

PAKISTAN EMPLOYMENT TRENDS 2011

Progress towards achieving MDG Target 1B
“Full and productive employment and decent work for all”



**Government of Pakistan
Statistics Division
Pakistan Bureau of Statistics**

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Pakistan Employment Trends 2011

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Foreword

Full, productive and decent employment for all is a priority area for the government of Pakistan. The availability of relevant and up- to- date information is a pre-requisite to promote opportunities for women and men to obtain decent and productive employment in conditions of freedom, equity, security and human dignity.

Pakistan Employment Trends 2011 is a comprehensive report regarding progress towards achieving Millennium Development Goals target 1b “full and productive employment and decent work for all”. In this report, both quantitative and qualitative aspects of existing employment in the country have been analyzed as well as its comparability in the region. This report provides information for making necessary national policies for the creation of quality employment to perform decent work in Pakistan.

Efforts have been made to make this report a comprehensive, informative and useful document for decision-makers, researchers, planners, economists and other beneficiaries at large. Suggestions are, however, welcome for its further improvement.

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March 2012

Preface

Pakistan Bureau of Statistics (PBS) has been conducting Labour Force Survey (LFS) since 1963. This survey provides extensive information about the size, composition and characteristics of labour force. Besides, information obtained through this survey also includes data on demographic characteristics of the population such as age, sex, marital status, literacy and level of educational attainment etc. Pakistan Labour Force Statistics are based on the concepts, definitions and standards followed internationally to produce reliable and internationally comparable data.

The ministry of Labour and Manpower was making use of LFS data to carry out “periodic assessment of employment situation” in the country. In this connection a “Pakistan Employment Trend” report was produced within the ambit of a project initiative. The report spells out employment trends on the basis of ten key labour force indicators derived from LFS. Consequent upon the devolution of the aforementioned ministry, PBS has taken the initiative to compile the document as a sequel to LFS report.

It is the first update of the document produced in PBS – The fifth one in the series compiled by the erstwhile ministry of Labour and Manpower. It is hoped that this report will serve as a useful source of information for researchers, policy makers and stakeholders aiming to alleviate poverty through “*full and productive employment and decent work for all*”.

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List of Acronyms

DESA	Department of Economic and Social Affairs
DWCP	Decent Work Country Program
ECOSOC	United Nations Economic and Social Council
EFP	Employers Federation Pakistan
EMP	Employment
EPR	Employment-to-population ratio
EU	European Union
PBS	Pakistan Bureau of Statistics
GDP	Gross domestic product
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
IMF	International Monetary Fund
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification
KILM	Key Indicators of the Labour Market
LMIA	Labour Market Information and Analysis
LFS	Labour Force Survey
LFPR	Labour Force Participation Rate
MDG	Millennium Development Goals
MLMOP	Ministry of Labour, Manpower and Overseas Pakistanis
MTDF	Medium Term Development Framework
NAVTEC	National Vocational and Technical Education Commission
KPK	Kyber Pukhtunkhwa
OECD	Organization for Economic Co-operation and Development
PIDE	Pakistan Institute for Development Economics
PRSP	Poverty Reduction Strategy Paper
PWF	Pakistan Workers Federation
SMEs	Small and medium enterprises
SNA	System of National Accounts
TEVC	Technical and Vocational Competence
TVET	Technical and Vocational Education and Training
UN	United Nations
UNCEB	United Nations Chief Executives Board
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNSTATS	United Nations Statistics Division
WTO	World Trade Organization

Executive Summary

People experience development and globalization primarily through their work. It is not just about having a job. It is about the quality of employment that provides an adequate income to keep workers and their families out of poverty. It is about basic rights at work and a voice in decisions that affect their lives and livelihoods. It is about having security in times of misfortune. All these are key ingredients of a decent job which stands for dignity of work, promotes a sense of self worth and ensures family stability.

It has been acknowledged in a number of international forums, including the 2005 World Summit, the 2006 UN Economic and Social Council, the UN Chief Executives Board of 2007 and by the UN Commission for Social Development, that making *full, productive and decent employment for all* a central objective of relevant national and international policies and development strategies is the main route out of poverty for the world's poor. The United Nations system as well as the European Union (EU) have endorsed the *Decent Work Agenda* as contributing significantly to the achievement of the Millennium Development Goals, and in particular target 1B of MDG 1.

The ILO has developed a number of responses to assist international and national efforts to mainstream decent work objectives into their initiatives, including the development of *decent work indicators*, and a *decent work toolkit* to assist other agencies in the UN system to mainstream decent work objectives into their own policies and programmes. Decent and productive employment is now a priority in Pakistan's national development agenda's documents such as *Vision 2030* and is also a key theme in the *One UN Programme* in Pakistan.

This issue of *Pakistan Employment Trends 2011*, analyses Pakistan's progress in creating "*full and productive employment and decent work for all, including women and young people*", as a prerequisite for achieving MDG-1, *to eradicate extreme poverty and hunger by 2015*.

The data presented, and its careful analyses can contribute to a better understanding of how development in Pakistan's labour market impacts the generation of decent work and therefore the achievement of the first Millennium Development Goal. By identifying decent work challenges the Government, employers and workers will be in a better position to develop and adapt labour market policies and action plans.

The analyses of Key Indicators of Decent Work for both men and women show that while improvements have been achieved in Pakistan major challenges remain. In this context some of the key findings of the report are:

- i. In line with a growing *labour force participation rate* (from 50.4 percent in 1999-2000 to 52.5 percent in 2006-2007 and 53.4 percent in 2010-2011), the *employment to population ratio* has steadily increased over the last ten years (from 46.8 percent in 1999-2000 to 50.4 percent in 2010-2011), especially for women, (from 13.7 percent in 1999-2000 to 22.2 percent in 2010-2011)

reflecting the Government's efforts to create more employment opportunities for all.

- ii. At the same time, of concern is the still relatively high employment-*to population ratio* of almost 80 percent for men (15+) as they point towards a likely abundance of low quality jobs in the country.
- iii. Overall, men seem to benefit more from improvements in the labour market. In 2010-2011, the share of men with a wage and salaried job was at 41.2 percent, almost double that of females, at 21.6 percent, reflecting a situation in which the few wage and salaried jobs that are created tend to go to men rather than women.
- iv. Roughly six out of ten employed people in Pakistan (61.6 percent) in 2010-2011 were considered to be vulnerable, meaning "at risk of lacking decent work". The large share of female vulnerability (78.3 percent) needs special attention. Also of concern is the large share of youth vulnerability (60.9 percent). Although often better skilled than the rest of the labour force, young people seem to face similar labour market difficulties as adults.
- v. Pakistan has seen very low labour productivity over the last decade. In addition the relatively low growth in labour productivity has not gone hand in hand with the increasing labour force and employment growth. This development suggests that many new labour market entrants are taking on low-productivity, poorly remunerated work.

The findings suggest that the problem in Pakistan is not so much the absence of economic activity but is more the low quality and low productive nature of these activities which lead to low incomes in the country. Most poor and vulnerable people are working very hard and long hours but in very low productivity jobs, where social protection and safety nets and networks are most often inadequate or totally missing. Therefore, the majority of Pakistan's population cannot afford to be unemployed and has to work to make a living for themselves and their families.

If people had a chance to be more productive and earn more through quality jobs, poverty and vulnerability in the country would further decline. This is why access to decent work and productive employment is essential as a sustainable way out of poverty and to meet the Millennium Development Goals. This is also why the World Summit requests all countries and international institutions to mainstream the decent work agenda into their policies and programs.

1. Introduction

1.1 The Millennium Development Goals and Decent Work

Lack of satisfaction at the pace of human development in the 1980s inspired the UN to convene a series of global conferences in the 1990s to identify the problems involved, and to commit the world community to address those problems. These World Summits set a series of goals and targets that national leaders around the world pledged to achieve within specified time-frames. In 2000 the General Assembly of the United Nations incorporated the majority of these goals in its Millennium Declaration. The Millennium Development Goals with specific targets became the guideline for the UN and other agencies around which they have organized their development activities. (Box 1)

At the 2005 World Summit of the United Nations General Assembly, Heads of State and Government of more than 150 countries supported fair globalization¹ and adopted under goal 1 – to eradicate extreme poverty and hunger by 2015 – an additional target 1b, emphasizing the importance of “full and productive employment and decent work for all”. Further, they made a commitment to implement a wide ranging international decent work agenda requiring global, regional and national action. This commitment was reaffirmed in July 2006 at the high-level segment of the substantive session of the United Nations Economic and Social Council (ECOSOC) on the theme “Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all”, and its impact on sustainable development.

ECOSOC consequently requested the whole multilateral system, including the funds, programs and agencies of the United Nations system, and invited international financial institutions and the World Trade Organization (WTO) to support efforts to mainstream the target of “*full and productive employment and decent work for all*” into their policies, programmes and activities. Based on the request the UN Secretary-General, who chaired the first regular session of the United Nations Chief Executives Board (UNCEB) in 2007, promoted to develop a Decent Work “toolkit” to mainstream the objectives of “*full and productive employment and decent work for all*” in policies and programmes of all UN organizations. The “toolkit” was conceived along the structure of the Decent Work Agenda (Box 2) and could profitably be used in the United Nations Development Assistance Framework (UNDAF) and One UN pilot countries. The United Nations Chief Executives Board (UNCEB) gave its full endorsement to the “toolkit” and adopted it in April 2007².

¹ World commission on the Social Dimension of Globalization: A fair Globalization: Creating Opportunities for All (Geneva 2004);
website: <http://www.ilo.org/public/english/employment/strat/wer2004.htm>.

² See: <http://www.ilo.org/public/english/bureau/dgo/selecdoc/2007/toolkit.pdf>

Also the European Union has actively supported the uptake of decent work, as a global target under MDG goal 1. It is commonly accepted now, that decent work is the principal way out of poverty and fundamental to peace, security and dignity. Rights at work help empower individuals to escape poverty and guarantee a path of development that does not allow labour exploitation. Social protection, both at work and in the absence of work, safeguards against falling back into poverty. Social dialog is the basis for democracy and good governance, ensuring the participation of both “employers and workers” organizations in shaping government policies for poverty reduction.

ILO spearheads the goal of “*full and productive employment and decent work for all, including women and young people*” as a vehicle of poverty alleviation. This has resulted into the development of a set of indicators that would allow measuring such multidimensional and complex concept as “*full and productive employment and decent work*”. In addition the linkages between decent and productive work and poverty reduction needed to be explained. Consequently, in league with the relevant UN agencies arrived at initial set of indicators as follows.

- (1) Employment-to-population ratios for persons aged 15 years and over and youth (age 15-24 years)
- (2) Vulnerable Employment
- (3) Labour productivity

Box 1
The Millennium Development Goals (MDGs)

In September 2000, the United Nations' member States unanimously adopted the Millennium Declaration. After consultations among international agencies including the World Bank, the International Monetary Fund, the Organisation for Economic Co-operation and Development, and the specialized agencies of the United Nations, the UN General Assembly recognized the Millennium Development Goals as part of the road map for implementing the Millennium Declaration.

