.85	15.33	-2.52
Construction			
Both sexes	37.57	29.91	-7.66
Male	37.64	30.12	-7.52
Female	24.53	10.98	-13.55
Urban	32.99	32.88	-0.11
Rural	43.21	26.85	-16.36
Wholesale and retail trade, restaurants and hotels			
Both sexes	73.11	74.72	1.61
Male	73.31	74.83	1.52
Female	52.62	60.83	8.21
Urban	72.94	74.63	1.69
Rural	73.62	75.03	1.41
Transport, storage and communications			
Both sexes	65	68.75	3.75
Male	64.86	68.84	3.98
Female	75.24	54.97	-20.27
Urban	64.1	65.81	1.71
Rural	66.67	75.38	8.71
Financing, insurance, real estate and business services			
Both sexes	49.21	46.61	-2.6
Male	48.91	47.05	-1.86
Female	57.95	34.29	-23.66
Urban	48.97	48.25	-0.72
Rural	52.87	23.24	-29.63
Community, social and personal services			
Both sexes	34.95	27.63	-7.32
Male	37.6	32.18	-5.42
Female	9.76	7.38	-2.38
Urban	36.35	26.1	-10.25
Rural	32.04	30.58	-1.46

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



The analysis of the share of employed people working excessive hours by gender shows that the highest incidence of excessive hours' work for females is in the wholesale and retail trade, transport and communications and finance and insurance sectors. In terms of the urban-rural disaggregation, the sectors having the highest share of urban employed working excessive hours includes wholesale and retail trade, transport and communications and manufacturing. In the rural areas of the province, the highest share of excessive work is found in the transport and communications, wholesale and retail trade and mining and quarrying sectors.

An examination of the changes during 2007-11 in the share of the employed involved in excessive work shows that this share has risen substantially, by 50 percentage points, in the mining and quarrying sector, although from a low base. Following this the highest increase in the share of employed people working excessive hours has been recorded in the manufacturing, transport and communications and agriculture sectors. On the other hand, the share of the employed working excessive hours has declined in the electricity and gas, construction, and community and social services sectors at 8.1, 7.7 and 7.3 percentage points, respectively.

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 Sindh is constrained by the fact that provincial GDPs are not computed in Pakistan, so the sectoral contributions of the different sectors to provincial output is difficult to estimate accurately.

The distribution of the employed in Sindh by the three broad economic sectors is shown in Table 7. The agriculture sector is seen to be the largest employer in the province, which provided employment to 45.7 percent of the employed workforce in 2010-11. This is followed by the services sector and industry, which provided work to 41.6 percent and 12.6 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 in total employment has declined by 0.4 percentage points, while the share of industry and services in total employment has increased by 0.4 percent and 0.1 percent, respectively. The agriculture sector continues to be the biggest employer in the province; in the rural areas it is supporting over 75 percent of the employed labour force. The services sector is the predominant employment provider in urban Sindh, employing over 70 percent of the employed urban workforce.

The analysis of employment sectors by gender shows that an overwhelming majority of females (80 percent) is engaged in the agriculture sector, although the share of female employment in this sector declined by 4.6 percentage points between 2007-08 and 2010-11. The highest proportion of employed males is employed in the services sector at 46.6 percent in 2010-11, followed closely by agriculture at 39.2 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	46.13	45.74	-0.39
Males	39.45	39.19	-0.26
Females	84.53	79.92	-4.61
Urban	5.46	3.6	-1.86
Rural	75.47	75.37	-0.1
Industry			0
Both sexes	12.23	12.64	0.41
Males	13.5	14.18	0.68
Females	4.95	4.64	-0.31
Urban	24.55	25.49	0.94
Rural	3.34	3.61	0.27
Services			0
Both sexes	41.54	41.62	0.08
Males	46.95	46.64	-0.31
Females	10.48	15.44	4.96
Urban	69.77	70.91	1.14
Rural	21.18	21.02	-0.16
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 in the above table. The proportion of the employed falling in this category was negligible (0.1%).

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

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Employees			
Both sexes	35.29	37.2	1.91
Males	39.04	40.8	1.76
Females	13.74	18.39	4.65
Urban	58.47	60.69	2.22
Rural	18.57	20.49	1.92
Employers			
Both sexes	1.81	1.95	0.14
Males	2.12	2.29	0.17
Females	0.03	0.12	0.09
Urban	3.91	4.12	0.21
Rural	0.31	0.42	0.11
Own-account workers			
Both sexes	29.59	30.68	1.09
Males	34.26	35.97	1.71
Females	2.72	3.07	0.35
Urban	26.33	25.79	-0.54
Rural	31.94	34.12	2.18
Contributing family workers			
Both sexes	33.31	30.18	-3.13
Males	24.57	20.94	-3.63
Females	83.51	78.41	-5.1
Urban	11.3	9.13	-2.17
Rural	49.19	44.98	-4.21
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.



The analysis of the employed by status in employment presented in Table 8 shows that paid employees make up the highest share of the employed labour force at the provincial level, which is followed closely by own account workers and contributing family workers. The urban-rural disaggregation reveals that the majority of the urban employed fall in the category of paid employees at over 60 percent in 2010-11, with own account workers making up another 26 percent of the urban workforce. In the rural sector, unpaid family workers constitute the largest share of the employed, representing 45 percent of the rural employment, followed by own account workers (34 percent). In terms of the gender breakup, employees and own account workers make up the highest share of employed males; while a substantial majority of employed females (78.4 percent) are unpaid family workers.

A comparison of the labour market situation in 2010-11 with the earlier period of 2007-08 shows improvement in terms of the quality of employment. The most noticeable improvement concerns the decline in the share of contributing family workers in the employed, in particular for employed females. This decline is offset by an increase in the share of the other three employment status categories, i.e., employees, employers and own account workers. The share of employees in overall employment increased by 1.9 percentage points, with the rise being more pronounced for employed females at 4.7 percentage points.

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 38 percent of all employed in 2010-11, followed by workers engaged in elementary occupations at 18.5 percent. At the upper end of the skills spectrum, around 13 percent of the employed are legislators and senior managers, while 6.1 percent are technicians, followed by professionals (2 percent). The urban-rural disaggregation reveals that the highest share of employed in urban areas of the province (around a quarter of all employed) fall in the legislator and senior managers category, reflecting the concentration of white collared jobs in metropolitan Karachi. This is followed by craft and related trade workers (20.8 percent) and those involved in elementary occupations (18.9 percent). In rural Sindh, the predominant occupation is skilled agricultural workers, who represented 63 percent of the rural employed in 2010-11. Coming next is the share of employed engaged in elementary occupations at close to 19 percent. In terms of the gender breakup, the majority of employed females (66 percent) are working as skilled agricultural workers, followed by those engaged in elementary occupations (17.7 percent) in 2010-11.

Table 9 Employment by occupation (KILM 5, %)

Occupations 10+	2007-08	2010-11	Change 2007-08 to 2010-11 (percentage points)
Legislators			
Both sexes	14.9	12.86	-2.04
Male	17.27	15.14	-2.13
Female	1.27	0.98	-0.29
Urban	27.55	24.24	-3.31
Rural	5.77	4.86	-0.91
Professionals			
Both sexes	1.49	1.95	0.46
Male	1.61	2	0.39
Female	0.8	1.66	0.86
Urban	3.1	4.05	0.95
Rural	0.33	0.47	0.14
Technicians			
Both sexes	5.13	6.11	0.98
Male	5.1	5.63	0.53
Female	5.26	8.6	3.34
Urban	5.57	9.78	4.21
Rural	3.36	3.53	0.17
Clerks			
Both sexes	2.23	2.28	0.05
Male	2.55	2.64	0.09
Female	0.38	0.39	0.01
Urban	4.54	4.52	-0.02
Rural	0.56	0.7	0.14
Services			
Both sexes	5.89	6	0.11
Male	6.79	7.04	0.25
Female	0.72	0.57	-0.15
Urban	10.04	10.34	0.3
Rural	2.89	2.94	0.05
Agriculture			
Both sexes	38.06	38.15	0.09
Male	32.48	32.81	0.33
Female	70.11	66.03	-4.08
Urban	4.71	2.86	-1.85
Rural	62.1	62.97	0.87
Crafts			
Both sexes	10.73	10.8	0.07
Male	11.96	12.12	0.16
Female	3.63	3.91	0.28
Urban	4.71	2.86	-1.85
Rural	62.1	62.97	0.87

Table 9 Employment by occupation (KILM 5, %)

Crafts				
Both sexes	10.73	10.8	0.07	
Male	11.96	12.12	0.16	
Female	3.63	3.91	0.28	
Urban	21.34	20.79	-0.55	
Rural	3.08	3.78	0.7	
Plant and machinery workers				
Both sexes	3.73	3.4	-0.33	
Male	4.35	4.03	-0.32	
Female	0.19	0.12	-0.07	
Urban	5.95	5.67	-0.28	
Rural	2.13	1.8	-0.33	
Elementary Occupations				
Both sexes	17.86	18.45	0.59	
Male	17.9	18.59	0.69	
Female	17.64	17.72	0.08	
Urban	15.19	17.76	2.57	
Rural	19.79	18.94	-0.85	
Both sexes	100	100	100	
Male	100	100	100	
Female	100	100	100	
Urban	100	100	100	
Rural	100	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 employed in the high skill category of legislators and senior officials fell by 2 percentage points during this period, with the drop being higher for males and for 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. This decline was matched by an increase in the proportion of the employed in the professionals and elementary occupations categories. Another noteworthy development is the decline of 4 percentage points in the share of females employed as skilled agricultural workers, which was offset by a 3.3 percentage point increase in their share in the technician category.

