

SECTION-I

METHODOLOGY

Introduction

Pakistan Bureau of Statistics has been carrying out Labour Force Survey (LFS) since 1963. The questionnaire and methodology of the survey have been undergoing pertinent improvements through the forum of “Panel on Labour Statistics” comprising all important stakeholders to keep current with best practices. The questionnaire was revised in 1990 to include probing questions on marginal economic activities, likely to be carried out mostly by women and tend to go unrecorded with conventional questions. The questionnaire was further improved in 1995 to reckon with the size and composition of migration and informal sector. The scope of the survey was extended in 2001-02 to take the stock of occupational safety and health of employed persons. The questionnaire was further articulated for undertaking 1st quarterly LFS 2005-06. This practice has since been continuing. Last meeting of the Panel was held to review the questionnaire and methodology of the LFS 2013-14. The surveys conducted so far are given at Annexure-I.

2. This report presents annual results of LFS 2013-14. The survey’s sample size comprises 41,484 households divided up into four distinct, nationally representative samples, each enumerated in a given quarter.

Objectives

3. The major aim of the survey is to collect a set of comprehensive statistics on the various dimensions of country’s civilian labour force as a means 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 broad objectives of the survey are as follows:

- To collect data on the socio-demographic characteristics of the total population i.e. age, sex, marital status, level of education, current enrolment and migration etc;
- To acquire current information on the dimensions of national labour force; i.e. number of persons employed, unemployed, and underemployed or out of labour market;
- To gather descriptive facts on the engagement in major occupational trades and the nature of work undertaken by the institutions/organizations;
- To profile statistics on employment status of the individuals, i.e. whether they are employers, own account workers, contributing family workers or paid employees (regular/casual);
- To classify non-agricultural enterprises employing household member(s) as formal and informal;
- To quantify the hours worked at main/subsidiary occupations;
- To provide data on wages and mode of payment for paid employees;
- To make an assessment of occupational health and safety of employed persons by causes, type of treatment, conditions that caused the accident/injury and time of recovery; and

- To collect data on the characteristics of unemployed persons i.e. age, sex, level of education, previous experience if any, occupation, industry, employment status related to previous job, waiting time invested in the quest for work, their availability for work and expectations for future employment.

Reference Period

4. Reference period is week i.e. seven days before the date of enumeration.

Field Operation

5. PBS is the national statistical organization responsible for collection, processing, compilation and dissemination of statistics. It has 34 Regional/Field Offices located all over Pakistan. These offices are equipped and manned with regular and trained field staff for the collection of data from the field.

6. In order to evolve dynamics of field enumeration in line with the survey's objectives, training is imparted to the concerned staff on interviewing techniques and other procedure to be used in the enumeration. For quality control, supervisors from Regional/Field Offices and headquarter, make frequent field visits to keep the collection process on track.

Data Processing and Editing

7. Soon after data collection, the supervisors edit, check and clean the filled-in questionnaires manually for consistency and completeness and refer back to field where necessary.

8. Editing and coding is carried out by Regional/Field offices, while checking is done at headquarter by the subject matter section. Computer edit checks are applied to get even with errors identified at the stage of data entry. The relevant numerical techniques are used to eliminate erroneous data resulting from mistakes made during coding. The survey records are further edited and rectified through a series of computer processing stages.

Sampling Plan

9. ***Universe:*** The universe for Labour Force Survey consists of all urban and rural areas of the four provinces of Pakistan defined as such by 1998 Population Census excluding FATA and military restricted areas. The population of excluded areas constitutes about 2% of the total population.

10. ***Sample Design:*** A stratified two-stage sample design is adopted for the survey.