The goals, along with the specific targets set for each one, commit the international community to an expanded plan of action aimed at encouraging sustainable and equitable development, one that promotes human development as the cornerstone for sustaining social and economic progress, and recognizes the importance of creating a global partnership for development. The goals set out below together with over 20 targets and 60 indicators, have been commonly accepted as a framework for measuring development progress.

1. Eradicate extreme poverty and hunger

Target 1a: Halve, between 1990 and 2015, the proportion of people whose income is less than US\$ 1 a day.

Target 1b: Achieve full and productive employment and decent work for all, including women and young people.

Target 1c: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria, and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Source: <http://www.un.org/millenniumgoals/>

Source: Reproduction of Box 1 in *Key Indicators of the Labour Market, Fifth Edition* (International Labour Office, Geneva, 2007)

1.2 The New MDG Target, UN Reform and LMIA

1.2.1 The New MDG Target

There is no single solution to wiping out poverty. But “*full and productive employment and decent work for all, including women and young persons*” – the promotion of rights, employment, social protection and dialogue- needs to be the heart of successful policies to get there.

Therefore, the endorsement of decent work has also become a top priority of the Government of Pakistan as reflected in a number of national policy documents including the Medium Term Development Framework (MTDF) for 2005-2010, documents related to employment creation (Labour and Employment Policies), poverty reduction (Poverty Reduction Strategy Papers) and human resource development (Skilling Pakistan).

The Decent Work country Programme (DWCP) represents the implementation framework and spells out a strategy and plan of action to help the creation of “*full and productive employment and decent work for all*”. The (DWCP) is a dynamic document which responds to changing labour market challenges. It constitutes an umbrella for a range of policy frameworks that are considered to be key instruments for its implementation.

Generally, decent work can be promoted using a range of policies, programs and activities. Examples are public works programs, legislation and regulations concerning labour utilization and working conditions, education policies and skills development programs, social security legislation and support for social dialogue between workers, employers and the government. Furthermore, macroeconomic policies including fiscal, monetary and trade policies have important effects on labour markets, and can be made instrumental in achieving decent work objectives.

In order to inform these policies, *Labour Market Information and Analysis (LMIA)* is necessary to identify major decent work challenges, gaps and deficits in a permanently changing labour market under each of the four strategic objectives of decent work. (1) Fundamental principles, rights at work and international labour standards, (2) employment and income opportunities, (3) social protection and social security; (4) social dialogue and tripartism.

1.2.2 UN Reform

Governments globally have recognized that achieving the Millennium Development Goals and other widely internationally agreed development goals is central to global economic prosperity and stability. It is also recognized that the United Nations plays a crucial role in articulating the MDGs.

In November 2006 the UN Secretary General established High Level Panel on UN System-wide Coherence released its report on “*Delivering as One*”, which explored how the UN system could work more coherently and effectively across the world in

the areas of development, humanitarian assistance and the environment. For development operations it arranged its proposals around four “ones”: One Programme, One Empowered Leader and Empowered Team, One Budgetary Framework and One Office. Among other suggestions the Panel proposed the launch of a set of “Delivering as One” pilot exercises in which self-selected governments and UN Country Teams would experiment with putting the four ones into practice.

In March 2007, the Prime Minister of Pakistan officially launched the UN Reform process in Pakistan, with a vision for the UN to deliver “as One” by overcoming systemic fragmentation in its efforts to support human development in Pakistan, especially the MDGs, as well as delivering humanitarian assistance where necessary.

In response to priorities identified in consultation with government and nongovernmental organization in Pakistan, and in line with the national development agenda articulated in documents such as Pakistan’s *Vision 2030* and the *Medium Term Development Framework (2005 – 2010)*, five thematic working groups (TWGs) were established to articulate the “Delivering as One” vision through Joint UN Programmes: (1) Agriculture, Rural Development and Poverty Reduction; (2) Education; (3) Health and Population; (4) Environment (MDG 7) and (5) Disaster Risk Management.

In the process of developing the Joint Programme documents the thematic working groups have undertaken situation and (SWOT)³ analyses, and conducted priority and validation workshops as part of its inclusive approach to stimulate ownership and enhance sustainability. The achievement of *full, productive and decent work*, in particular through skills enhancement and capacity development more generally are key areas highlighted by the government, workers’ and employers’ representatives and given prominence in the thematic areas.

³ A scan of the internal and external environment is an important part of the strategic planning process. Environmental factors internal to the firm usually can be classified as strengths (S) or weaknesses (W), and those external to the firm can be classified as opportunities (O) or threats (T). Such an analysis of the strategic environment is referred to as a SWOT analysis.

Box 2

The Decent Work Agenda and Pakistan's Decent Work Country Program

With “decent work” the ILO introduced to the world a concept that, in a short period of time, received significant recognition and was cited by the international community, researchers and the media. It is now common conviction that only by giving people a decent job – not just any job – they get a chance to avoid and/or escape poverty. A decent job for all is thereby the alternative to what can be observed throughout the world: a large number of people looking for a job but who cannot find work; an even larger number of discouraged people, who gave up the hope of being able to participate in labour markets; and, most importantly the large number of people who work – often long hours and often under poor conditions – but with low productivity jobs that make it impossible for them and their families to escape poverty. In other words, the potential of these individuals is either ignored or underutilized, whereas they could be contributing significantly to economic development by being provided with decent and productive work.

These arguments are the main reasons why decent work for all is the principal goal of the ILO. But what is decent work? It is work that gives people the opportunity to earn enough for themselves and their families to escape poverty, not just temporarily but permanently. But the concept is not limited to the income component. A decent job provides social security and ensures protection by labour laws, and a voice at work through freely chosen workers' organizations. It gives the job a human face and makes sure that people can work in dignity and freedom.

The enabling conditions for the development of sustainable enterprises that create such jobs is especially important in times of rapid change as there is an increasing sense of insecurity associated with globalization. Underpinning the growth of more and better jobs in all countries are the ILO's fundamental principles and rights at work. Decent work reflects the aspiration of men and women everywhere to obtain productive work in conditions of freedom, equity, security and human dignity¹.

At the 13th Asian Regional Meeting of the ILO held in Bangkok in August, 2001, the tripartite delegates accepted the basic concept of decent work, emphasizing that it would be the key concept for integrating economic and social policies in Asia and the Pacific. During the meeting, delegates agreed that each country in the region should prepare a National Plan of Action for Decent Work (DWNPA) in order to operationalize the global decent work agenda. The ILO was asked to provide assistance to its tripartite constituents in designing such plans.

The Pakistan Decent Work Country Programme (DWCP)² has been jointly prepared by the Ministry of Labour, Employers' Federation of Pakistan (EFP), Pakistan Workers Federation (PWF) and the ILO Office in close consultation with civil society and academia. They reviewed national policies, programmes and ongoing activities – within the overall framework of fundamental principles & rights at work and international labour standards; employment and income opportunities; social protection; and social dialogue and tripartism – in order to analyze decent work deficits/gaps/challenges and to formulate a plan for addressing these deficits. As a result of extensive nation-wide consultations, a consensus DWCP document was prepared in September 2005 and was jointly signed by the Secretary of Labour, President of EFP, General Secretary of PWF and the Country Director of the ILO office in Pakistan. The DWCP is a dynamic and live document that is subject to revision and change as and when deemed necessary by the tripartite constituents. The document covers the period up to 2010.

1. For more details see: ILO: *Working out of Poverty*, Report of the Director-General Juan Somavia to the 91st International Labour Conference (Geneva, 2003): <http://www.ilo.org/public/english/standards/relm/ilc/ilc91/pdf/rep-i-a.pdf>.
2. See: <http://www.ilo.org.pk/DWCP%20Document.pdf>

Source: Reproduction of Box 1 in *Key Indicators of the Labour Market, Fifth Edition* (International Labour Office, Geneva, 2007)

1.2.3 LMIA in Pakistan

In 2006, the Ministry of Labour Manpower and Overseas Pakistanis established a Labour Market Information and Analysis Unit which aims to provide up-to-date and timely labour market information analysis, based on internationally accepted concepts and key indicators of labour market (KILM) . The analyses are published in the form of reports and inform policy makers and stakeholders about labour market changes and trends (Box 3).

Pakistan's Employment Trend's reports provide information to policy makers, training providers and new entrants to the labour force. Unfortunately, it has been very difficult until now to provide a full assessment of labour demand based on establishment surveys. But efforts are being made to close this data gap as soon as possible. The identification of labour supply and demand requires the use of a set of indicators in order to get a picture or diagnoses of a specific labour market phenomenon. Such indicators ideally include how to tackle policy processes such as formulation, implementation, monitoring and evaluation.

LMIA is necessary to monitor labour market achievements regarding “*full and productive employment and decent work for all, including women and young people*”. Without labour market information analysis it will be difficult for policy makers and politicians, to develop strategies and concrete action plans to overcome persisting labour market problems, which hinder economic growth and efforts in poverty reduction.

In 2011, Ministry of Labour Manpower and Overseas Pakistanis has been devolved. Consequent upon the devolution of the aforementioned ministry, PBS has taken the initiative to perform the LMIA activities and compile the *Pakistan Employment Trend* report as a sequel to LFS report.

1.3 Structure of the Analyses and Data Sources

This issue of *Pakistan Employment Trends* examines the complex MDG target 1b- “*full and productive employment and decent work for all, including women and youth*”. While it is not possible to discuss all of the Pakistan's economic and social challenges related to the target, the following chapters focus on important statistical indicators. They have been adopted by the international community to assess progress on the achievement of MDG 1.

The set of key indicators (Box 4). Three key indicators have been adopted as follows: (1) employment-to population ratios (KILM 2), vulnerable employment (defined on the basis of status in employment - KILM 3) and labour productivity (KILM 18). These indicators provide a starting point for assessing labour underutilization and decent work deficits.

Labour market information is primarily taken from the *Labour Force Survey* conducted by the PBS. GDP data has also been taken from the PBS. Global and regional estimates are taken from the ILO, *Global Employment Trends*, 2011.

Box 3

What is Labour Market Information and Analysis (LMIA)?

Labour market information is what the term suggests: information about labour markets. This includes information about employment and jobs, wages, salaries and employment conditions; skills; where people work and in which sector; how many people are looking for a job; and so on.

Labour Market Information and Analysis is more than information, as it aims to provide analyses of the labour market in its economic context. This means that labour market trends are examined, together with broader economic trends (e.g. economic growth, inflation). LMIA is an important tool to monitor the demand and supply of the labour market, investigate excess supply (e.g. in the form of unemployment and underemployment), and excess demand (e.g. in the form of unfilled vacancies). LMIA enables policies makers to develop policies which help people to find and securing a decent job.

An LMIA system consists of producers of analysis (labour market analysts, statisticians, etc.), but also includes institutional arrangements to feed information and analysis into policy processes, and receive feedback on the focus of the analysis. Such feedback is essential, as possibilities for analytical work are endless, even though such work will usually start from an agreed set of Key Indicators of the Labour Market. In Pakistan, the Advisory Panel has been established to bridge the gap between the analytical work and labour market stakeholders, including the social partners.