An examination of the different sub-categories of the employed work force falling into the employees group of employment status is shown in Table 10. This disaggregated analysis can provide important insights into the quality of employment opportunities being generated, with a higher share of regular paid employees with a fixed wage rate generally implying a growth in formal sector jobs and hence indicating an improvement in the decent work dimension of productive work. The figures show an increase in the share of employees in total employment from 35.3 percent in 2007-08 to 37.2 percent in 2010-11 indicating a slight improvement in productive work. 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 67 percent in 2010-11. This is followed by the share of casual paid

employees and paid workers by piece rate, at 26.3 percent and 6.3 percent, respectively. The analysis further shows that the share of regular paid employees increased by over 3 percentage points during the period 2007-11, which was offset by a decline in the share of paid workers by piece rate of 3.8 percentage points.

Table 10: Shifts within the status of groups of employees (%)

Employed 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Employees (proportion of the employed)			
Both sexes	35.29	37.2	1.91
Males	39.04	40.8	1.76
Females	13.74	18.39	4.65
Urban	58.47	60.96	2.49
Rural	18.57	20.49	1.92
Regular paid employee with fixed wage rate (proportion of employees)			
Both sexes	63.72	66.91	3.19
Males	63.45	66.55	3.1
Females	68.14	71.08	2.94
Urban	67.55	74.52	6.97
Rural	55.03	50.99	-4.04
Casual paid employee (proportion of employees)			
Both sexes	25.93	26.31	0.38
Males	26.3	27.42	1.12
Females	19.85	13.48	-6.37
Urban	24.95	20.5	-4.45
Rural	28.15	38.47	10.32
Paid worker by piece rate or work performed (proportion of employees)			
Both sexes	10.09	6.33	-3.76
Males	9.97	5.54	-4.43
Females	12	15.44	3.44
Urban	7.16	4.31	-2.85
Rural	16.73	10.55	-6.18

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



Manufacturing is an important sector in the provincial economy of Sindh, especially in the urban domain. Table 11 presents the distribution of the employed in the manufacturing sector by employment status along with the absolute numbers of employed by each status group. The majority share as well as number of employed falls into the employees category, representing 73.2 percent and 1.2 million of the employed in the manufacturing sector, respectively. The share of male employees is significantly higher than their female counterparts (74.6 percent vs. 50 percent). Own account workers form the second highest category as well as absolute number of the employed working in the manufacturing sector in Sindh.

During 2007-11, it can be seen that an additional 203.43 thousand jobs have been generated in the manufacturing sector in Sindh. In terms of the share within the status group, it is observed that the share of employees has declined from 76.7 percent in 2007-08 to 72.6 percent in 2010-11, while the share of own account workers has increased by 4 percentage points.

Table 11. Status in employment in manufacturing

Employed 15+		2007-2008		2010-2011	
		thousands	percentage	thousands	percentage
Employees					
	Both sexes	1,124.54	76.72	1,221.17	73.16
	Males	1,054.69	76.54	1,172.31	74.59
	Females	69.85	79.59	48.86	50.08
Employers					
	Both sexes	58.5	3.99	49.02	2.94
	Males	58.5	4.25	48.51	3.09
	Females	0	0	0.51	0.53
Own-account workers					
	Both sexes	192.42	13.13	286.79	17.18
	Males	182.56	13.25	255.86	16.28
	Females	9.86	11.24	30.93	31.7
Contributing family workers					
	Both sexes	90.31	6.16	112.21	6.72
	Males	82.26	5.97	94.94	6.04
	Females	8.05	9.17	17.27	17.7
All status groups					
	Both sexes	1,465.76	100	1,669.19	100
	Males	1,378	100	1,571.62	100
	Females	87.76	100	97.56	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 sector involved in low productivity work, in the urban areas.

Employment in the informal economy presents a challenge to policy-makers who are constantly aiming at improving both 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 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 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 12 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, while the percentage distribution of informal sector employment is given in Annex 7. The analysis in Table 12 shows that the highest share of informal sector employment is found in the wholesale and retail trade sector, with close to 97 percent of all employment in this sector being in the informal sector in both 2007-08 and 2010-11. Following this, the construction and transport and communications sectors have the highest proportion of informal sector employment, representing 93.4 percent and 73.5 percent, of the total their employment, respectively in 2010-11. The lowest incidence of informal sector employment is in the electricity and gas sector, where the share is negligible at less than one percent in 2010-11.

In terms of the gender breakup, it can be seen that the highest share of male informal sector employment is in the wholesale and retail trade (97 percent), construction (93.6 percent) and mining and quarrying sectors (58 percent). The highest share of female informal sector employment is in the construction, wholesale & retail trade and community and social services sectors, representing 75.4 percent, 73.6 percent and 41.8 percent, respectively, of the total female employment in these sectors in 2010-11.

The analysis of changes during the period 2007-11 shows that the most noticeable change pertains to the 58 percentage point jump in the share of informal sector employment in the mining and quarrying sector from a base of zero in 2007-08, implying that all employment generated in this sector after 2007-08 has been in the informal sector. The share of informal sector employment in the construction sector also increased by over 5 percentage points during the period under review. On the other hand,

the share of informal sector employment declined in all remaining sectors, with the most significant drop being in community and social services, followed by manufacturing and electricity and gas.

Table 12: Share of informal sector employment in total employment

Employed 10+	2007-2008	2011-2010	Change 2007-2008 to 2010-2011 (percentage points)
All sectors (excluding agriculture)			
Mining and quarrying			
Both sexes	0	58.13	58.13
Male	0	58.13	58.13
Female	0	0	0
Manufacturing			
Both sexes	51.99	49.32	-2.67
Male	51.39	47.94	-3.45
Female	61.21	71.1	9.89
Electricity, gas and water			
Both sexes	3.08	0.58	-2.5
Male	3.08	0.58	-2.5
Female	0	0	0
Construction			
Both sexes	88.05	93.4	5.35
Male	88.23	93.59	5.36
Female	54.79	75.36	20.57
Wholesale and retail trade, restaurants and hotels			
Both sexes	97.02	96.87	-0.15
Male	97.07	97.05	-0.02
Female	91.7	73.55	-18.15
Transport, storage and communication			
Both sexes	74.86	73.52	-1.34
Male	75.04	73.9	-1.14
Female	60.89	16.03	-44.86
Financing, insurance, real estate and business services			
Both sexes	33.75	32.97	-0.78
Male	34.94	33.67	-1.27
Female	0	13.16	13.16
Community, social and personal services			
Both sexes	37.14	25.38	-11.76
Male	36.45	21.68	-14.77
Female	43.7	41.82	-1.88

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



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 Sindh is no exception to this trend. The analysis of the educational attainment of the labour force in Sindh presented in Table 13 shows that a large share of the economically active population in the province either has no education or has less than one year's education (40 percent in 2010-11). Another 28 percent of the labour force has education up to middle level but below Matriculation (Class 10), while only a small share of the labour force (11 percent) has obtained higher education in 2010-11.

These provincial averages, however, mask considerable variations within the urban-rural sectors in the province; nearly 56 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 20.6 percent. The urban and rural gap in educational attainment increases progressively by each level of education and is most pronounced at the higher education level, with only 3.9 percent of the rural workforce having a degree compared to nearly 20 percent of their urban counterparts.

Similarly, there exists a wide gap between the educational attainment of male and female members of the provincial labour force, with close to 77 percent of females having obtained no education or education of less than one year compared to the corresponding figure of 33 percent for their male counterparts. The gender gap is seen to rise initially, reaching its maximum at the middle but below Matriculation level and starts narrowing afterwards, reaching its lowest at the degree level, with 7.7 percent of economically active females having a degree compared to 11.6 percent of their male counterparts. Although there are wide gender gaps in the educational attainment of the labour force in Sindh, these gaps seem to have narrowed over the period under review.

Table 13. 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	41.95	40.03	-1.92
Males	34.8	33.24	-1.56
Females	83.4	76.64	-6.76
Urban	22.18	20.6	-1.58
Rural	58.08	55.97	-2.11
Pre primary education			
Both sexes	1.69	1.66	-0.03
Males	1.88	1.92	0.04
Females	0.59	0.24	-0.35
Urban	1.19	1.21	0.02
Rural	2.11	2.03	-0.08
Primary but below middle			
Both sexes	16.05	6.6	0.55
Males	18.07	18.9	0.83
Females	4.39	4.22	-0.17
Urban	14.17	13.75	-0.42
Rural	17.59	18.94	1.35
Middle but below Matric			
Both sexes	9.22	9.75	0.53
Males	10.55	11.05	0.5
Females	1.48	2.75	1.27
Urban	12.82	14.51	1.69
Rural	6.28	5.85	-0.43
Matric but below Intermediate			
Both sexes	13.11	12.93	-0.18
Males	14.91	14.57	-0.34
Females	2.66	4.09	1.43
Urban	19.61	18.5	-1.11
Rural	7.81	8.37	0.56
Intermediate but below degree			
Both sexes	7.78	8.01	0.23
Males	8.7	8.67	-0.03
Females	2.43	.42	1.99
Urban	12.13	11.72	-0.41
Rural	4.23	4.96	0.73
Degree			
Both sexes	10.2	11.02	0.82
Males	11.09	11.64	0.55
Females	5.04	7.65	2.61
Urban	17.9	19.7	1.8
Rural	3.91	3.89	-0.02
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.