11. ***Sampling Frame:*** Pakistan Bureau of Statistics (PBS) has developed its own sampling frame for urban areas. Each city/town is divided into enumeration blocks. Each enumeration block is comprised of 200 to 250 households on the average with well-defined boundaries and maps. The list of enumeration blocks as updated from field on the prescribed proforma by Quick Count technique in 2013 for urban and the list of villages/mouzas/dehs or its part (block), updated during House Listing in 2011 for conduct of Population Census are taken as sampling frames. Enumeration blocks & villages are considered as Primary Sampling Units (PSUs) for urban and rural domains respectively.

Stratification Plan

12. ***Urban Domain:*** Large cities Karachi, Lahore, Gujranwala, Faisalabad, Rawalpindi, Multan, Sialkot, Sargodha, Bahawalpur, Hyderabad, Sukkur, Peshawar, Quetta and Islamabad are considered as large cities. Each of these cities constitutes a separate stratum, further sub-stratified according to low, middle and high income groups based on the information collected in respect of each enumeration block at the time of demarcation/ updating of urban area sampling frame.

13. ***Remaining Urban Areas:*** In all the four provinces after excluding the population of large cities from the population of an administrative division, the remaining urban population is grouped together to form a stratum.

14. ***Rural Domain:*** Each administrative district in the Punjab, Sindh and Khyber Pakhtunkhwa (KP) is considered an independent stratum whereas in Balochistan, each administrative division constitutes a stratum.

15. ***Selection of primary sampling units (PSUs):*** Enumeration blocks in urban domain and mouzas/dehs/villages in rural are taken as Primary Sampling Units (PSUs). In the urban domain, sample PSUs from each ultimate stratum/sub-stratum are selected with probability proportional to size (PPS) method of sampling scheme. In urban domain, the number of households in an enumeration block by Quick Count technique in 2013 and village or its part (block), updated during House listing in 2011 for conduct of Population Census are taken as sampling frames for rural domain is considered as measure of size.

16. ***Selection of secondary sampling units (SSUs):*** The listed households of sample PSUs are taken as Secondary Sampling Units (SSUs). A specified number of households i.e. 12 from each urban sample PSU, 16 from rural sample PSU are selected with equal probability using systematic sampling technique with a random start.

17. ***Sample Size and Its Allocation:*** A sample of 41,484 households is considered appropriate to provide reliable estimates of key labour force characteristics at National/Provincial level. The entire sample of households (SSUs) is drawn from 2887 Primary Sampling Units (PSUs) out of which 1710 are rural and 1177 are urban. The overall sample has been distributed evenly over four quarters independently. As urban population is more heterogeneous therefore, a higher proportion of sample size is allocated to urban domain. To produce reliable estimates, a higher proportion of sample is assigned to Khyber Pakhtunkhwa and Balochistan in consideration to their smallness. After fixing the sample size at provincial level, further distribution of sample PSUs to different strata in rural and urban domains in each province is made proportionately. The distribution of sample PSUs and SSUs in the urban and rural domain of the four provinces is as under: -

SAMPLE SIZE AND ITS ALLOCATION

(Nos.)

Province/Area	Sample Enumeration Blocks/ Villages (PSUs)			Sample Households (SSUs)		
	Rural	Urban	Total	Rural	Urban	Total
Khyber Pakhtunkhwa	196	198	394	3136	2376	5512
Punjab	855	607	1462	13680	7284	20964
Sindh	454	228	682	7264	2736	10000
Balochistan	205	144	349	3280	1728	5008
Pakistan	1710	1177	2887	27360	14124	41484

Reliability of Estimate

18. Notwithstanding complete observance of the requisite codes to ensure reliability of data, co-efficient of variations, computed in the backdrop of 5% margin of error exercised for determining sample size, are also given below to affirm the reliability of estimates.