Depending on the focus and use of the LMIA system, data collection, analytical methods and institutional arrangements will vary. For example, to measure excess supply in the labour market, household surveys such as the labour force survey are an essential instrument. To gain insight in demand and supply for skills, a range of data collection instruments and analytical methods is often used, including establishment occupational and earnings surveys, establishment enquiries aiming to produce qualitative information on shortages, tracer studies and so on. The resulting Labour Market Information Analysis can only be used to inform skills policies and programs if institutional arrangements are in place which links the producers and users of such information, including social partners but also sector bodies, education and training providers, etc.

Overall the aim of an LMIA system is crucial to provide timely and up-to date LMIA that serve as an input into the formulation of numerous policies and programs aiming for decent employment, pro-poor, economic as well as human resource development. This also includes employment services and operations of the labour market supply and demand that range from labour exchange recruitment, offers of employment, hiring and separations to activities aiming at decreasing unemployment and to provide full and productive employment and decent work for all.

However, it needs to be mentioned that the main purpose of an LMIA System is not to exclusively inform job centers or employment exchanges about labour supply and demand. A LMIA system needs to be seen as tool that embeds labour market related issues into the broader context of macroeconomic development.

Box 4
Key Indicators of the Labour Market

KILM 1.	Labour force participation rate
KILM 2.	Employment-to-population rate
KILM 3.	Status in employment
KILM 4.	Employment by sector
KILM 5.	Part-time workers
KILM 6.	Hours of work
KILM 7.	Employment in the informal economy
KILM 8.	Unemployment
KILM 9.	Youth unemployment
KILM 10.	Long term unemployment
KILM 11.	Unemployment by education attainment
KILM 12.	Time-related unemployment
KILM 13.	Inactivity rate
KILM 14.	Educational attainment and illiteracy
KILM 15.	Manufacturing wage indices
KILM 16.	Occupational wage and earning indices
KILM 17.	Hourly compensation costs
KILM 18.	Labour productivity and unit labour costs
KILM 19.	Employment elasticities
KILM 20.	Poverty, working poverty and income distribution

Source: ILO, 2006, *Key Indicators of the Labour Market, Fourth edition*

1.4 Concepts and Definitions

1. **Level of education** is categorized as follows:

- i) *Below Matric* comprises less than ten years of schooling.
- ii) *Matric but less than intermediate* encompasses ten to eleven years of education.
- iii) *Intermediate but less than Degree* entails twelve to thirteen years of education.
- iv) *Degree & above* comprises fourteen or more years of education.

2. **Currently Active Population** or labour force comprises all persons 15 years of age and above who fulfill the requirements for including among employed or unemployed during the reference period i.e. one week preceding the date of interview.

3. **Refined activity rate or participation rate** is the currently active population expressed as a percentage of the population 15 years of age and above. This rate enables international comparison by factoring in the effect of age composition.

4. **Employment** comprises all persons 15 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 LFS survey obtains information on the duration of absence as well as on other formal job attachment characteristics of workers in paid and self employment.

5. **Occupation** refers to 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 the Pakistan Standard Classification of Occupations 1994 based on the International Standard Classification of Occupations, ISCO-88.

6. **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 2007).

7. **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.

8. **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:

- i) **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

ii) **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.

iii) **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.

iv) **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.

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

9. 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.

10. Unemployment comprises all persons 15 years of age and above who during the reference period were “without work”, “currently available for work”, “not currently available for work” and “seeking work”.

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

12. Vulnerability is measured as the proportion of own-account workers and contributing family workers, in total employment.

13. Employment to population ratio is measured as the proportion of employed workers in the population of aged 15 years and above.

14. Labour Productivity corresponds to the gross value added “per hour worked” or “per worker”, and is presented in the national currency (Pakistani Rupee) at constant factor cost.

2. Overview of Employment Trends

For Pakistan's economy 2009-2010 has been a problematic year, which was marked by difficult political conditions, law and order risks, supply shocks and soaring oil, food and other commodity prices. Despite these developments Pakistan showed a relative higher GDP growth of 3.8 percent against 1.7 percent growth in 2008-2009. This provides, in combination with the renewed employment policy framework in recent years, a basis for a move towards the better realization of full and productive employment and decent work for all.

Information about the latest labour market trends is crucial to understanding the labour market analysis in regard to the issue of this report, embedded as it is in a broader labour market context. Building a comprehensive understanding of the labour market facilitates is needed, together with raising awareness about urgently needed investigations into enhancing the employability of people, and to improve the quality of work in order to promote decent work. Further, an extensive understanding of the labour market provides a foundation for targeted policy interventions.

Table 1: Economic Growth (%)

Pakistan	GDP growth	GDP growth by sector		
		Agriculture	Manufacturing	Services sector
1999-2000	3.9	6.1	1.5	4.8
2000-2001	2.0	-2.2	9.3	3.1
2001-2002	3.1	0.1	4.5	4.8
2002-2003	4.7	4.1	6.9	5.2
2003-2004	7.5	2.4	14.0	5.8
2004-2005	9.0	6.5	15.5	8.5
2005-2006	5.8	6.3	8.7	6.5
2006-2007	6.8	4.1	8.3	7.0
2007-2008	3.7	1.0	4.8	6.0
2008-2009	1.7	4.0	-3.6	1.7
2009-2010	3.8	0.6	5.5	2.9
2010-2011 (P)	2.4	1.2	3.0	4.1

Source: PBS, various years, *Pakistan Labour Force Survey*, P = Preliminary estimates

The analysis of recent labour market trends⁴ indicates that considerable improvements have been achieved in Pakistan; especially with regard to employment opportunities and equity at work, but also that a number of challenges remain in order to achieve target 1b on “*full and productive employment and decent work for all*”.

Tables 2 shows that labour force participation, employment and unemployment indicators have changed in line with economic growth rates in recent years. From 1999-2000 to 2006-2007, the labour force participation rate increased by 2.1 percentage points and from 2006-2007 to 2010-2011, it also increases by 0.9 percentage points but remains with 53.4 percent (population 15+) low if considered from a global perspective. Globally, the labour force participation was 65.3 percent for the age group 15 years and above in 2009⁵.

⁴ Analysis of Recent labour market trends are based on labour force survey data from 1999-2000 to 2010-2011. The Pakistan labour force survey is conducted on an annual basis from July to June of each year.

⁵ See: ILO *Global Employment Trends*, 2011

Table 2: Selected key indicators of the labour market (%)

Pakistan	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Labour force participation rate									
Both sex	50.4	50.5	50.7	53.0	52.5	52.5	53.1	53.5	53.4
Male	83.2	82.7	82.7	84.0	83.1	82.4	82.0	81.7	81.9
Female	16.3	16.2	18.0	21.1	21.3	21.8	23.1	24.1	24.4
Employment-to-population ratio									
Both sex	46.8	46.5	47.0	49.7	49.8	49.9	50.3	50.7	50.4
Male	78.6	77.6	77.6	79.6	79.6	79.1	78.5	78.3	78.0
Female	13.7	13.6	15.6	19.0	19.4	19.9	21.0	21.9	22.2
Unemployment rate									
Both sex	7.2	7.8	7.4	6.1	5.1	5.0	5.2	5.3	5.7
Male	5.5	6.2	6.2	5.2	4.2	4.0	4.2	4.1	4.8
Female	15.8	16.4	12.9	9.6	8.6	8.7	9.0	9.2	9.0
Share of industry in total EMP									
Both sexes	18.2	21.0	20.6	21.2	21.4	20.6	21.0	21.4	21.8
Male	19.8	22.0	21.7	22.7	23.5	22.7	23.1	24.1	24.6
Female	8.4	14.8	14.9	15.1	12.6	12.2	12.7	11.6	11.5
Share of agriculture in total EMP									
Both sexes	47.8	41.1	41.8	41.6	42.0	42.8	43.3	43.4	43.5
Male	43.4	37.2	37.0	35.6	35.0	35.2	35.7	35.2	34.9
Female	73.7	64.5	66.6	67.7	71.4	73.8	72.7	73.9	74.2
Share of services in total EMP									
Both sexes	34.0	38.0	37.6	37.1	36.6	36.6	35.7	35.2	34.7
Male	36.8	40.8	41.3	41.8	41.5	42.2	41.2	40.7	40.5
Female	17.8	20.7	18.4	17.3	16.0	13.9	14.6	14.5	14.2
Share of wage and salaried workers in total EMP									
Both sexes	35.9	40.4	38.5	38.4	38.3	37.1	36.8	36.5	36.9
Male	36.4	40.9	39.8	41.2	41.5	40.6	40.5	40.7	41.2
Female	33.1	37.1	31.5	26.6	25.1	22.9	22.6	20.8	21.6
Share of own account workers in total EMP									
Both sexes	43.6	39.9	38.6	36.8	36.0	35.9	34.8	35.6	36.3
Male	48.0	43.7	42.9	41.5	41.1	41.2	40.1	41.3	41.8
Female	16.8	16.5	17.0	16.2	14.3	13.9	14.0	14.5	16.6
Share of EMP in the informal economy									
Both sexes	65.0	63.8	69.4	72.3	71.5	72.4	73.0	72.9	73.5
Male	65.0	64.1	69.9	72.2	71.6	72.4	73.1	73.0	73.9
Female	63.9	60.8	64.5	73.1	69.9	71.7	71.6	72.7	70.6
Share of EMP working 50 hours or more									
Both sexes	41.6	40.7	42.7	41.0	40.0	39.3	38.0	39.5	38.5
Male	46.4	45.2	48.9	48.3	47.8	47.0	46.3	48.0	46.9
Female	12.8	13.4	11.6	9.4	7.7	7.6	6.0	7.8	8.4
Share of EMP in agriculture working 50 hours or more*									
Both sexes	41.3	38.2	38.3	33.0	29.3	28.5	26.6	28.7	28.6
Male	49.4	45.0	47.8	44.0	40.4	40.0	38.5	41.3	41.0
Female	12.9	14.3	11.3	8.3	6.4	6.1	4.0	6.4	7.7
Share of EMP in trade working 50 hours or more*									
Both sexes	64.5	62.8	69.4	68.4	70.3	69.5	68.8	70.1	67.7
Male	65.3	63.5	70.3	69.3	71.5	70.5	69.5	71.1	68.4
Female	34.3	26.0	22.2	38.8	30.0	32.6	32.9	35.7	35.3

Source: PBS, various years, *Pakistan Labour Force Survey*; * Share has been calculated from respective sector

However, the most recent survey year (2010-2011) shows a slight decline in labour force participation (0.1 percentage points) from the previous year for the population aged 15 years and above. The male participation rate increases 0.2 percentage points in 2010-2011 from the previous year, however it decreases 1.3 percentage points from the 1999-2000. The female participation rate has continued to rise since the beginning of the decade, with an increase of 5.0 percentage points in the period 1999-2000 to 2006-2007, and same trend has been observed with an increase of 3.1 percentage points in 2006-2007 to 2010-2011 (Table 2).