The preceding analysis shows abysmally low levels of educational attainment of economically active females, compared to the male labour force. With only a sixth of the female working age population being economically active, it is important to also analyze the educational attainment of the unemployed females as well as the females out of the labour force, who form the major share of females in the working age bracket. Table 14, showing the educational attainment of the entire spectrum of the female population aged 15 years and above, reveals that in general the unemployed females and those out of the labour force have higher education levels than their employed counterparts, with the exception of inactive females with a degree education.

This phenomenon of unemployed females having better educational attainment than their employed counterparts has been documented earlier for overall Pakistan (Ministry of Labour and Manpower 2007) as well. One possible explanation put forward for this include labours market segregation along gender lines, which prevents otherwise suitably qualified females from getting the jobs they desire. Another explanation points to the mismatch between the skills required and those supplied in the market. Nevertheless, this issue requires further research and investigation to find out whether demand or supply side factors explain this phenomenon.

Table 14. Educational attainment of women, 2011 (%)

Females 15+	Employed	Unemployed	Not economically active	Population of working age
Less than one year of education	79.71	36.93	54.69	58.56
Pre primary education	0.16	1.24	0.71	0.63
Primary but below middle	3.96	7.49	10.11	9.07
Middle but below Matric	2.31	8.47	10.48	9.12
Matric but below Intermediate	2.93	19.05	12.36	10.9
Intermediate but below degree	3.59	15.09	6.75	6.34
Degree	7.33	11.72	4.9	5.39
All education levels	100	100	100	100

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



The youth 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 promote greater social cohesion.

Youth can be considered the key segment of the labour force for various reasons, the most prominent being that they represent a significant share of the population and labour force. Youth constitute the part of the labour force that is expected to remain economically active for a longer period, and therefore, returns on investment on this segment on education and training are relatively high. At the same time, since youth are more prone to migration, learning and skill development potential, they are considered more important in terms of their contribution to the economy not only in the near future but also in the longer term.

Globally, the realization was expressed at the 2005 International Labour Conference and has been followed by various discussions on youth employment. It shows that the changes in these key indicators are more pronounced for the age group 15 to 24, compared to the adult labour force. A large number of youth are underemployed, unemployed, seeking employment, 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.

Table 15 gives a snapshot of the youth employment situation in Sindh in terms of labour force participation rate 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 their female counterparts, although this gap is lower than the one observed for the economically active adult males and females. This youth-adult gap in participation rates is very high for males but quite narrow for females. As shown in Table 15, changes in key labour market indicators such as the LFPR and the unemployment rate are more pronounced for this age group than for the adult population.

The unemployment rate for youth as well as for adults increased during 2008-2011. While the adults' unemployment rate increased marginally (by 0.9 percent), the youth unemployment rate increased by more than five percentage points during this period. Further, the gap between male and female unemployed youth has marginally widened (from 2.21 percentage points in 2007-2008 to 2.69 percentage points in 2010-2011) while this gap in respect of the adults has narrowed (from 5.53 percentage points to 2.13 percentage points) during the period. On the other hand, the rural-urban gap between youth and adult unemployment has increased; in case of the youth the increase is nine percentage points while in adults aged 25 and above, the gap has increased by more than three percentage points. The LFPR of youth has increased slightly more than that of the adults. The important dimensions of the LFPR are that the gender gap of LFPR in the youth has narrowed slightly (by around 2.5 percentage points) while in case of adults, this decrease is just half a percentage point.

On the other hand, the rural-urban gap in LFPR in youth has narrowed by around 3 percentage points while for adults it has reduced marginally, by half a percentage point during the period under review.

The increasing youth unemployment to the total employment 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 young 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 the case of females, the ratio of youth unemployment to adult unemployment has increased considerably from below one to 2.25, suggesting that the problem of female unemployment has aggravated manifold compared to males. In rural areas, the dip has further deepened.

Table 15. Youth unemployment (KILM 10, %)

Sindh	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
LFPR - both sexes			
15-24	43.93	44.27	0.34
25+	57.12	57.3	0.18
LFPR - males			
15-24	67.92	67.5	-0.42
25+	92.89	92.91	0.02
LFPR - females			
15-24	13.8	15.82	2.02
25+	17.99	18.51	0.52
LFPR - Urban			
15-24	33.06	34.81	1.75
25+	50.92	51.26	0.34
LFPR - Rural			
15-24	56.95	55.41	-1.54
25+	63.9	63.72	-0.18
Unemployment rate - both sexes			
(a) 15-24	4.38	9.5	5.12
(b) 25+	2.53	3.42	0.89
Unemployment rate - males			
(a) 15-24	4.07	9.07	5
(b) 25+	1.7	3.09	1.39
Unemployment rate - females			
(a) 15-24	6.28	11.76	5.48
(b) 25+	7.23	5.22	-2.01
Unemployment rate - Urban			
(a) 15-24	7.2	17.43	10.23
(b) 25+	3.32	6.1	2.78

Table 15. Youth unemployment (KILM 10, %)

Unemployment rate - Rural			
(a) 15-24	2.41	3.64	1.23
(b) 25+	1.84	1.14	-0.7
(1) Ratio of youth unemployment rate to adult unemployment rate [(a)/(b)]			
Both sexes	1.73	2.78	1.05
Males	2.39	2.94	0.54
Females	0.87	2.25	1.38
Urban	2.17	2.86	0.69
Rural	1.31	3.19	1.88
(2) Youth unemployment as a proportion of total unemployment			
Both sexes	38.28	51.47	13.19
Males	46.61	53.16	6.55
Females	22.33	46.74	24.41
Urban	41.64	51.39	9.75
Rural	32.78	53.03	20.25
(3) Youth unemployment as a proportion of the youth population			
Both sexes	1.92	4.21	2.29
Males	2.76	6.12	3.36
Females	0.87	1.86	0.99
Urban	2.38	6.07	3.69
Rural	1.37	2.02	0.65

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

The global standard for the minimum working age, as defined by the ILO, is 15 years. However, in a developing country like Pakistan, the prevalence of child labour (individuals above 10 years of age) is a common phenomenon due to (i) the high incidence of poverty, which is passed on from generation to the generation and (ii) the absence of safety nets for the marginalized and vulnerable segments of population. The labour market characteristics of the population aged 10-14 years in the province of Sindh are presented in Table 16, for the two time periods under consideration – 2007-08 and 2010-11.

The analysis reveals that in 2010-11, 13 percent of the children aged 10-14 years were part of the labour force, down from 16.7 percent in 2007-08 – a decline of 3.7 percentage points over a three year period. Child labour force participation is more pronounced in rural Sindh, over six times higher than that in the more developed urban centers of the province, although it has gone down significantly (by 6.8 percentage points) since 2007-11. Participation rates for male children are twice those of female children (16.8 percent vs. 8.4 percent).

In terms of the absolute number of children aged 10-14 years engaged in work, it seen that in 2010-11 around 770,000 children were employed in the province, with 555,000 (71.4 percent) being male and 680,000 (88.3 percent) being employed in the rural sector. The overwhelming majority of 10-14 year olds are employed in the agriculture sector at 88.5 percent, while almost all females are engaged in this sector. The analysis of these employed children by employment status reveals that close to 90 percent are contributing family workers at the provincial level and 92 percent in rural areas: nearly all employed females fall within this category.

Table 16. 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	16.68	13	-3.68
Males	22	16.78	-5.22
Females	9.59	8.36	-1.23
Urban	4.15	3.31	-0.84
Rural	27.82	21.03	-6.79
Employed (millions)			
Both sexes	0.88	0.77	-0.11
Males	0.67	0.55	-0.12
Females	0.21	0.22	0.01
Urban	0.09	0.08	-0.01
Rural	0.79	0.68	-0.11
Employment sector: agriculture (%)			
Both sexes	88.14	88.52	0.38
Males	84.97	84.56	-0.41
Females	98.21	98.38	0.17
Urban	32.09	36.17	4.08
Rural	94.77	94.81	0.04
Employment status: contributing family worker (%)			
Both sexes	88.87	88.94	0.07
Males	85.94	85.06	-0.88
Females	98.18	98.6	0.42
Urban	51.27	62.9	11.63
Rural	93.32	92.07	-1.25
Employed with less than one year formal education (%)			
Both sexes	77.11	74.42	-2.69
Males	73.16	68.45	-4.71
Females	89.68	89.26	-0.42
Urban	67.57	57.91	-9.66
Rural	78.24	76.4	-1.84

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



While the absolute numbers as well as the prevalence of child labour in Sindh has gone down between 2010-11 and 2007-08, it is pertinent to point out that nearly three fourths of the 10-14 year olds who are employed have less than one year of formal education. This 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 stuck in an inter-generational poverty trap.