COEFFICIENT OF VARIATION (CVs) OF IMPORTANT VARIABLES

Characteristics/ Variables	Coefficient of Variation (Cvs) in Percentage						
	Pakistan	Urban	Rural	Provinces			
				Khyber Pk	Punjab	Sindh	Balochistan
Total Persons	1.13	1.84	1.42	4.70	1.10	2.54	4.65
Employed Persons	1.10	1.91	1.35	4.48	1.25	2.55	4.41
Employed Persons in Formal Sector	2.05	2.56	3.39	6.76	2.79	3.88	5.91
Employed Persons in Informal Sector	1.48	2.17	2.01	4.84	1.58	4.10	5.25
Literacy Rates	0.59	0.71	0.88	2.03	0.68	1.27	2.40
Household Size	0.34	0.56	0.42	1.29	0.38	0.73	1.11
Sex Ratio	0.42	0.68	0.52	1.52	0.50	0.80	1.38

Method of Data Collection

19. Data are collected by direct interview method. Generally, the head of household is chosen to provide information about all members of the household. In case of his non-availability at the time of interview, some other informed member of the household down the line is interviewed. The total sample for the year is evenly distributed for enumeration on quarterly basis to offset the effect of seasonal variations. The information collected however relates to the week preceding the date of enumeration.

Coverage

20. The survey covers all urban and rural areas of the four provinces of Pakistan defined as such by 1998 Population Census, excluding Federally Administered Tribal Areas (FATA) and military restricted areas. The population of excluded areas constitutes about 2% of the total population.

21. All sample enumeration blocks in urban areas and mouzas/dehs/villages in rural areas were enumerated except 737 households due to non contact and refusal cases in urban and rural areas. However, the number of sample households (40,747) enumerated as compared to total sample size (41,484) is high as response rate is (98.2%).

SECTION-II

CONCEPTS AND DEFINITIONS

A brief explanation of the key concepts and definitions follows.

1. **Sex Ratio** is the average number of males per 100 females.
2. **Literacy rate** expresses all those persons ten years of age and above who could read and write in any language with understanding, as percentage of the population ten years and above.
3. **Level of education** is categorized as follows:
 - i) **Below Matric** comprises less than ten (10) years of schooling.
 - ii) **Matric but less than intermediate** encompasses ten (10) to eleven (11) years of education.
 - iii) **Intermediate but less than Degree** entails twelve (12) to thirteen (13) years of education.
 - iv) **Degree & above** comprises fourteen (14) or more years of education.
4. **Household** constitutes all those persons who usually live together and share their meals. A household may consist of one person or more who may or may not be related to each other.
5. **Migration** means the population's movement from one administrative district to another administrative district at any time of their lives and excludes the ones moved within the current district.
6. **Economically Active Population** comprises all persons of either sex who provide labour services for the production of goods and services as defined by the United Nation System of National Accounts, during the reference period. The production of goods and services includes:
 - i) all production and processing of primary products whether for the market, barter or, own consumption,
 - ii) the production of all other goods and services for the market,
 - iii) the households which produce such goods and services for the market and own consumption, and
 - iv) own account construction.