In Pakistan, the unemployment rate, measured on the basis of the standard definition⁶ of ILO. In 2006-2007 it reached to 5.1 percent, showing a 2.1 percentage point decline since 1999-2000. However, in 2010-2011, unemployment rate increases to 5.7 percent with an increase of 0.4 percentage point from previous year, despite the increases in labour force participation since the beginning of the decade (Table 2).

During the last few years, women particularly benefited from overall labour market developments in the country. The female unemployment rate was at 8.6 percent in 2006-2007, the lowest in the decade. The female unemployment rate decreases from 15.8 percent (1999-2000) to 9.0 percent (2010-2011). However, it increases by 0.4 percentage point from 2006-07 to 2010-2011, despite with an increase in the female labour force participation rate by 3.1 percentage points since 2006-2007. The positive developments in female labour force participation rate are, to a large extent, due to an improvement of the labour market position of young women⁷.

Pakistan's labour market is undergoing structural changes, as reflected in the increasing share of the industry and the decreasing share of agriculture in total employment and in GDP. Contrary to the share of agriculture in GDP, which has been continuously declining since 1999-2000 till 2010-2011, the employment share in agriculture is increasing in the more recent years (Table 1 and 2).

Available labour market indicators suggest that, despite gains in employment opportunities as reflected in labour force participation, and in employment to population ratios and unemployment rates, this structural transformation is not yet benefiting the majority of workers who lack decent employment.

Work in the informal economy increased from 65 percent of non-agricultural employment in 1999-2000 to 71.5 percent in 2006-2007⁸ and it further increases to 73.5 percent in 2010-2011. During the period 1999-2000 to 2010-2011, wage and salaried employment increased by only 1.0 percentage point of the employed (15+), however the size of the status group of own-account workers decreased by more than seven percentage points (Table 2).

⁶ The standard definition that is used to measure the number of unemployed is those individuals without work, currently available for work, seeking work in a recent past period and currently not available for work due to some reasons. We are not using the relax definition of unemployment.

⁷ See: *Pakistan Employment Trends for Youth* (Islamabad, MOL, May 2008)

⁸ *ibid.* and *Pakistan Labour Force Survey 2010-11* (PBS) for the definition of the informal economy

The proportion of those working “excessive” hours has declined 3.1 percentage points since 1999-2000. The proportion of male workers working “excessive” hours has risen by 1.4 percentage points in 1999-2000 to 2006-07, but this proportion has been decreased by 0.9 percentage points in 2006-2007 to 2010-2011. During the period of 1999-2000 to 2006-2007, the proportion of female working “excessive” hours has been declined by 5.1 percentage points, but it increases by 0.7 percentage points in the period 2006-2007 to 2010-2011 (Table 2).

In the most recent survey year the proportion of male workers working “excessive” hours declined slightly, by 0.1 percentage points. In the agricultural sector, the reduction in “excessive” hours of work since 1999-2000 continued into 2010-2011. In trade it increased by 5.8 percentage point in the period 1999-2000 to 2006-2007 but it decreases from 2006-2007 to 2010-2011 by 2.6 percentage points (Table 2).

Despite recent gains in terms of employment and unemployment, the reviewed labour market indicators highlight the gender gap. Women continue to be underutilized in the economy and labour market as reflected in their overall participation, as well as in the distributions in terms of economic sector and status groups. In line with the trend since 1999-2000, the proportion of women in the status group of wage and salaried workers decreased in the recent survey years. Less than a quarter of all women are now in a salaried position, as compared to a third at the beginning of the decade (Table 2).

3. Analysis of Full and Productive Employment and Decent Work in Pakistan

The creation of “full and productive employment and decent work for all” is a major challenge in Pakistan. Between 1999-2000 and 2010-2011 high population growth and rising labour force participation account for an increasing labour force at an average annual growth rate of 3.8 percent. This growing labour force is an asset for Pakistan’s labour market, and if effectively utilized it could contribute significantly to economic development in the country, and would help to fulfill MDG goal 1b to “eradicate extreme poverty and hunger”.

General labour market trends regarding employment opportunities suggest that Pakistan’s labour force participation as well as employment and unemployment have changed in line with high economic growth rates in recent years, reflecting a strong absorptive capacity of Pakistan’s economy. However, decreasing unemployment and rising female labour force participation also indicate that the creation of employment opportunities is not one of the core issues in Pakistan’s labour market⁹ (Table 2).

When looking at additional aspects to draw a broader picture of existing labour market challenges, it is more the quality of employment that gives cause for concern. The 38.5 percent of the employed working “excessive hours” (50 hours or more) in 2010-2011 combined with the large proportion of people with no formal education (43.6 percent in 2010-2011) can be associated with high vulnerability, low productivity levels and poor remuneration in wide parts of the country’s labour market. Sectoral distribution of vulnerable employment and employment with no formal education is detailed in Table A2 & Figure 2.

The limited number of decent or quality jobs combined with a rapid growing labour force in Pakistan might become problematic especially for people who lack, skills, social networks and know-how, to market themselves as potential valuable wage and salaried workers. They could be left behind, joining the growing number of people who are forced to accept work under inferior conditions, or move into the informal economy.

Knowledge and skills can be seen as driving forces of economic growth and social development, since higher levels of educational attainment push productivity, increase levels of entrepreneurship and therefore improve the economic context of decent work.

The following section will analyse important indicators that have been selected to assess the progress made in the context of MDG target 1b. They will be used in conjunction with other common labour market indicators (including labour force participation, working hours, wages, and sectoral employment) in order to identify the key labour market challenges in Pakistan.

⁹ Especially women profited from the improvement in labour market performance. The female unemployment rate almost halved from 15.8 to 8.6 per cent while female labour participation increased from 16.3 to 21.3 percent, between 1999-2000 and 2006-2007 (Table 2)

Table 3: Population and Labour Force (millions)

Pakistan	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Total Population	136.0	145.8	148.7	155.4	158.2	163.7	167.2	170.3	174.4
Urban	43.0	47.4	49.7	52.1	52.5	54.9	56.1	57.3	58.5
Rural	93.0	98.4	99.0	103.3	105.7	108.8	111.1	113.0	115.9
Population (15+)	74.3	81.2	84.4	88.7	90.5	93.1	95.9	97.4	102.1
Punjab	46.3	47.7	48.5	50.8	52.2	54.2	55.9	56.8	59.0
Sindh	15.8	19.2	21.2	22.1	22.1	22.4	23.1	23.8	25.2
KPK	9.3	10.9	10.9	11.9	12.3	12.5	12.9	12.9	13.8
Balochistan	2.9	3.4	3.8	3.9	3.9	4.0	4.0	3.9	4.1
Labour force (15+)	37.5	41.0	42.8	47.0	47.5	48.8	50.9	52.2	54.5
Punjab	24.5	25.5	26.3	28.4	29.1	29.2	30.4	31.6	32.8
Sindh	7.4	9.1	9.9	11.0	11.0	11.7	12.3	12.6	13.3
KPK	4.3	4.7	4.8	5.5	5.4	5.9	6.1	6.0	6.3
Balochistan	1.3	1.7	1.8	2.1	2.0	2.0	2.1	2.0	2.1

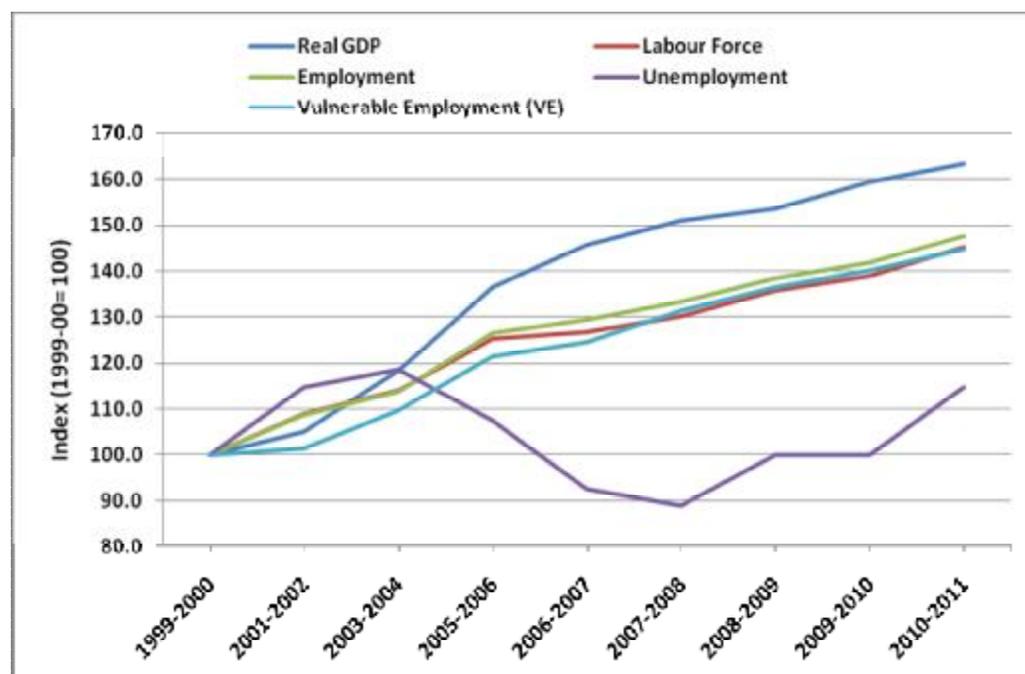
Source: PBS, various years, *Pakistan Labour Force Survey*

Table 4: Indices of the selected indicators (Index 1999-2000 = 100)

Year	Real GDP	Labour force	Employment	Unemployment	Vulnerable Employment (VE)	VE Agriculture	Labour Productivity (per hour worked)
1999-2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001-2002	105.1	109.1	108.6	114.8	101.4	93.8	97.5
2003-2004	118.3	114.1	113.8	118.5	109.6	101.4	103.6
2005-2006	136.5	125.3	126.7	107.4	121.5	113.8	108.4
2006-2007	145.8	126.9	129.6	92.6	124.7	118.6	113.5
2007-2008	151.1	130.1	133.3	88.9	131.5	125.5	114.9
2008-2009	153.7	135.7	138.5	100.0	136.5	132.4	113.1
2009-2010	159.5	138.9	142.0	100.0	140.2	135.2	113.5
2010-2011	163.3	145.3	147.7	114.8	144.7	138.6	112.9

Source: PBS, various years, *Pakistan Labour Force Survey* and *National accounts*

Figure 1: Selected indicators (Index 1999-2000=100)



3.1 Employment-to-Population Ratios for Persons Aged 15 years and above and Youth (age 15-24 years)

As an indicator, the employment-to-population ratio provides information on the ability of an economy to create jobs; it is often more insightful than the unemployment rate especially in a country like Pakistan, where hardly anyone can afford not to have a job. In statistical terms the employment-to-population ratio is defined as the proportion of the working population that is employed. (The youth employment-to-population ratio is the proportion of the youth population- persons 15-24 years- that is employed).

Although a high overall ratio is typically considered “good”, the indicator alone is not sufficient to assess all dimensions of decent work or decent work deficits. Employment-to-population ratios do not provide any information on labour market problems such as low earnings, underemployment, poor working conditions, or the existence of a large informal sector. Therefore, the analysis of employment-to-population ratios must be done in conjunction with other indicators that give more insights of the quality of employment.