State of Skills in Sindh

The preceding section has presented an analysis of the labour market situation in Sindh using the recent round of the Labour Force Survey (2010-11) along with a comparison with an earlier round (2007-08), in order to assess the changes observed over a three year period. This section will present a comprehensive analysis of the role of technical and vocational education in skills development and formation in Sindh, making use of the same two rounds of Labour Force Survey data (2007-08 and 2010-11). This information will be useful for the provincial agencies involved in skills development, in particular STEVTA, for assessing the skills gaps in the province and designing appropriate policies and programs to improve the skills level of the provincial labour force. It is widely recognized that relevant technical/ vocational training is vital for improving the skills and consequently the productivity levels of the labour force in any country.

At the outset, however, it is important to point out the limitations of using LFS data for assessing the state of skills in Sindh, which need to be kept in mind while interpreting results in the subsequent analysis. In its present form, the LFS does not completely capture all the relevant aspects of technical/ vocational education and training and more can be done to use this source to generate labour market information for skills development. The LFS does not differentiate between the TEVT-obtained skills as a separated education stream and the training obtained in general. Moreover, the survey does not differentiate between technical education and vocational training, although the two concepts are quite different. The LFS data needs to be supplemented by well designed establishment surveys and specialized tracer studies, which are not currently available, in order to get a more in-depth analysis of the skills demand and supply gaps in the province.

Box 2.

National Skills Strategy 2009-13

The need to reform the skills development system in Pakistan comes from a number of imperatives: 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 Government of Pakistan gives high priority to skills development. Presently there is little congruence between the needs of local industry and the training available in vocational training institutes. Rather than training according to the needs of the local economy, institutes tend to offer simply what they have traditionally taught, or have been directed to teach through centralised decision making. Trainees therefore emerge from the system inadequately skilled and, consequently, with limited opportunities of employment.

To respond to the emerging skills development needs, the Government developed a National Skills Strategy (NSS) through a series of consultations with all stakeholders, to address issues relating to improving the state of skills in the country. The NSS aims to provide policy direction, support and an enabling environment to the public and private sectors to implement training for skills development to enhance the social and economic profile.

The strategy stresses upon two important shifts in the country's training and skill development paradigm; the shift from time bound, curriculum based training to flexible, competency based training, and the shift from supply led training to demand driven skills development by promoting the role of industry in both the design and delivery of TVET.

The NSS proposes reforms in the current skills development framework to achieve the following three main objectives:

- Providing Relevant Skills for Industrial and Economic Development.
- Improving Access, Equity and Employability.
- Assuring Quality.

For achievement of the first objective, the interventions proposed in the Strategy include the introduction of competency based training, establishment of industry specific Centres of Excellence, increasing the role of the private sector, reforming the apprenticeship system and encouraging entrepreneurship.



Reforms envisaged for improving access, equity and employability include expanding geographical provision, making training delivery flexible, focusing on skills for women, training for disadvantaged groups, integrating informal economy workers, enhancing the mobility of skilled workers, providing career guidance and placement services, offering vocational education in schools and improving the status of skills development.

In order to assure quality, the NSS calls for streamlining policymaking, establishing a National Qualifications Framework, developing, registering and accrediting institutes, reforming management of training institutes, Training of Trainers and greater investment on undertaking research.

In the post devolution scenario, where provincial governments are now responsible for devising policies and frameworks for employment generation and skills development, the National Skills Strategy provides the strategic guidance with a considerable amount of flexibility to the Provincial Governments to draw guidelines and to refine and implement labour and manpower programmes accordingly.

Source: National Skills Strategy 2009-13, National Vocational and Technical Education Commission

Box 3.

Skills mismatch: Global Employment Trends 2013 (ILO)

Skills mismatch means that unemployed people need to spend much longer to find a new job, which in turn drives up long-term unemployment. This particularly affects young people, who get most of their training and education before they start working or early in their careers.

Workers in the construction and financial sectors in countries like the United States and Spain were among the first to be hit by the crisis in late 2008 and 2009. When they lost their jobs, they found that sectors which had not been affected did not require the skills they had.

As the crisis spread through international trade, occupations in the exporting industries were also affected. They also faced and continue to face the same problem.

In the United States, for example, about 30 per cent of jobs in construction were lost between 2007 and 2012, and employment in durable goods manufacturing is 15 per cent below pre-crisis levels. In contrast, employment in education and health services is estimated to have risen 20 per cent. This has raised concerns about skills and occupational mismatches that could drive up unemployment rates, since the crisis-hit and the recovering sectors require different competencies.

In some cases, workers have relocated to different areas or countries, where jobs are available in their field. Some opt for “occupational downgrading” – taking a job below their previous level of skills – which will lead to increasing numbers of over-qualified workers.

The issue of skills mismatches has received particular attention in developed economies as a result of the economic crisis but it is a problem that affects labour markets in all countries.

Skills mismatches can be a transitory phenomenon if dealt with properly. Targeted educational policies can help address the issue by ensuring jobseekers continue to be employed in the more dynamic sectors of the economy.

But as the number of unemployed workers, as well as the length of their unemployment spells, increase it becomes more and more difficult to tackle the problem.

The challenge for countries is to link skills to productivity, employment, and development. The key is policy coordination and involvement of social partners and key stakeholders in skills development.

It is recommended that policy-makers take coordinated action to reduce unemployment, including services to make job searching and matching more effective, like investing in job skills and retraining programs.



The percentage distribution of the population in Pakistan aged 10 years and above who received any kind of technical and vocational training during the two reference years – 2007-08 and 2010-11 is shown in Table 17. A total of 1.83 million individuals over 10 years of age had obtained TVET in 2010-11 – a jump of over 18 times from the 0.34 million, who reported having received technical/ vocational training in 2007-08. A significant majority of these were male (74.3 percent) and urban residents (70.4 percent).

The youth population formed the bulk of the technical/ vocational training recipients at 74 percent in 2010-11, up from 66 percent in 2007-08; with 64 percent of the training recipients being part of the youth labour force during the period under review. Almost 81 percent of the training recipients were part of the provincial labour force aged 10 years and above in 2010-11, while the remaining 19 percent were not economically active. This proportion was much higher for males as compared to females (96.6 percent vs. 34.3 percent) and for urban residents compared to rural residents (88.2 percent vs. 62.5 percent).

In terms of the share of labour force that had received technical training, it is seen that in 2010-11, 5.3 percent of the provincial labour force had received technical/ vocational training, compared to just 1.5 percent in 2007-08. The proportion of the male and female labour force with technical training was almost similar in 2010-11, while three years earlier the proportion of males was three times higher than that of females. The share of urban labour force with training was almost six times higher than the rural labour force in 2010-11, although this gap had come down from an 18 fold gap in 2007-08.

Table 17. Labour force that received training (millions)

	2007-2008	2010-11	Change 2007-2008 to 2010-2011 (millions)
Population 10+			
Both sexes	0.345	1.826	1.482
Male	0.314	1.357	1.043
Female	0.031	0.470	0.439
Urban	0.299	1.286	0.987
Rural	0.046	0.541	0.495
Labour Force 10+			
Both sexes	0.280	1.472	1.192
Male	0.271	1.310	1.040
Female	0.009	0.161	0.152
Urban	0.235	1.134	0.899
Rural	0.045	0.338	0.293
Population youth (15-24)			
Both sexes	0.228	1.351	1.123
Male	0.217	1.046	0.829
Female	0.010	0.305	0.295
Urban	0.185	0.973	0.788
Rural	0.042	0.378	0.335
Labour Force (15-24)			
Both sexes	0.222	1.156	0.935
Male	0.216	1.035	0.819
Female	0.006	0.122	0.116
Urban	0.179	0.903	0.723
Rural	0.042	0.254	0.211
Percentage of trained labour force from the total labour force 10+			
Both sexes	1.49	5.32	3.83
Male	1.35	5.45	4.1
Female	0.42	4.97	4.55
Urban	3.42	13.03	9.61
Rural	0.21	2.21	2

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

The distribution of technical training recipients by the period when they had completed the training is shown in Table 18, separately for on-job and off-job training recipients. It is seen that the majority of trainees in 2010-11 were off-job, while three years earlier in 2007-08 the situation was reversed, with over 52 percent of recipients being on-job trainees. The highest proportion of both on-job and off-job trainees had completed their training eight years or more earlier.

Table 18. On-job and off-job training duration of those who completed any technical/vocational training.