7. **Currently Active Population** or labour force comprises all persons ten years of age and above who can be categorized as employed or unemployed during the reference period i.e. one week preceding the date of interview.
8. **Crude activity rate** is the currently active population expressed as a percentage of the total population in Pakistan.
9. **Refined activity rate** is the currently active population expressed as a percentage of the population 10 years and above. This rate enables international comparison by factoring in the effect of age composition.
10. **Augmented activity rate** is based on probing questions from the persons not included in the conventional measure of labour force, to net-in marginal economic activities viz subsistence agriculture, own construction of one's dwelling etc. Conventionally, persons 10+ aged reporting housekeeping and other related activities are considered out of labour force. However, from the perspective of time use, they are identified as employed if they have spent time on a specific set of marginal economic activities mentioned afore.
11. **Employment** comprises all persons ten years of age and above who worked at least one hour during the reference period and were either "paid employed" or "self employed". Persons employed on permanent/regular footings have not worked for any reason during the reference period are also treated as employed, regardless of the duration of the absence or whether workers continued to receive a salary during the absence. The survey obtains information on the duration of absence as well as on other formal job attachment characteristics of workers in paid and self employment. In line with augmented participation rates, a loose upper bound of employment can be drawn up by including the persons engaged in marginal economic activities.
12. **Occupation** means the type of work done during the reference period by the persons employed (or the kind of work done previously if unemployed), irrespective of the industry or the status in employment of the person. It provides description of a person's job. Occupation is classified according to Pakistan Standard Classification of Occupations (PSCO)-2015 based on the International Standard Classification of Occupations, ISCO-2008.
13. **Industry** means the activity of the firm, office, establishment or department in which a person is employed or the kind of business, which he/she operates. The activity is defined in terms of the kind of goods produced or services supplied by the unit in which the person works. Industry is classified according to Pakistan Standard Industrial Classification (PSIC) used for national accounts developed in 2010 (Rev-4) on the basis of the International Standard Industrial Classification (ISIC) Rev-4 released by United Nations in 2008.
14. **Self-employment job** is a job where the remuneration is directly dependent upon the profits, or the potential profits, derived from the goods and services produced.
15. **Status in Employment** refers to the type of explicit or implicit contract of employment of the person with other persons or organization. Status of an economically active individual

with respect to his employment i.e. whether he/she is an employer, own account worker, employee or unpaid family worker is defined as follows:-

16. **Employee** is a person who works for a public or private employer and receives remuneration in wages, salary, commission, tips, piece rates or pay in kind. Employees are divided into

- *Regular paid employees with fixed wage*
- *Casual paid employee*
- *Paid worker by piece rate or work performed*
- *Paid non-family apprentice*

17. **Employer** is 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.

18. **Own account worker** is a person working during the reference period, on own-account or with one or more partners at a “self-employment job”, without any employee engaged on a continuous basis; but, possibly, with one or more contributing family workers or employees engaged on an occasional basis. It includes owner cultivator, share cropper and contract cultivator.

19. **Contributing family worker** is 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.

20. **Other** includes member of a producer’s cooperative, etc.

21. **Informal Sector** in Pakistan is formulated in terms of household enterprise and size of employment. For statistical purpose, the provenance of employment in informal sector is given as follows:

- All household enterprises owned and operated by own-account workers, irrespective of the size of the enterprise (informal own-account enterprises),
- Enterprises owned and operated by employers with less than 10 persons engaged. It includes the owner (s) of the enterprise, the contributing family workers, the employees, whether employed on an occasional or a continuous basis, or as an apprentice, and
- Excluded are all enterprises engaged in agricultural activities or wholly engaged in non-market production.

22. **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. It is neither 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.

23. **Underemployment (Time-related)** comprises all employed persons who during the reference period satisfied the following two criteria simultaneously:

- i) Worked less than 35 hours per week,
- ii) Sought or were available for alternative or additional work.

24. **Underemployment (Time-related) Rate** is the time related underemployed population expressed as a percentage of the currently active population.

25. **Unemployment** in Pakistan comprises all persons ten years of age and above who during the reference period were:

- i) **“Without work”** i.e. were not in paid-employment or self-employment; and
- ii) **“Currently available for work”** i.e. were available for paid employment or self-employment: or
- iii) **Not currently available** for the following reasons: illness, will take a job within a month, is temporarily laid off, is an apprentice and is not willing to work: or
- iv) **Seeking work** during last week.

26. **Unemployment rate** is the unemployed population expressed as a percentage of the currently active population.

27. **Multiple job holders** relates to persons who during the reference period carried out more than one economic activity. The survey obtains information about the occupation, industry, status in employment and informal sector characteristics of secondary jobs.

28. **Hours actually worked** relates to the number of hours worked in the main and secondary jobs during the reference period, including any overtime and excluding any absence from work.