In line with a growing labour force participation rate, employment to population ratios steadily increased over the last decade for the working population aged 15 years and above, reflecting high population growth as well as the government’s efforts to create more employment opportunities in the country. Nevertheless, the employment-to-population ratio (EPR) in Pakistan is relatively low when compared to the rest of the world, although it has increased by 3.6 percentage points since 1999-2000 (Table 2 and Table 5).

When comparing with regional estimates, the male EPR in Pakistan for the age group of 15 years and above is close to the average in South Asia in recent years, but the difference in the female EPR between Pakistan and South Asia is more than 15 percentage points. In comparison with the East Asian female EPR, this gap is more than 40 percentage points.

Disaggregated, employment-to-population ratios in Pakistan reveal major gender biases in the country's labour market activities. Although, the gender gap narrowed significantly by 8.5 percentage points until 2010-2011, the trend seems to have slowed down in recent year. In 2010-2011, female employment-to-population ratios were still almost four times lower than the males (Table 5).

For youth, the employment-to-population ratios also increased steadily between 1999-2000 and 2009-2010, but it decreases in 2010-2011 (39.6 percent). In recent years, this ratio for young females is in increasing trend, while the ratio for young males continuously decreasing. This reversing trend in line with the declining unemployment rates¹⁰ for youth is positive, as it reflects the higher participation of both young males and females (as share of their age group) in education, which means less young people are employed (not counted in the numerator) but still part of the population (in the denominator).

Attention should be paid to the relatively high employment-to-population ratios of almost 78.0 percent for men (15+) in 2010-2011, because this is indicating a high rate of low quality jobs. As main bread winners of most families in Pakistan, men have to work to make their and their families living, even if conditions are bad.

Table 5: Employment-to-population ratios by sex and age (%)

Pakistan	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
15 years & above									
Both sexes	46.8	46.5	47.0	49.7	49.8	49.9	50.3	50.7	50.4
Male	78.6	77.6	77.6	79.6	79.6	79.1	78.5	78.3	78.0
Female	13.7	13.6	15.6	19.0	19.4	19.9	21.0	21.9	22.2
15-24 years									
Both sexes	35.1	37.6	38.5	41.9	40.9	40.3	40.6	41.1	39.6
Male	61.6	61.8	62.7	66.1	64.2	62.3	61.4	61.3	59.5
Female	7.2	11.8	13.7	16.8	16.8	17.1	18.3	18.8	18.8
South Asia (15+)	2000		2004	2005	2006	2007	2008	2009	2010*
Both sexes	57.5		58.4	58.5	58.7	58.8	59.0	59.0	59.1
Male	79.6		79.8	79.8	79.7	79.5	79.6	79.2	79.1
Female	33.9		35.7	36.0	36.6	36.9	37.3	37.6	38.0
East Asia (15+)									
Both sexes	73.5		72.5	71.9	71.4	71.0	70.4	70.0	69.9
Male	79.2		78.4	77.8	77.2	76.8	76.1	75.7	75.6
Female	67.6		66.5	65.9	65.3	65.0	64.4	64.1	64.0

*2010 are preliminary estimates.

Source: PBS, various years, *Pakistan Labour Force Survey* and ILO, *Global Employment Trends, 2011*

¹⁰ Since 1999-2000, youth unemployment almost halved from 13.3 to 7.5 per cent in 2006-2007. See: *Pakistan Employment Trends for Youth* (Islamabad, MOL, May 2008), chapter 3.4.

3.2 Vulnerable Employment

Decent work or the quality of employment is what is of concern all over the world, especially in relation to fair globalization, productivity, economic growth and poverty reduction. It is assumed that as result of labour related vulnerabilities, people are socially weaker, as they cannot exercise their rights as citizens because of limited or missing rights as workers. They cannot provide a better future to their families, since they do not earn enough to make their living, and they cannot hope for income security, when they age as they do not have access to social protection. Labour market vulnerabilities can lead to a loss of self esteem, social exclusion, impoverishment, idleness, potential attraction to illicit activities and finally to feelings of frustration with their situation and to directing their frustration against the society that created it¹¹.

Vulnerable employment is based on the idea that true decent work could only be assured in a society that would allow labour market outcomes to provide equal opportunities and equitable incomes to various social groups, regardless of their age, sex, and biological attributes, social, ethnic or political backgrounds. This framework allows assessment of the labour market that goes beyond an exclusive focus on unemployment rates, which do not provide much insight beyond the fact that some parts of the population are not employed nor seeking work; this is inadequate to monitor all dimensions of decent work¹². Consequently, the ILO defines a vulnerable person as one who is vulnerable to working under inadequate conditions because of weak institutional employment arrangements, and therefore is under risk of lacking decent work.

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

In order to enhance decent work in Pakistan, vulnerable groups or individuals on the labour market need to be identified and monitored. The question is how this can be done in quantitative terms, while most of the dimensions are of qualitative nature? Due to shortages in the availability of comprehensive statistics in many countries, the indicator of vulnerable employment is a proxy measured as the proportion of own-account workers and contributing family workers, in total employment.

It is presumed that the categories of own-account workers and contributing family workers are likely to be weak, as such worker are more likely to (1) lack contractual arrangements which can lead to a lack of job security and (2) lack the degree of social protection and social safety nets that govern wage and salaried worker and are

¹¹ ILO, *Global Employment Trends for Youth*, 2010

¹² R. Hussmanns, F. Mehran and V. Verma: Surveys of economically active population, employment, unemployment and underemployment: An ILO manual on Concepts and Methods (Geneva, ILO, 1990), p 44.

therefore not likely to benefit from social security, health or unemployment coverage¹³.

As mentioned before, Pakistan's labour market is undergoing structural changes that are reflected in employment shifts away from agriculture to the industrial and service sectors. These shifts are accompanied by changes in the employment status of the currently economic active population aged 15 years and older. Hand in hand with industrialization, the share of workers in wage and salaried employment increased from 35.9 to 38.3 percent in duration 1999-2000 to 2006-2007 but decreased to 1.4 percentage points in duration 2006-2007 to 2010-2011.

Table 6 shows cross-tabulations of employment by sector and vulnerability status. It can be seen that, in line with structural transformation of the labour market, the share of vulnerability across all sectors decreased by 2.5 percentage points between 1999-2000 and 2006-2007, and in the case of males by 5.2 percentage points. However, vulnerability across all sectors increases by 1.0 percentage point between 2006-2007 and 2010-2011. At the same time vulnerable employment of females increased by 11.6 percentage points since 1999-2000, mainly due to a large number of women, who newly entered the labour market to work primarily as contributing family workers in the agricultural sector, which provides the vast majority of jobs to them. In 2010-2011, 7 out of 10 women (74.2 percent) worked in agriculture, predominantly in subsistence-level farming under harsh conditions and with little or no economic security. The share has slightly decreased over time (from 73.7 in 1999-2000 to 71.4 percent in 2006-2007). The move of male workers away from agriculture has occurred at a much quicker pace.

Apparently, men benefit more from improvements in the employment status and sectoral distribution. In 2010-2011, the share of men with a wage and salaried job was with 41.2 percent almost double the share of 21.6 percent for females, reflecting a situation, in which the few wage and salaried jobs that are created tend to go to men rather than women. As one can expect, the positive development for men, which makes up an overwhelming majority of total employment, reduced vulnerable employment during this process. In the case of women, recent industrialization in the country resulted primarily in increases of labour market vulnerabilities. Women in Pakistan, who want to work, often have no other choice than accepting vulnerable working conditions, although they are less viable given the necessity to earn some income.

The further breakdown by economic sectors shows that vulnerability decreased especially in sectors, which generated a large number of jobs over the last couple of years. This is true for wholesale and retail trade. It also declined in small sectors such as electricity, gas, water and construction. However in transport, services, and in particular real estate and business activities, vulnerability increased¹⁴.

¹³ International Labour Office (ILO). 2011. *Key Indicators of the Labour Market*, Fifth Edition, International Labour Office, Geneva

¹⁴ *ibid.*

Table 6: Share of vulnerable employment by sector (%)

Sectors	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008
Agriculture						
Both sexes	87.1	87.6	89.0	90.0	90.9	91.7
Male	89.5	89.9	90.8	90.0	90.9	91.5
Female	78.6	79.2	84.1	90.0	91.0	92.1
Mining						
Both sexes	5.7	6.5	15.8	5.4	13.6	8.0
Male	6.1	6.7	16.8	5.5	13.7	8.1
Female	0.0	0.0	0.0	0.0	0.0	0.0
Manufacturing						
Both sexes	35.5	31.7	31.8	31.1	28.1	30.1
Male	34.0	28.6	26.5	25.8	24.5	26.6
Female	50.6	49.9	56.9	52.9	45.7	46.7
Electricity, gas and water						
Both sexes	2.0	0.2	4.2	0.6	0.8	1.4
Male	2.0	0.2	4.2	0.6	0.7	1.4
Female	0.0	0.0	0.0	0.0	12.5	0.0
Construction						
Both sexes	9.6	5.6	7.1	7.3	7.0	5.6
Male	9.6	5.5	7.1	7.3	6.7	5.5
Female	8.7	25.1	13.1	10.2	26.7	22.8
Wholesale and retail trade						
Both sexes	82.3	78.0	78.1	77.4	78.3	79.1
Male	82.0	77.9	77.9	77.2	77.9	78.9
Female	94.1	86.4	89.9	83.2	90.6	87.3
Transport and communication						
Both sexes	35.8	34.7	39.0	38.3	42.6	39.6
Male	35.9	34.8	39.0	38.4	42.7	39.8
Female	17.1	31.3	28.7	25.6	28.4	32.4
Finance						
Both sexes	21.2	26.7	40.9	38.8	43.0	38.8
Male	21.2	26.4	41.0	39.5	43.3	39.3
Female	22.1	54.6	31.7	18.4	30.9	26.5
Social services						
Both sexes	24.8	24.3	25.5	25.2	24.1	24.8
Male	26.5	26.6	27.8	27.2	26.4	26.8
Female	15.1	12.9	14.8	16.2	13.3	13.9
Other						
Both sexes	95.8*	0.0	3.9	1.2	1.2	0.0
Male	95.8*	0.0	3.9	1.2	1.3	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0
All sectors						
Both sexes	63.1	58.7	60.6	60.6	60.6	61.9
Male	62.5	58.1	59.0	57.7	57.3	58.2
Female	66.7	62.6	68.4	73.3	74.6	77.1

* Large shares are results of low response rates for the indicated categories.

Table 6: Share of vulnerable employment by sector (%) (contd.)