Completed Training 10+	2007-2008	2010-2011	Change 207-2008 to 2010-2011 (percentage point)
During last year on-job	11.65	1.57	-10.08
2 to 3 years ago on-job	18.4	5.50	-12.9
4 to 5 years ago on-job	8.64	6.01	-2.63
6 to 7 years ago on-job	1.82	3.07	1.25
8 years or above ago on-job	11.68	14.44	2.76
Total (on-job)	52.19	30.59	-21.6
During last year off-job	9.18	3.75	-5.43
2 to 3 years ago off-job	14.84	10.80	-4.04
4 to 5 years ago off-job	8.75	8.86	0.11
6 to 7 years ago off-job	2.09	7.23	5.14
8 years or more ago off-job	12.96	38.79	25.83
Total (off-job)	47.82	69.43	21.61
Grand Total	100	100.00	

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

The analysis of the technical training recipients by the duration of the training received presented in Table 19 shows that in 2010-11 the highest proportion of trainees had received training lasting 40-52 weeks and 5-13 weeks, each representing almost a quarter of all recipients. This is followed closely by the share of trainees who have completed 14-26 weeks of training at 22.5 percent of all training recipients. The proportion of trainees having completed longer-duration training programs of over one year is comparatively lower at 14.3 percent and 5.3 percent, respectively, for 53-104 weeks and 105-208 weeks' duration training courses. It can be seen that the share of trainees having received a training of up to one month is negligible at 2.8 percent. This is likely to indicate that the TEVT system in the province is biased towards provision of technical education as opposed to the shorter duration vocational training, which mostly provides on-the-job skills.

Table 19. Duration of training received

Employed 10+	2007-08	2010-11	Change 2007-2008 to 2010-2011 (percentage points)
1-4 weeks			
Both sexes	6.74	2.83	-3.91
Male	6.12	3.64	-2.48
Female	12.98	0.5	-12.48
Urban	6.45	3.44	-3.01
Rural	8.7	1.38	-7.32
5-13 weeks			
Both sexes	18.27	24.48	6.21
Male	18.99	19.74	0.75
Female	11.07	38.15	27.08
Urban	18.26	21.36	3.1
Rural	18.35	31.9	13.55
14-26 weeks			
Both sexes	23.84	22.5	-1.34
Male	23.54	16.79	-6.75
Female	26.83	38.99	12.16
Urban	23.91	18.24	-5.67
Rural	23.38	32.63	9.25
27-39 weeks			
Both sexes	3.87	5.55	1.68
Male	3.95	6.02	2.07
Female	3.04	4.2	1.16
Urban	4	5.68	1.68
Rural	3.05	5.25	2.2
40-52 weeks			
Both sexes	35.06	24.99	-10.07
Male	34.87	29.78	-5.09
Female	36.94	11.1	-25.84
Urban	35.04	27.78	-7.26
Rural	35.16	18.35	-16.81
53-104 weeks			
Both sexes	7.77	14.31	6.54
Male	7.63	17.19	9.56
Female	9.13	6	-3.13
Urban	7.39	16.98	9.59
Rural	10.25	7.96	-2.29

105-208 weeks			
Both sexes	4.45	5.34	0.89
Male	4.89	6.82	1.93
Female	0	1.07	1.07
Urban	4.95	6.52	1.57
Rural	1.11	2.52	1.41
Total			
Both sexes	100	100	100
Male	100	100	100
Female	100	100	100
Urban	100	100	100
Rural	100	100	100

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

The gender disaggregation of the training recipients in 2010-11 shows that the highest proportion of male recipients have acquired 40-52 weeks of training, representing around 30 percent of all male trainees, followed by recipients of 5-13 weeks and 53-104 weeks of training. On the other hand, the largest share of female trainees has completed training averaging of 5-13 weeks and 14-26 weeks, each accounting for 38-39 percent of all female training recipients. The urban-rural breakup shows a higher proportionate share of rural training recipients with 5-13 weeks and 14-26 weeks of training (32 percent and 32.6 percent vs. 21.4 percent and 18.2 percent), while the proportion of urban recipients is higher in the longer duration training programs of 40-52 weeks and above.

Box 4.

The Sindh Skills Development Project

The Sindh Skills Development Project (SSDP), being implemented with support from the World Bank, aims at supporting the Sindh Government in strengthening and expanding its Skills Development programmes by improving the quality of vocational training to produce a high quality skilled workforce from the Government-funded training institutions and to provide decent employment opportunities to unemployed youth of the province.

Component-II of the Project envisages initiating market-driven training programmes in the institutions under the administrative control of STEVTA to meet the growing demand for a skilled workforce from employers and the skills market on the one hand and to provide maximum opportunities for decent employment to trainees on the other. Under this Component, selected training institutions fulfilling the requisite conditions would be provided funding to redesign and upgrade their existing training programmes and to develop new programmes for improving the quality and relevance of training in these institutions.

The funding to institutions would be made available through a transparent and competitive funding mechanism, and will be based on each institution's potential to cater to the market skill demands. The participating institution will also be required to implement appropriate institutional reforms to ensure private sector support and participation in the training activities, which will include establishing an Institute Management Committee at the institute level and an Advisory Group for each program.

The project will finance the revision, up-grading and development of up to 70 market-driven training programmes. Individual institutes can submit proposals for a maximum of three programmes but would only be eligible to be funded for a maximum of two programmes. Certificate and Diploma programs spanning 6-months to 3 years would be covered; the majority (around 70%) of total programmes (upgraded or newly developed) will be Certificate Courses (6–12 months), while the remaining 30% will be Diploma Courses (X months). The funding for each program

would be up to \$ 65,000. The funding will be utilized mainly to cover the expenditure on:

- Providing Technical Staff to participate in Advisory Groups to revise the existing and develop new curriculum/Competency Standards.
- Modernizing machines, equipment, and existing Workshops / Laboratories.
- Small renovation/construction of workshops/class rooms to support training as per revised curricula .
- Providing new equipment/machines for upgraded and new programmes.
- Recruiting new instructors and training of existing instructors and new instructors to upgrade their skills for imparting skills training and knowledge in the revised as well as newly developed programmes.
- Carrying out local surveys to identify the skills market requirements, assess the quality and relevance of training and to track employment of passed out trainees respectively.
- Producing consumable training materials to be used for training and institute administrative costs including overhead expenditures.

Source: Project Agreement Sindh Skills Development Project 2011, World Bank

Table 20 presents the distribution of the provincial labour force with technical/vocational training by the type of training received, as well as its gender disaggregation. Out of a total of 38 training types identified in the LFS, it can be seen that there are certain types of training that have generally been acquired by economically active males and females. In 2007-08, the highest proportion of males took computer courses (22.4 percent), followed by auto mechanic (16.4 percent) and driving courses (13.6 percent); while over 40 percent of their female

Table 20. Type of training of labour force by gender

Type of Training 10+	2007-2008			2010-2011		
	Male	Female	Total	Male	Female	Total
Draftsman	-	-		0.16	0.00	0.14
Civil engineering technician	0.37	0	0.36	0.19	0.00	0.17
Electrical engineering	0.44	0	0.42	0.58	0.00	0.52
Mechanicalengineering	1.79	0	1.73	0.63	0.00	0.56
Laboratory technician	1.22	0	1.18	0.16	0.16	0.16
Metallurgy mining technician	0.66	0	0.64	0.10	0.00	0.09
Auto & farm machinery	2.3	0	2.23	0.80	0.00	0.71
Foundry technician	-	-	-	0.12	0.00	0.11
X-Ray Technician	-	-	-	0.11	0.54	0.16
Diploma in design	0.10	0	0.1	0.17	1.42	0.31
Architect technician	-	-	-	0.11	0.00	0.1
Textile technician	-	-	-	0.09	0.00	0.08
Garment making	9.75	8.61	9.71	14.83	23.40	15.77
Leather work	-	-	-	0.44	0.00	0.39
Wood work	0.31	0	0.3	0.01	0.00	0.0 1
Refrigeration & air conditioning	1.84	0	1.78	0.49	0.00	0.44
Diploma in Radio & TV	-	-	-	0.29	0.82	0.34
Electrician	6.40	0	6.19	5.42	0.88	4.92
Ceramics Technology	-	-	-	0.14	0.00	0.13
Dispenser course	3.32	0	3.21	0.68	2.94	0.93
Typing & short hand course	2.88	0	2.78	0.39	0.00	0.35
Cooking course	0.32	0	0.31	0.31	0.04	0.28
Turner course	1.12	0	1.08	0.72	0.46	0.69
General nursing course	0.00	13.76	0.45	0.13	4.19	0.58
Welding course	-	-	-	1.45	0.00	1.3
Midwifery course	-	-	-	0.09	0.57	0.1 4
LHV course	-	-	-	0.05	0.52	0.1
Embroidery & knitting	4.08	19.36	4.58	6.59	43.86	10.67
<i>Silma tilla</i>	0.35	0	0.34	-	-	-
Plumbing & pipe fitting	1.73	0	1.67	1.01	0.50	0.96
Weaving course	-	-	-	0.34	0.00	0.3
Pattern making course	0.03	0	0.03	0.0 1	0.00	0.01
Carpentry	0.58	0	0.56	2.57	0.00	2.29
Auto mechanical course	16.41	0	15.87	7.59	0.00	6.76
Driving course	13.57	0	13.12	26.56	0.35	23.69
Mason	0.82	0	0.79	2.37	0.79	2.2
Computer course	22.43	40.23	23.02	11.14	5.05	10.47
Other	7.18	18.05	7.53	13.15	13.49	13.18
Total	100	100	100	100.00	100.00	100

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



counterparts took computer courses (40.2 percent), followed by embroidery and knitting at 19.4 percent and general nursing (13.8 percent). The analysis three years later in 2010-11 shows that the position is changed with the highest share of males having completed a driving course (26.6 percent), followed by the 'other' category (13.2 percent), computer course (11 percent) and auto mechanic (7.6 percent). Similarly, the training type mix for females also shows significant changes; close to 44 percent report having taken embroidery and knitting course, followed by garment making (23.4 percent) and 'others' (13.5 percent). A computer course was completed by only 5 percent of the female labour force in 2010-11, compared to over 40 percent in 2007-08.