29. **Population not currently active** or “persons not in the labour force” comprises all persons who were not employed or unemployed during the reference period and hence not currently active. They are classified into the following categories:-

- a) Attending educational institutions,
- b) Engaged in household duties,
- c) Retired or old age,
- d) Too young to work,
- e) Unable to work/handicapped,

- f) Agricultural landlord and/or property owner; nature of ownership includes land, commercial/residential buildings, cinemas, hotels, petrol pumps, power looms, etc. (given on rent or lease). They are owners but they do not work for their properties,
- g) Others (persons who derive their income solely from royalties, dividends, etc; engaged in immoral pursuits such as prostitutes, beggars, thieves and smugglers etc; voluntary social workers doing work outside the family enterprise, living entirely on charity, etc.)

30. **Occupational Injury/Disease** refers to any personal injury or disease resulting from an occupational accident/ disease which occurs to employed person (s) i.e. an individual occurrence or event arising out of or in the course of work. Some occupational injuries are serious enough to need treatment, either at hospital, or by a doctor, nurse or some other kind of medical professional, and may mean that the injured person is unable to work, or to work normally, for some time, i.e. they have to take time off work. Other injuries may be less serious/incapacitating, so that the injured person may be able to return to work quickly. All such occupational injuries are taken into consideration. An injury should only be considered as an occupational injury if it was received at the person's work place or in the course of the person's work. Injuries received on the way to or from work are also considered to be occupational accidents. For the purpose of statistics of occupational injuries, the following terms and definitions are used:

- a) **Occupational accident** is an unexpected and unplanned occurrence, including acts of non-consensual violence arising out of or in connection with work which results in personal injury, disease or death;
- b) **Commuting accident** is an accident occurring on the habitual route between the place of work and: i) the worker's principal or secondary residence; ii) the place where the worker usually takes his/her meal; iii) the place where he/she usually receive his/her remuneration; or iv) the place where he/she receives training, which results in death or personal injury involving loss of time; travel, transport or road traffic accidents in which workers are injured and which arises out of or in the course of work, i.e. while engaged in an economic activity, or at work, or carrying on the business of the employer.
- c) **Occupational injury** is any personal injury, disease or death resulting from an occupational accident;
- d) **Case of occupational injury** is the case of one person incurring an occupational injury as a result of one occupational accident;
- e) **Occupational disease** is a disease contracted as a result of an exposure to risk factors arising from work activity;
- f) **Incapacity for work** means inability of the injured person to perform normal duties of work;

- g) **Fatal occupational injury** is one which leads to death within one year of the day of the occupational accident causing the injury;
- h) **Loss of working time** means the count of time started from the day of accident to the day prior to the day of return to work measured as calendar days, week days or working days in accordance with the severity of the injury. In the case of recurrent absences due to a single case of occupational injury, each period of absence should be measured and the resulting number of days lost for each period summed to arrive at the total loss of working time for the case of injury. Temporary absence from work of less than one day for medical treatment should not be included in time lost.

31. **Range of data** includes, generally, the information about the number of persons employed who suffered an injury or disease in the 12 months prior to the reference period that caused the worker to take time off and/or consult a doctor. In addition, for each injury or disease suffered, it also obtains information about

- (i) the act that caused the accident or disease,
- (ii) whether time off was taken or treatment was received as a result
- (iii) the conditions that caused the accident or injury
- (iv) the time of recovery

32. **Income from paid employment** relates to the amount of money earned by persons in paid employment in their main job. The income may be earned in cash or in kind, and is reported net of security contributions and, deductions for pensions and income tax. It includes the value in rupees of income in kind as well as regular or adhoc bonuses. The information on earnings is recorded per week or month and the information on bonuses is recorded per year, to convert it later on monthly basis. The survey does not obtain information on the income of self employed persons.

33. **Entitlement to annual leave and sick leave** relates to the number of days in the year that workers in paid employment are entitled to obtain and sick leave.

34. The questionnaire adopted for the Survey is given at Annexure-II.