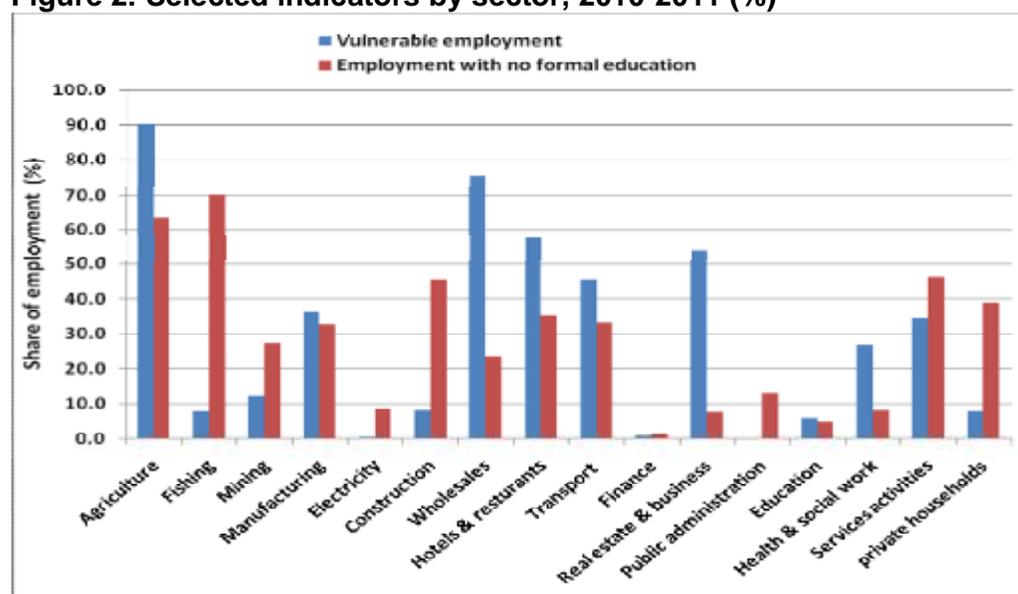
Sectors	2008-2009	2009-2010	2010-2011
Agriculture			
Both sexes	92.1	92.1	90.4
Male	91.6	91.4	89.5
Female	93.1	93.2	91.9
Fishing			
Both sexes	13.1	34.7	8.0
Male	11.8	34.2	7.5
Female	100.0	71.5	100.0
Mining			
Both sexes	10.4	20.0	12.3
Male	10.6	18.9	12.3
Female	0.0	81.3	0.0
Manufacturing			
Both sexes	33.5	34.9	36.3
Male	28.8	29.8	30.8
Female	53.9	58.8	62.3
Electricity, gas and water			
Both sexes	0.6	0.5	0.5
Male	0.6	0.2	0.1
Female	0.0	19.5	17.5
Construction			
Both sexes	6.9	7.2	8.1
Male	6.8	7.2	8.0
Female	14.3	16.9	15.9
Wholesale and retail trade			
Both sexes	75.4	76.4	75.2
Male	75.5	76.1	74.9
Female	88.2	86.9	89.0
Hotels and restaurants			
Both sexes	52.2	51.8	57.2
Male	51.5	51.7	56.9
Female	79.9	53.2	63.7
Transport and communication			
Both sexes	41.1	43.6	45.8
Male	41.3	43.8	45.8
Female	11.8	23.1	27.0
Finance			
Both sexes	2.1	1.2	1.1
Male	2.2	1.2	1.1
Female	0.0	0.0	0.0
Real estate and business activities			
Both sexes	51.6	54.2	53.8
Male	51.8	54.5	54.1
Female	41.8	36.4	37.0
Public administration			
Both sexes	0.4	0.9	0.3
Male	0.4	0.8	0.3
Female	0.0	1.1	0.0
Education			
Both sexes	4.5	5.3	5.6
Male	2.7	3.4	3.5
Female	8.2	8.8	9.2
Health and social work			
Both sexes	30.4	26.1	26.9
Male	36.7	30.8	32.6
Female	13.4	12.9	11.8
Other community, social and personal services activities			
Both sexes	46.2	35.9	34.5
Male	50.0	39.9	39.4
Female	26.1	21.4	19.0

Table 6: Share of vulnerable employment by sector (%) (contd.)

Sectors	2008-2009	2009-2010	2010-2011
Activities of private households			
Both sexes	19.9	13.7	8.0
Male	30.8	10.7	11.5
Female	7.1	23.1	0.0
Extraterritorial organizations and bodies			
Both sexes	0.0	0.0	0.0
Male	0.0	0.0	0.0
Female	0.0	0.0	0.0
All sectors			
Both sexes	61.9	62.2	61.6
Male	58.0	57.7	57.0
Female	77.3	79.0	78.3

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

Figure 2: Selected indicators by sector, 2010-2011 (%)



The large increase in vulnerability in the hotels and restaurants sector is most likely reflecting an increase in own account workers engaged in entrepreneurial activities, characterized by growth potential, different to own-account workers, engaged in subsistence activities. This demonstrates well the desired sensitivity of results, when assessing vulnerability just with the help of the status of employment indicator and the exclusive focus on own account and contributing family work. The concept is widely accepted but can be misleading in two ways:

(1) People at “risk of lacking decent work” are very often poorly skilled and do not bring the required qualifications, needed to follow the classic economic development with shifts in employment from the agricultural sector into industry and service sectors, accompanied by increases in decent work opportunities. But own account work as such is not always vulnerable work. It has a highly heterogeneous status, often consisting of a mix of subsistence and entrepreneurial activities that can be

found in all sectors, even in high-level jobs, where marketable skills are required like in Pakistan's finance sector. A key challenge in identifying vulnerable groups in the labour market is to find out how to distinguish between these two groups of activities.

(2) The indicator of vulnerability insinuates wage and salaried work as equal to decent work. This is of course not the case and even more so in a country like Pakistan, where almost half (45.8 percent in 2010-2011) of the wage and salaried workers are irregularly paid employees with unfixed wages and salaries, who are likely to fall short of decent work objectives in terms of protection against dismissal, social protection or rights at work. (Table 7, Figure 3)

Regardless of the complexity of vulnerability concepts and the slight differentiations, which are likely to occur when measuring it, in 2010-2011 roughly six out of ten employed people in the country (61.6 percent) were at "risk of lacking decent work". Surprisingly, vulnerable employment among youth (61.0 percent) is significantly lower than among adults (61.9 percent). This can be partly explained by increasing enrolment in education (Annex Table A3 and A9).

Table 7: Share in Status Group of Wage and Salaried Employment (%)

Employment Status	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Total wage and salaried employment									
Both sexes	35.9	40.4	38.5	38.4	38.3	37.1	36.8	36.5	36.9
Male	36.4	40.9	39.8	41.2	41.5	40.6	40.5	40.7	41.2
Female	33.1	37.1	31.5	26.6	25.1	22.9	22.6	20.8	21.6
Regular paid employees with fixed wage rate									
Both sexes	51.7	49.1	50.8	55.5	52.8	54.9	55.1	53.2	54.2
Male	54.4	50.7	52.3	57.1	54.2	56.5	56.1	54.3	55.4
Female	34.0	38.4	41.4	45.2	43.5	42.9	48.1	44.8	46.5
Casual paid employee									
Both sexes	25.5	26.2	27.7	26.3	26.8	25.7	27.7	29.4	28.7
Male	26.5	28.7	29.8	27.8	28.6	27.4	29.9	31.2	30.7
Female	18.8	10.0	14.2	16.2	14.0	12.9	12.7	16.4	15.7
Paid worker by piece rate or work performed									
Both sexes	21.9	23.6	20.7	17.4	19.6	18.9	16.5	16.8	16.3
Male	18.1	19.5	17.1	14.3	16.4	15.5	13.3	13.8	13.2
Female	46.9	51.3	44.2	38.2	42.1	43.9	38.9	38.7	37.6
Paid non-family apprentice									
Both sexes	0.9	1.0	0.7	0.8	0.7	0.6	0.7	0.6	0.7
Male	1.1	1.1	0.8	0.9	0.8	0.6	0.7	0.6	0.8
Female	0.2	0.4	0.2	0.5	0.5	0.3	0.2	0.2	0.2

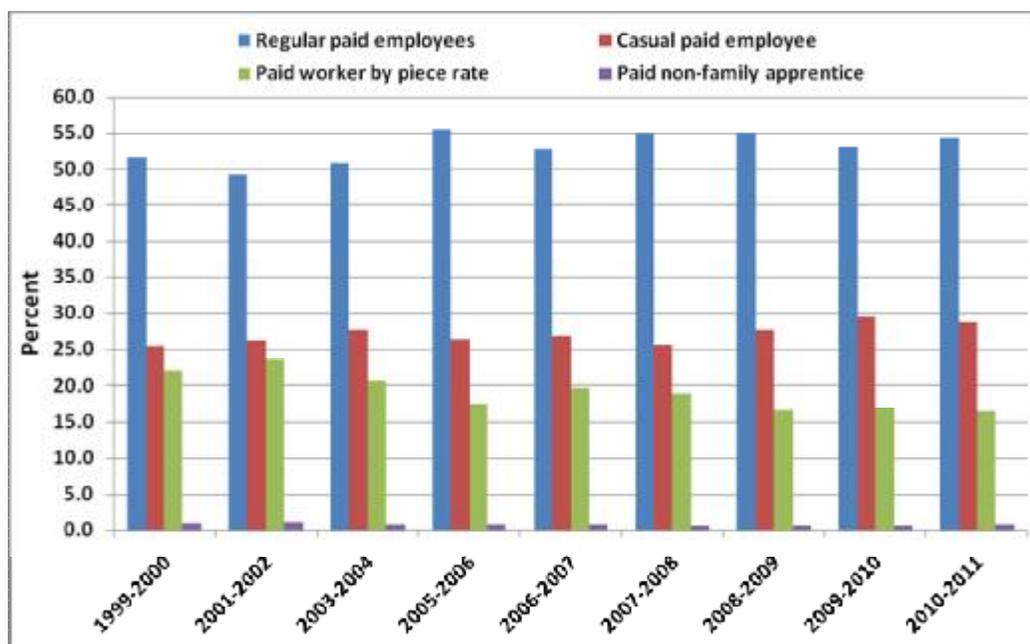
Source: PBS, various years, *Pakistan Labour Force Survey*

Furthermore, the analyses highlight that the structural changes in Pakistan's labour market are combined with changes in both, conditions of employment and conditions of work. Many of these changes like the trend towards more wage and salaried

employment for men in the industry and service sector, as well as a steady increase in female labour force participation; reinforce the need to promote greater investment in skills and training, so that men and women have enhanced and equal access to productive and decent work. In short these changes alongside with other economic measures towards competitiveness have a significant impact on labour productivity.

Pakistan’s recent labour market trends underline the need for human resource development as prerequisite to overcome labour market vulnerabilities, and therefore to support “*full and productive employment and decent work for all*”. As side effect of recent developments, the growing needs for marketable skills in Pakistan tend to widen the gap between the “working-rich” and the “working-poor”.

Figure 3: Share in status group of wage and salaried employment (%)



3.3 Labour Productivity

Economic growth in a country or sector can be ascribed either to increased employment or to more effective work by those who have to. The latter effect can be expressed through statistics on labour productivity. Labour productivity (representing the amount of output per unit of input) is a vital determining factor in the competitiveness of both, national economies and individual enterprises. Its growth is essential for creating quality jobs, since increased labour productivity can lead to higher wages, better working conditions, and more investment in human resources. It therefore provides a sustainable route out of poverty. There are strong linkages between vulnerable employment and labour productivity. Like mentioned before, working poor do not suffer from an absence of work, but rather from low productivity and resulting low remuneration, which they receive for their labour.