The analysis of the type of technical/vocational training received by the provincial labour force, with urban-rural disaggregation, provided in Table 21, shows how the training mix varies across the urban and rural sectors of Sindh. In urban Sindh, the highest share of technical training recipients have received skills in driving, garment making and computer operation; representing 21.3 percent, 16.3 percent and 13.2 percent of the trainees in 2010-11, respectively. In the rural areas of the province, the highest proportion of trainees is seen to have attended a driving course, although this share is much higher than that observed in the urban areas (31.8 percent vs. 21.3 percent). This is followed by embroidery and knitting (22.5 percent) and garment making (14.12 percent). A noticeable proportion of trainees in both the urban and rural domain fall into the 'other' occupations category.

The comparison with the earlier (2007-08) round shows a differential pattern of technical/ vocational training received by the provincial labour force across the urban-rural sectors of the province. The analysis shows that in the urban areas, the major proportion of training recipients had attended a computer course (26.2 percent), an auto mechanic course (17.3 percent) and a driving course (9.9 percent). In the rural sector, the highest share of trainees at 30 percent had completed a driving course, in line with the finding for 2010-11. This was followed by recipients of training in garment making and those who had attended a Dispenser course.

Table 21. Type of training of labour force by region

Type of Training	2007-2008			2010-2011		
	Urban	Rural	Total	Urban	Rural	Total
Draftsman	0	0	0	0.19	0.00	0.14
Civil engineering technician	0	2.23	0.36	0.22	0.00	0.17
Electrical engineering	0.51	0	0.42	0.67	0.00	0.52
Mechanical engineering	1.94	0.66	1.73	0.73	0.00	0.56
Laboratory technician	1.41	0	1.18	0.13	0.26	0.16
Metallurgy mining technician	0.58	0.98	0.64	0.11	0.00	0.09
Auto & farm machinery	2.28	1.95	2.23	0.74	0.61	0.71
Foundry technician	0	0	0	0.14	0.00	0.11
X-Ray Tech	0	0	0	0.18	0.08	0.16
Diploma in design	0.12	0	0.1	0.40	0.00	0.31
Architect technician	0	0	0	0.13	0.00	0.1
Textile technician	0	0	0	0.11	0.00	0.08
Garment making	7.84	19.45	9.71	16.26	14.12	15.77
Leather work	0	0	0	0.46	0.18	0.39
Wood work	0.36	0	0.3	0.02	0.00	0.01
Refrigeration & air conditioning	2.12	0	1.78	0.57	0.00	0.44
Diploma in Radio & TV	0	0	0	0.36	0.30	0.34
Electrician	7.3	0.41	6.19	5.78	2.05	4.92
Ceramics Technology	0	0	0	0.08	0.30	0.13
Dispenser course	1.82	10.45	3.21	0.75	1.54	0.93
Typing & shorthand	3.32	0	2.78	0.40	0.18	0.35
Cooking course	0	1.95	0.31	0.17	0.66	0.28
Turner course	1.29	0	1.08	0.83	0.22	0.69
General nursing course	0.54	0	0.45	0.70	0.16	0.58
Welding course	0	0	0	1.49	0.64	1.3
Midwifery course	0	0	0	0.18	0.00	0.14
LHV course	0	0	0	0.00	0.43	0.1
Embroidery & knitting	5.3	0.85	4.58	7.16	22.48	10.67
Plumbing & pipe fitting	1.65	1.8	1.67	1.17	0.24	0.96
Weaving course	0	0	0	0.39	0.00	0.3
Pattern making course	0	0.17	0.03	0.01	0.00	0.01
Carpentry	0.67	0	0.56	2.21	2.57	2.29
Auto mechanic course	17.26	8.64	15.87	7.48	4.35	6.76
Driving course	9.88	29.98	13.12	21.28	31.78	23.69
Mason	0.57	1.97	0.79	1.92	3.15	2.2
Computer course	26.15	6.74	23.02	13.20	1.30	10.47
<i>Silma tilla</i>	0.4	0	0.34	0.00	0.00	0
Other	6.72	11.78	7.53	13.42	12.40	13.18
Total	100	100	100	100.00	100.00	100

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

The examination of the educational attainment of training recipients can also provide valuable insights into the state of skills formation within Sindh. Table 22 shows the percentage distribution of the population that received training by education level, separately for the employed, unemployed and out-of-labour-force segments during both the reference periods. In 2010-11, it is observed that a higher proportion of employed trainees have no formal education and/or education of less than one year, compared to their unemployed or inactive counterparts. In case of females, however, the proportion of employed trainees with no education or education of less than one year is more than two times higher than their male counterparts at 52.3 percent, while the corresponding share for the economically inactive females is the highest at 58.6 percent.

Table 22. Educational attainment of the trained population by LF and out of LF status

Education Level 15+	2007-2008				2010-2011			
	Employed	Unemployed	Out of LF	Total	Employed	Unemployed	Out of LF	Total
Less than one year of								
Both sexes	11.44	6.91	0.91	9.40	22.59	8.07	51.3	27.73
Male	11.84	6.91	1.41	10.35	18.92	7.32	2.6	18.02
Female	0	0	0	0.00	52.82	12.18	58.59	55.95
Pre-primary education								
Both sexes	-	-	-	-	1.12	2.98	0.45	1.04
Male	-	-	-	-	1.26	0	0	1.18
Female	-	-	-	-	0	19.16	0.52	0.65
Primary but below mid								
Both sexes	8.6	0	0	6.83	17.53	2.86	11.61	16.01
Male	8.91	0	0	7.52	18.72	3.39	1.67	17.69
Female	0	0	0	0.00	7.75	0	13.1	11.12
Middle but below Matric								
Both sexes	8.05	0	10.74	8.37	16.51	19.75	5.33	14.44
Male	8.34	0	10.22	8.38	17.41	21.21	0	16.94
Female	0	0	11.7	8.23	9.1	11.8	6.13	7.20
Matric but below Intermediate								
Both sexes	29.57	70.29	34.08	31.29	20.03	39.4	13.29	19.24
Male	29.53	70.29	43.68	32.37	21.64	36.19	24.24	22.16
Female	30.77	0	16.21	20.53	6.79	56.85	11.65	10.76
Inter But below degree								
Both sexes	13.7	22.79	37.18	18.22	9.34	7.79	12.55	9.91
Male	14.18	22.79	28.71	16.30	9.58	9.22	43.96	10.73
Female	0	0	52.94	37.24	7.33	0	7.85	7.55
Degree								
Both sexes	28.64	0	17.09	25.89	12.89	19.15	5.47	11.62
Male	27.2	0	15.98	25.08	12.48	22.67	27.53	13.29
Female	69.23	0	19.15	34.00	16.2	0	2.16	6.77
Both sexes	100	100	100	100.00	100	100	100	100.00
Male	100	100	100	100.00	100	100	100	100.00
Female	100	100	100	100.00	100	100	100	100.00

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



The analysis further shows that the highest proportion of the trained population has education up to Matriculation but below Intermediate level, followed by primary but below middle level, although there is considerable variation of the proportions within the employed, unemployed and out-of-labour force categories. For instance, the proportion of unemployed trainees with middle but below Matriculation, Matriculation but below Intermediate and degree levels of education is higher than the corresponding shares of the employed and out-of-labour force categories.

The analysis of technical/ vocational training recipients by type of training provider presented in Table 23 reveals that in 2010-11, the majority of trainings have been provided by private providers (almost 45 percent of all trainings), followed by employer establishment (25 percent) and other providers (23.8 percent). The share of government training institutes/providers is very low at just 6.2 percent of all trainees. A comparison with the earlier 2007-08 round shows that the shares of private training providers, employer establishments and public providers has declined, while the share of other providers has jumped by 16.5 percentage points during the period 2007-11.

The urban-rural breakup of training providers shows that 'other providers' delivered the highest share of trainings in rural areas of the province (57 percent), followed by private providers. In the urban sector, private providers were the main training providers, followed by employer establishments. The gender analysis highlights that the majority of male trainees were trained by private providers and employers or establishments, while in the case of females the main providers were classified under the 'other provider' type, referring to trainings conducted by NGOs and civil society organizations. The provider mix for trained females shows a drastic change between 2007-08 and 2010-11; 75 percent of females were trained by private training providers in 2007-08 and only 4.6 percent were trained by 'other' providers, while by 2010-11 the position had reversed.