Conceptually, there are a number of ways of measuring labour productivity. The most common is to measure the output per worker in a country or economic sector, either as gross value added “per person employed” or gross value added “per hour worked”. Both methods provide an indication of productivity growth, but the “per hour” measure does have advantages especially in a country like Pakistan, with 85.8 percent (in 2010-2011) of the employed working more than the 35 hours, which are considered as full-time work (Annex Table A6).

The “per worker” measure has the disadvantage, that it can be easily affected by changes in the employment composition. For example, if there is a move to increased working time in a certain sector, through a mismatch of skill supply and demand, one could have a scenario whereby employment increased moderately in line with the move away from employment in agriculture into industry and service sectors, but total hours worked in the sectors grew at a much faster pace. A “per worker” measure of productivity would suggest that output per worker increased; by comparison, the “per hour” measure would accurately say that labour productivity decreased.

Labour productivity in this chapter corresponds to the gross value added “per hour worked”¹⁵, and is presented in the national currency (Pakistani Rupee) at constant factor cost, which is the total production value minus the value of intermediate inputs, such as raw materials, semi finished products, services purchased and energy inputs in constant prices. Value added, called “gross domestic product” (GDP) in the national accounts, represents the compensation for input of services from capital (including depreciation) and labour directly engaged in production¹⁶.

Over the last decade Pakistan experienced very low productivity, irrespective of whether it is measured as output “per hour worked” or “per worker”. The percent change in labour productivity “per hour worked” and “per worker” both increased by 6.0 and 13.6 percent respectively in the period 1999-2000 to 2006-2007, however both measures decreases by 0.3 and 1.6 percent in the period 2006-2007 to 2010-2011. In addition, this change has not gone hand in hand with percentage change in employment (41.7 percent) between 1999-2000 and 2006-2007, and (7.6 percent) between 2006-2007 and 2010-2011. This development is somehow worrying, as it

¹⁵ Refers to the average annual hours actually worked (calculated on the base of the LFS)

¹⁶ See: International Labour Office (ILO). 2011. Key Indicators of the Labour Market, Fifth Edition, International Labour Office, Geneva

suggests that many new labour market entrants are taking on low-productive work, which is very often not decent as well. Since labour productivity is a key ingredient for sustainable poverty reduction, it raises concerns that the number of poor and working poor in the country might increase (Figure 4).

Striking differences emerge when looking at the recent labour market performance, in terms of both, employment and labour productivity improvements, by economic sector. For example: percentage change in labour productivity “per hour worked” and “per worker” decreased by 110.6 and 41.9 percent respectively in the electricity, gas and water sector, whereby employment in this sector grew by 53.0 percent in the period 1999-2000 and 2006-2007, however opposite trend has been observed in the period 2006-2007 and 2010-2011. The same contrary movements in employment and labour productivity can be found in mining, wholesales and retail, finance, as well as in construction, (Table 8, Figure 4) where labour productivity (output per hour worked) declined while employment grew at the same time.

Table 8: Selected indicators by sector from 1999-2000 to 2010-2011 (%)

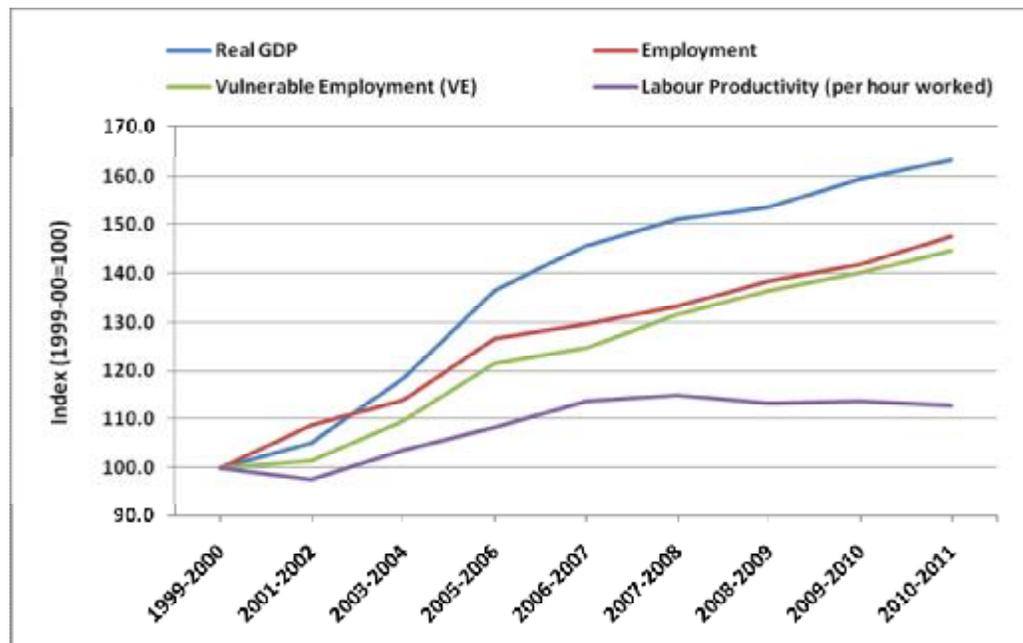
Sector	Change in Employment (%)		Change in GDP value added (%)*		Change in Labour Productivity (%) (output per worker)*		Change in Labour Productivity (%) (output per hour)*	
	2006-07 from 1999-00	2010-11 from 2006-07	2006-07 from 1999-00	2010-11 from 2006-07	2006-07 from 1999-00	2010-11 from 2006-07	2006-07 from 1999-00	2010-11 from 2006-07
	All sectors	41.7	7.6	45.8	9.4	13.6	-1.6	6.0
Agriculture	24.6	11.4	23.1	5.7	9.1	-9.3	4.1	-2.3
Mining	123.8	51.8	63.2	6.1	-19.5	-33.7	-305.2	-349.8
Manufacturing	69.7	9.2	89.0	6.7	23.0	-4.9	10.6	-3.1
Electricity, gas and water	53.0	-32.0	-19.5	42.9	-41.9	56.6	-110.6	83.0
Construction	62.4	13.6	54.0	7.8	4.6	-9.6	-1.1	-0.5
Wholesales and retail trade	53.9	19.8	42.7	8.6	2.3	-11.1	-1.0	-5.1
Transport and communication	54.5	1.8	29.6	10.5	-7.5	3.9	-9.7	2.7
Finance	99.2	34.0	129.9	-8.9	27.4	-39.8	-22.9	-196.3
Social services	46.9	-17.6	243.9	20.7	158.4	51.1	6.1	31.2

Source: PBS, various years, *Pakistan Labour Force Survey* and *National Accounts*

* constant Pakistan Rupee for the year 1999-2000

These trends highlight quite well the rise of low productive employment in the country, and point at widespread low quality jobs created in a number of non-agricultural sectors. The movement of workers from low productivity employment to industry and services is not an automatic development process. Its speed and extent reflects both the incentive and the ability of workers to move toward higher productivity sectors, which are most often also the once with the modern state of the art production processes.

Figure 4: GDP, employment and labour productivity (Index 1999-00=100)



Pakistan's high demand for skilled labour, especially in high technology sectors, with significant economic growth but limited supply of qualified workers, is reflected in long working hours for the ones who are employed and skilled enough, to work in these sectors, in order to fully utilize the capacities of modern technology.

Figure 5, demonstrates well that in sectors with high proportions of workers with more than matric education, labour productivity is due to excessive working hours of the employed still very low. For example, this is the case in finance as well as in wholesale and retail trade and service sectors¹⁷.

Encouraging are the improvements in labour productivity (output per hour worked) in manufacturing (+10.6 percent change) and services (+6.1 percent change) in the period 1999-2000 to 2006-2007, where services increases by 31.2 percent in the period 2006-2007 to 2010-2011 but manufacturing decreases by 3.1 percent in the same period (Table 9). Like mentioned before, Pakistan is facing changes in the structure of employment, which are going hand in hand with shifting away from relatively low-productivity agricultural jobs towards higher value added industrial or service sector jobs. Such jobs require highly qualified workers¹⁸. With higher labour productivity in industry and services sectors one could also expect improved wages, since low incomes are often synonymous with poor working conditions, a lack of social protection and an absence of benefits such as sick leaves and paid holidays.

In the context of a globalizing world, a key factor for productivity growth is the availability of workers with appropriate skills (Box 5) and investments in modern technologies. Without inadequate education and skills of the labour force, Pakistan

¹⁷ The finance and service sectors depend highly on new Information and Communication Technology (ICT)

¹⁸ Pakistan Employment Trends for Youth (Islamabad, MOL, May 2008)

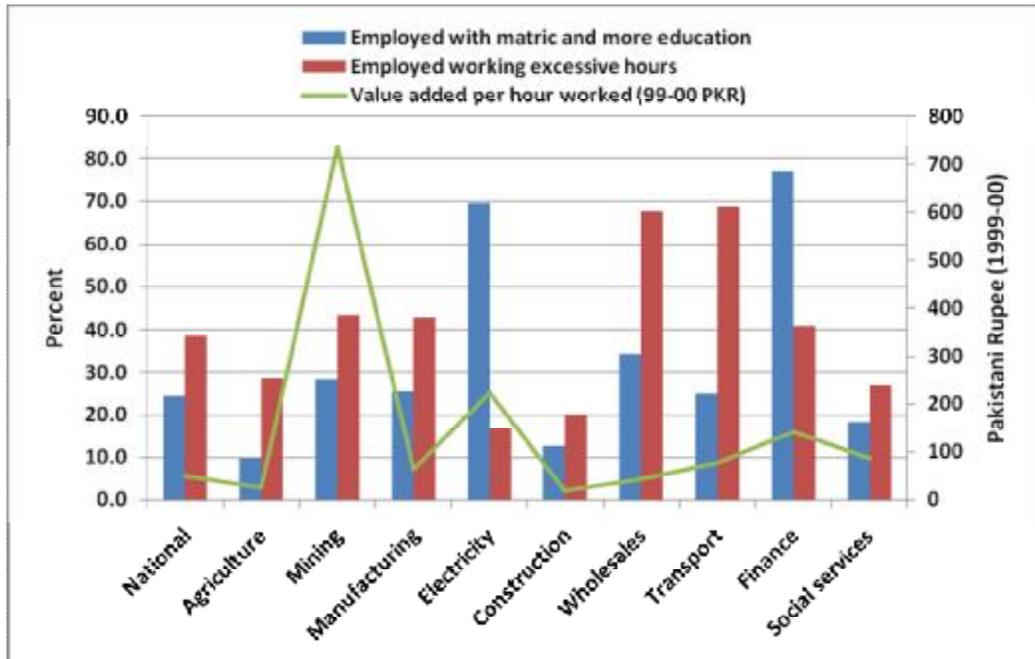
will keep trapped in a vicious circle of low education, low productivity and low incomes, which makes it hard for the people to escape poverty. The upgrading and enhancement of skills as well as improved access to skills for women and men, no matter which age, are a necessity to enter a virtuous circle of higher productivity, employment, incomes growth, and development.