Table 23. Distribution of trainees by type of provider

Training Provider 10+	2007-2008	2010-2011	Change 2007-2008 to 2010-2011 (percentage points)
Employer or establishment			
Both sexes	32.93	25.24	-7.69
Male	35.23	32.55	-2.68
Female	9.74	4.13	-5.61
Urban	31.54	29.8	-1.74
Rural	42.02	14.39	-27.63
Private training provider			
Both sexes	49.49	44.79	-4.70
Male	46.94	53.63	6.69
Female	75.13	19.27	-55.86
Urban	51.32	54.13	2.81
Rural	37.46	22.58	-14.88
Public or Gov't. training			
Both sexes	10.34	6.20	-4.14
Male	10.98	6.86	-4.12
Female	3.91	4.3	0.39
Urban	9.49	6.28	-3.21
Rural	15.94	6.01	-9.93
Other			
Both sexes	7.25	23.77	16.52
Male	6.85	6.95	0.10
Female	11.22	72.3	61.08
Urban	7.65	9.79	2.14
Rural	4.58	57.02	52.44
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.

The occupational grouping of the employed who received technical vocational training during the reference period is shown in Table 24. The data shows that the highest proportion of trainings have been received by crafts and related trades workers, who represented 45.2 percent of the employed with training in 2010-11. The second highest proportion is of plant and machinery workers at 21 percent, followed by technicians (9.3 percent). These averages, however, mask considerable variations along gender and regional lines. The highest share of male trainees is that of craft workers (47.3 percent), followed by plant workers (23.7 percent); while in case of females the highest proportion is of skilled agricultural workers (41.4 percent) followed by craft workers (28.2 percent) and technicians (17.5 percent). This figure represents a decrease of 61 percentage points since 2007-8.

The urban-rural disaggregation across the occupational groupings reveals that nearly half of the trained workers in the urban sector belong to the category of craft and related trades workers, with another 19.2 percent employed as plant and machinery workers. On the other hand, the share of trained craft and plant workers in the rural sector is much lower, while over a fifth of the technically 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 41 percentage points between 2007-11, while their proportion in craft workers has jumped by almost 20 percentage points.

Table 24. Occupational status of the trained labour force

Occupations 10+	2007-08	2010-11	Change 2007-08 to 2010-11 (percentage points)
Legislators			
Both sexes	15.06	5.61	-9.45
Male	15.58	5.76	-9.82
Female	0	4.39	4.39
Urban	17.8	7.13	-10.67
Rural	1.06	0.69	-0.37
Professionals			
Both sexes	3.27	2.18	-1.09
Male	3.39	2.11	-1.28
Female	0	2.76	2.76
Urban	3.92	2.77	-1.15
Rural	0	0.27	0.27
Technicians			
Both sexes	14.6	9.26	-5.34
Male	12.36	8.26	-4.1
Female	78.52	17.47	-61.05
Urban	13.14	9.39	-3.75
Rural	22.03	8.82	-13.21

Table 24. Occupational status of the trained labour force

Clerk				
	Both sexes	4.83	1.38	-3.45
	Male	5	1.55	-3.45
	Female	0	0	
	Urban	5.47	1.75	-3.72
	Rural	1.61	0.18	-1.43
Service				
	Both sexes	2.48	2.72	0.24
	Male	2.12	2.5	0.38
	Female	12.87	4.57	-8.3
	Urban	2.57	2.56	-0.01
	Rural	2.03	3.25	1.22
Agriculture				
	Both sexes	0.95	5.08	4.13
	Male	0.98	0.68	-0.3
	Female	0	41.42	41.42
	Urban	0.97	0	-0.97
	Rural	0.86	21.56	20.7
Craft				
	Both sexes	41.23	45.19	3.96
	Male	42.38	47.25	4.87
	Female	8.61	28.15	19.54
	Urban	42.58	49.84	7.26
	Rural	34.39	30.11	-4.28
Plant				
	Both sexes	17.28	21.14	3.86
	Male	17.88	23.66	5.78
	Female	0	0.37	0.37
	Urban	13.21	19.16	5.95
	Rural	38.03	27.57	-10.46
Elementary Occupations				
	Both sexes	0.29	7.43	7.14
	Male	0.3	8.23	7.93
	Female	0	0.89	0.89
	Urban	0.35	7.4	7.05
	Rural	0	7.55	7.55
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.

The examination of the employed workforce by the type of enterprise in which they are employed (shown in Table 25) illustrates that the bulk of the training recipients were working in their own enterprises, representing 70 percent of all the employed technical training recipients in 2010-11. Another 20 percent were employed in private limited companies, while 4.8 percent were working for provincial government departments. The proportion of trainees working in individual ownership enterprises is much higher in urban areas as compared to rural areas (81.3 percent vs. 67.7 percent). However, the proportion of training recipients working in provincial government is much higher in the rural sector in comparison to the urban areas (11.5 percent vs. 3.3 percent). On the other hand, the proportion of trainees employed in private companies is 11 times higher in urban areas than in rural areas.

Table 25. Kind of enterprise where trained employed work

Trained employed 10+	2007-08	2010-11	Change 2007-2008 to 2010-2011 (percentage points)
Employer Type Fed Gov't.			
Both sexes	8.22	2.06	-6.16
Male	8.51	2.21	-6.3
Female	0	0	0
Urban	9.08	2.2	-6.88
Rural	3.58	1.43	-2.15
Prov. Gov't.			
Both sexes	6.33	4.82	-1.51
Male	5.68	3.99	-1.69
Female	24.75	16.27	-8.48
Urban	4.14	3.32	-0.82
Rural	18.17	11.54	-6.63
Local body Gov't.			
Both sexes	2	1.01	-0.99
Male	2.07	1.09	-0.98
Female	0	0	0
Urban	2.37	1.07	-1.3
Rural	0	0.74	0.74
Public Enterprise			
Both sexes	2.86	0.55	-2.31
Male	2.96	0.59	-2.37
Female	0	0	0
Urban	3.39	0.53	-2.86
Rural	0	0.62	0.62

Table 25. Kind of enterprise where trained employed work

Private limited company			
Both sexes	26.44	19.87	-6.57
Male	26.77	19.19	-7.58
Female	17.23	29.28	12.05
Urban	31.09	23.65	-7.44
Rural	1.31	2.99	1.68
Public limited company			
Both sexes	0.62	0.54	-0.08
Male	0.64	0.58	-0.06
Female	0	0	0
Urban	0.52	0.56	0.04
Rural	1.12	0.45	-0.67
Cooperative society			
Both sexes	0.32	0.26	-0.06
Male	0.33	0.28	-0.05
Female	0	0	0
Urban	0.38	0.27	-0.11
Rural	0	0.25	0.25
Individual ownership			
Both sexes	50.72	70.16	19.44
Male	50.46	71.46	21
Female	58.03	52.26	-5.77
Urban	46.31	67.67	21.36
Rural	74.61	81.27	6.66
Partnership			
Both sexes	1.99	0.31	-1.68
Male	2.06	0.31	-1.75
Female	0	0.28	0.28
Urban	2.35	0.38	-1.97
Rural	0	0	0
Others			
Both sexes	0.5	0.41	-0.09
Male	0.52	0.3	-0.22
Female	0	1.9	1.9
Urban	0.37	0.34	-0.03
Rural	1.21	0.7	-0.51
Total			
Both sexes	100	100	100
Male	100	100	100
Female	100	100	100
Urban	100	100	100
Rural	100	100	100

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



In terms of the gender breakup, it is observed that a higher share of employed males is engaged in own enterprise as compared to females (71.5 percent vs. 52.3 percent). A higher proportion of trained females, on the other hand, are employed in private companies compared to their male counterparts. An analysis of the changes observed during the reference period (2007-11) shows that the share of the employed labour force with technical/vocational training working in the federal government, private limited companies, public enterprise and provincial government declined by 6.2, 6.6, 2.3 and 1.5 percentage points, respectively. This was offset by the 19.4 percentage point increase in the proportion of workers employed in own enterprise.

Conclusion and Recommendations

The preceding analysis has presented a preliminary examination of the labour market situation in the province of Sindh, using a set of standard international labour market indicators – the Key Indicators of the Labour Market. The review has covered the labour market developments in the past few years, in particular the period 2007-08 and 2010-11. The end period can also serve as a baseline for future labour market analyses of the province, as it coincides with the passage of the 18th Amendment to the country's Constitution, under which the labour policy formulation and administration as well as skills development responsibilities were devolved to the provincial governments.

The indicators covered in the report provide a snapshot of the various dimensions of decent employment in the province. It is pertinent to point out that the analysis does not comprehensively cover all of the six aspects of decent work as defined in chapter 1 and there is a need to supplement this with a more in-depth investigation. The review highlights the dual nature of the labour market in Sindh, with different dynamics in the more developed urban centers of the province, consisting predominantly of metropolitan Karachi, compared to the more backward and less developed rural areas. It shows an improvement in terms of opportunities for work and to a lesser extent in equity in work, while the labour market outcomes show a deterioration in terms of the decent work dimensions of productive work, security at work and dignity at work.

Participation rates in the urban sector are surprisingly low given that Karachi is the economic hub of the country and provides employment opportunities to a large migrant population from other parts of Pakistan. Another striking feature is the persistently large male-female gender gaps in most of the labour market indicators analyzed, pointing to both supply and demand side imbalances in the provincial labour market. In particular, the substantially higher rates of female unemployment indicate labour market segmentation along gender lines.

Recommendations

In terms of promoting greater employment generation and improving labour market outcomes in Sindh, it is vital that appropriate policies be designed and implemented for increasing the participation of women in the urban sector, encompassing both demand and supply side interventions. Particular attention needs to be given to the youth segment of the labour force to enable them to acquire gainful employment opportunities. The system of Employment Exchanges in the province needs to be strengthened so that it can function more effectively in acting as an intermediary between industries and job seekers. In order to improve the dissemination of employment information, online job advertisements can be placed by the Employment Exchanges to improve the accessibility of information, particularly for female job seekers who have lower levels of mobility and networking than their male counterparts.

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, shares and evolution over time, it is recommended that provincial GDP series for the province 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 after 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.

With regard to improving the skills development framework in the province the following recommendations are offered:

- The LFS section on technical and vocational training needs to be redesigned, so that information on TVET is better captured leading to more useful analysis. There is a need to capture technical education separately from vocational training, as the two concepts are not synonymous.
- There is a need to strengthen and integrate the various secondary sources of data related to skills acquisition and development currently being collected by STEVTA, which includes the Establishment Enquiry Survey and the Professional Technical and Vocational Training Institutions Survey. In addition, specialized studies on various aspects of skills development can be commissioned, which can include tracer studies. Possible topics for future research can include analysis of wages and income and their relationship with education and skills levels.
- STEVTA may involve, organize and support research organizations and universities in conducting research on the state of TEVT in Sindh. Like apprenticeship in TEVT, STEVTA may offer apprenticeship for research on TEVT in Sindh.
- A mechanism is needed for assessing the demand generated in LF markets abroad and devising, designing and implementing TEVT programs to fulfil the demand in those labour markets. This may involve establishing links with labour welfare Attachés abroad.
- Involve Chambers of Commerce in implementing Public-Private Partnership models like those in Malaysia, where TEVT and the Chambers provide basic infrastructure (land, building, and allied facilities) and industry provides machinery and trainers to run purely demand-driven skills development programs.
- In countries like Pakistan, where 10-14 year children are also engaged in the labour market, TEVT may design specific programs for children to invest in these young labourers in order to improve their earning potential in safer occupations and as early as possible. This may enable a child labour focus on education and spending fewer hours on work.
- STEVTA to conduct a broad based inclusive study to improve the quality of training of public sector TEVT institutions, like linking industry with these institutions to upgrade the skills of teachers/trainers, curriculum redesigning/development and study the causes of higher drop out rates in TEVT institutions in order to devise strategies for student retention in TEVT institutions.



- Design specific programs or study such a program that includes entrepreneurial skills development and small scale finance management (either through micro-finance linkage or otherwise) as part of TEVT in order to promote self-employment after graduating from TEVT institutions, particularly for the labour force living away from city centres. This may be of interest in the present law and order situation in big cities.
- Link the technical stream in education with TEVT, where the students in the technical stream from formal education would be more interested in developing their skills. There is a corresponding need to focus and market TEVT programs in such institutions where students are already familiar with the benefits of skills development.
- To overcome the shortage of quality teachers, link industry with TEVT institutions by offering flexible training design so that those already employed in industry also spend some extra time in training activities.
- Design TEVT courses and programs for agro-based industry and implement these in rural areas.

Annexure

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ANNEX 2

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 example: 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, for example, unpaid custodians of holy places, prostitutes, smugglers, etc.
6. Persons admitted in hospitals and clinics for medical treatment for long durations, (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 exceptions of Azad Jammu and Kashmir, the Northern Areas, the Federally Administered Tribal Areas (FATA), restricted military areas and protected areas of NWFP.

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 & 2010-2011)

	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
Sindh	9 120	9 312
Urban	4 128	4 128
Rural	4 992	5 184

The LFS uses a stratified two-stage sample design under which enumeration blocks in the urban domain and *mouzas/dehs/villages* in the rural domain 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 each rural sample PSU are selected with equal probability using systematic sampling techniques.

ANNEX 3

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 Sindh.

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 the 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 the case of Pakistan is a week.

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, the production and processing of primary products for own consumption.

The unemployed comprise of 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 organizations. 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 on an enterprise operated by a member of his/her household or other related persons is termed as 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 into 10 large groups on the basis of the Pakistan Standard Industrial Classification (PSIC) 1970, which is based on the International Standard Industrial Classification (ISIC) Rev. 2 of 1968. 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 purpose to consist 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 are 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 4

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

Definition 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 6

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	28.38	30.51	2.13
Male	27.5	28.99	1.49
Female	57.44	65.51	8.07
Urban	3.27	1.35	-1.92
Rural	59.04	63.07	4.03
Mining and quarrying			
Both sexes	0.03	0.28	0.25
Male	0.03	0.29	0.26
Female	0	0	0
Urban	0.04	0.14	0.1
Rural	0.01	0.45	0.44
Manufacturing			
Both sexes	15.79	17.38	1.59
Male	15.76	17.52	1.76
Female	16.98	13.23	-3.75
Urban	24.13	27.96	3.83
Rural	5.62	5.31	-0.31
Electricity, gas and water			
Both sexes	0.52	0.22	-0.3
Male	0.53	0.23	-0.3
Female	0	0	0
Urban	0.76	0.34	-0.42
Rural	0.21	0.1	0.11
Construction			
Both sexes	4.51	3.5	-1.01
Male	4.63	3.6	-1.03
Female	0.56	0.42	-0.14
Urban	3.97	3.67	-0.3
Rural	5.15	3.31	-1.84
Wholesale and retail trade, restaurants and hotels			
Both sexes	29.38	29.83	0.45
Male	30.06	30.63	0.57
Female	7.06	5.93	-1.13
Urban	40.18	42.62	2.44
Rural	16.19	15.23	-0.96

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

Transport, storage and communication			
Both sexes	7.45	8.39	0.94
Male	7.56	8.63	1.07
Female	3.75	1.34	-2.41
Urban	8.72	10.45	1.73
Rural	5.9	6.04	0.14
Financing, insurance, real estate and business services			
Both sexes	2.55	2.4	-0.15
Male	2.52	2.42	-0.1
Female	3.47	1.86	-1.61
Urban	4.33	4.36	0.03
Rural	0.38	0.17	-0.21
Community, social and personal services			
Both sexes	11.32	7.8	-3.52
Male	11.35	7.67	-3.68
Female	10.21	11.7	1.49
Urban	14.46	9.11	-5.35
Rural	7.49	6.32	-1.17
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 7

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	-	0.29	0.29
Male	-	0.31	0.31
Female	-	0	0
Manufacturing			
Both sexes	17.96	17.73	-0.23
Male	17.26	16.98	-0.28
Female	37.88	33.2	-4.68
Electricity, gas and water			
Both sexes	0.08	0.01	-0.07
Male	0.08	0.01	-0.07
Female	0	0	0
Construction			
Both sexes	12.04	13.28	1.24
Male	12.41	13.8	1.39
Female	1.24	2.48	1.24
Wholesale and retail trade, restaurants and hotels			
Both sexes	44.44	47	2.56
Male	45.56	48.97	3.41
Female	12.27	6.18	-6.09
Transport, storage and communication			
Both sexes	9.78	10.91	1.13
Male	10.02	11.42	1.4
Female	3.02	0.34	-2.68
Financing, insurance, real estate and business services			
Both sexes	1.99	2.07	0.08
Male	2.06	2.14	0.08
Female	0	0.62	0.62
Community, social and personal services			
Both sexes	13.71	8.71	-5
Male	12.61	6.37	-6.24
Female	45.59	57.19	11.6
All sectors			
Both sexes	100	100	100
Male	100	100	100
Female	100	100	100

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

ANNEX 8

Type of training of out of labour force by gender

Type of Training 10+	2007-2008			2010-2011		
	Male	Female	Total	Male	Female	Total
Electrical engineering	-	-	-	0.00	1.85	1.61
Architect tech	-	-	-	0.52	0.00	0.07
Textile tech	-	-	-	3.30	0.45	0.82
Garment making	-	-	-	0.00	12.72	11.07
Electrician	2.89	0	1.91	3.00	0.22	0.58
Ceramics Technology	-	-	-	0.00	0.29	0.25
Dispenser course	-	-	-	2.96	0.00	0.38
General nursing course	-	-	-	0.00	0.76	0.66
Embroidery & knitting	-	-	-	2.81	72.68	63.62
Plumbing & pipe fitting	-	-	-	0.00	0.49	0.43
Carpentry	-	-	-	0.00	0.29	0.25
Auto mechanical course	2.89	0	1.91	2.22	0.50	0.72
Driving course	1.34	3.38	2.03	0.57	1.60	1.47
Mason	-	-	-	2.07	0.29	0.52
Computer course	85.9	78.34	83.34	80.58	5.67	15.39
Other	3.85	3.74	3.81	1.97	2.19	2.16
Typing & shorthand course	3.14	14.54	6.99	-	-	-
Total	100	100	100	100.00	100.00	100