Table 9: Labour productivity "per hours" worked, by sector (constant factor cost in PKR)

Pakistan	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
All sectors	44.3	43.2	45.9	48.0	50.3	50.9	50.1	50.3	50.0
Agriculture	24.8	26.7	26.6	28.1	28.9	28.1	28.3	27.3	26.6
Mining	1389.3	1421.7	1855.0	1129.6	1084.1	1022.4	950.7	1176.5	734.3
Manufacturing	56.5	49.6	56.8	63.4	67.1	71.8	65.7	65.9	64.0
Electricity, gas and water	250.7	157.9	249.6	155.8	140.1	112.1	170.8	172.9	223.1
Construction	19.5	17.4	15.7	17.2	18.4	18.7	15.1	18.7	17.9
Wholesales and retail trade	50.1	45.3	48.0	47.2	49.1	49.6	42.0	43.4	44.0
Transport and communication	84.9	70.7	73.7	68.3	75.2	74.6	77.1	77.6	77.9
Finance	360.2	314.6	248.7	317.7	337.3	200.8	165.2	149.4	141.0
Social services	49.6	45.9	50.1	53.5	55.7	59.7	76.8	79.3	86.9

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

Figure 5: Labour productivity and skills, 2010-2011 (%)



Box 5
Skills for full and productive employment and decent work

“Skills are the most important determinants of a countries capacity to compete in world markets and to make use of technological advances.”

The ILO Resolution of 2000 concerning human resources training and development recognized that “Education and training are a means to empower people, improve the quality and organization of work, enhance citizens’ productivity, raise workers’ incomes, improve enterprise competitiveness, and promote job security and social equity and inclusion”. Education and training (skills) are therefore a prerequisite to access and establish decent work. For example, the right to work itself depends on worker’s quality of skills and training. Productive work is essential for the well being of workers, their families and society as a whole. A well trained worker is more likely to be an empowered person in the workplace. Similarly a trained worker is expected to enjoy better terms and conditions and is more likely to hold collective negotiation and social dialogue.

Sources: ILO, 2011, Key indicators of the Labour Market, Fourth Edition, International Labour Office, Geneva and Skills and Employability Department: International Labour Organization.
<http://www.ilo.org/public/english/employment/skills/index.htm>

4. Summary and Conclusions

The preceding chapters of the report reflect the challenges Pakistan faces, in order to achieve “*full and productive employment and decent work for all including women and young people*” as main route out of poverty.

There is no doubt, progress has been made over the last decade towards achieving target 1b, but some challenges like the significant imbalances in Pakistan’s labour market persist, and are evident among economic sectors, employment structure and productivity levels. It is well known, that economic development does not automatically lead to improvements in the quality of work and consequently to poverty reduction. For that reason, employment and labour market concerns need to be central to macroeconomic policies, so as to ensure that economic progress is inclusive and does not lead to rising inequalities. Only if Pakistan’s labour market is used to make growth inclusive, it will be possible, to make the progress toward achieving MDG goal 1 sustainable.

The *Pakistan’s Employment Trends* alludes to identifies several issues that deserve closer attention by policy makers. A brief to this assessment is given below.

1. With almost six out of ten people in vulnerable employment situations, there is evidence that the decent work deficits in Pakistan are immense. Special attention needs the large share of female vulnerability (78.3 percent) in 2010-2011. Also of concern is the large share of youth vulnerability (61.0 percent). Although, often better skilled than the rest of the labour force, young people seem to face similar labour market difficulties as adults.
2. The movements of workers from low productivity employment to industry and services are not resulting automatically in a development process. Its speed and extent reflects both, the incentive and the ability of workers, to move toward higher productivity sectors. Better labour market information, regarding skill demand, job opportunities and provision of training for jobs available in various sectors, could accelerate the process.
3. While competitiveness is crucial for growth and development, especially in a globalizing world, productivity improvements should not be pursued through low cost labour. For a qualified and spirited labour force in the years to come, equal investment in education and technical vocational training for women and men is needed in order to achieve full and productive employment for all, in Pakistan.
4. It is apparent that Pakistan faces a special gender challenge. The analyses point to several persisting gender gaps, which need to be closed, in order to fully utilize Pakistan’s labour potential. The gender issue as a cross cutting theme needs to be strengthened in policies, in order to improve the situation for women in the labour market with regard to labour market access and quality of jobs.

5. Further, innovative policies may be devised to support youth, promote culture of entrepreneurship and, to transform burgeoning population into demographic dividend in the pursuit of population growth.

Taking all the above mentioned factors into account, it becomes clear that Pakistan features a vast and untapped labour potential. Particularly, women and youth do not have equal chances to participate in the labour market.

The utilization of the labour potential and promotion of decent work agenda in the country could be the key to sustainable growth and poverty reduction. The analyses of this report suggest that Pakistan's economic growth and development could benefit if everyone would have access to decent work.

Annex I

Improving Data on Decent Work

Reliable statistical information is vital to achieve decent work. However, most countries in Asia and the Pacific lack such information. This is mainly because the traditional focus of data collection has been on employment and unemployment, while information on rights at work, social protection, and voice and representation are very limited. The ILO has therefore launched an initiative to identify and measure a set of Decent Work Indicators (DWI).

A task force on Decent Work Indicators was set up in the Asia-Pacific region to assess the availability of basic information for the construction of DWI for the countries in the region; establish a regional DWI database; and provide technical advice and support to countries to develop national data compilation capacity.

The Decent Work Indicators are neither intended nor possible to be used as cross-country comparative indices. They are a tool for each of the countries to promote decent work, as defined within their specific economic and social contexts. The DWI are grouped under the four aspects of decent work, which are rights at work, employment, social protection and social dialogue¹⁹.

The task force identified an initial core set of 23 DWI that would be developed for the region, and also selected an initial list of countries for technical assistance to develop and compile DWI.

Eight DWI country reports were subsequently completed in the region (in Bangladesh, Cambodia, India, Indonesia, the Islamic Republic of Iran, Pakistan, Sri Lanka and Vietnam) to examine availability, definitions used and applicability of the 23 DWI within the national context. The initial set of DWI was modified following the findings of the country reports and took on its current state. (See: Box A1)

In addition to information on the different aspects of decent work, it is also important to have statistics providing supplementary information on the social context of countries such as migration, poverty, income inequality, participation in micro-insurance and income support schemes, depending on the availability and relevance of the data in each country.

Each country involved in the DWI program is preparing an inventory of data sources for DWI. This will be followed by data compilation from available statistical sources such as surveys, publications, reports, and administrative records. In addition, some countries have decided to collect parts of the data for DWI through redesigned labour force surveys²⁰.

¹⁹ ILO, Labour and social Trends in Asia and the Pacific, Bangkok

²⁰ See: ILO, Labour and social Trends in Asia and the Pacific, Bangkok 2006 and Decent work indicators for Asia and the Pacific: a guidebook for policy-makers and researchers, ILO, Regional Office for Asia and the Pacific, Bangkok: ILO, 2008

List of Decent Work Indicators

Box A1

Decent Work Indicators for Asia and the Pacific

Rights at work

1. Child labour
 - 1a. Economically active children aged 10-14
 - 1b. Child school non-enrolment rate 5-14 years (from UNESCO)
2. Women in the workplace
 - 2a. Female share of employment by 1-digit ISCO
 - 2b. Female share of employment by 1-digit ISIC
 - 2c. Gap between female and male labour force participation rates
3. Complaints/cases brought to labour courts or ILO

Employment

4. Labour force participation rate
5. Employment-to-population ratio
6. The working poor
7. Wages
 - 7a. Number and wages of casual/daily workers
 - 7b. Manufacturing wage indices
8. Unemployment
 - 8a. Total unemployment rate
 - 8b. Unemployment by level of education
9. Youth unemployment
10. Youth unemployment
 - 10a. Youth inactivity rate
 - 10b. Youth not in education and not in employment
11. Time-related underemployment
12. Employment by status of employment and branch of economic activity
13. Labour productivity
14. Real per capita earnings (from national accounts)

Social protection

15. Informality and social protection
 - 15a. Informal employment
 - 15b. Social security coverage (for wages and salary earners)
16. Rates of occupational injuries (fatal/non-fatal)
17. Hours of work
 - 17a. Usual hours of work (in standardized hour bands)
 - 17b. Annual hours worked per person

Social dialogue

18. Trade union membership rate
19. Number of enterprises belonging to employer organizations
20. Collective bargaining coverage rate
21. Strikes and lockouts: Rates of days not worked

Source: Reproduction of Box 1.2 in: *Decent work indicators for Asia and the Pacific: a guidebook for policy-makers and researchers*, ILO, Regional Office for Asia and the Pacific, Bangkok: ILO, 2008

Annex II

Table A1: Employment-to-population ratios by province and age (%)

	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
15 years & above									
Pakistan	46.8	46.5	47.0	49.7	49.8	49.9	50.3	50.7	50.4
Punjab	48.8	49.2	50.4	52.7	52.9	51.1	51.3	52.6	52.5
Sindh	45.2	44.9	44.1	47.5	48.2	50.9	51.6	50.7	50.0
KPK	40.6	37.6	38.3	40.5	39.4	43.1	43.3	42.1	42.2
Balochistan	43.4	45.1	44.1	51.5	51.2	49.4	50.4	50.7	49.4
Youth (15-24 years)									
Pakistan	35.1	37.6	38.5	41.9	40.9	40.3	40.6	41.1	39.6
Punjab	37.6	40.7	41.9	44.9	43.7	41.4	41.2	42.3	41.8
Sindh	32.0	35.7	35.7	40.0	40.2	42.0	43.2	42.6	40.1
KPK	29.1	28.5	30.8	33.0	30.3	32.8	33.3	32.4	29.9
Balochistan	30.5	34.1	33.0	44.7	42.9	40.4	42.9	43.1	39.9

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

Table A2: Selected indicators of employed by sector, 2010-2011 (%)

Sector	Vulnerable employment	Employment with no formal education
All sectors	61.6	43.6
Agriculture	90.4	63.4
Fishing	8.0	70.1
Mining	12.3	27.4
Manufacturing	36.4	32.9
Electricity, gas and water	0.5	8.7
Construction	8.1	45.8
Wholesales and retail trade	75.2	23.7
Hotels and restaurants	57.2	35.3
Transport and communication	45.8	33.3
Finance	1.1	1.6
Real estate and business activities	53.8	7.6
Public administration	0.3	13.1
Education	5.6	4.8
Health and social work	26.9	8.2
Other community, social and personal services activities	34.5	46.4
Activities of private households	8.0	38.9
Extraterritorial organizations and bodies	0.0	0.0

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

Table A3: Vulnerable employment by age group and sex (% and million)

	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Percent									
15 years & above									
Both sexes	63.1	58.7	60.6	60.4	60.6	61.9	61.9	62.2	61.6
Male	62.5	58.1	59.0	57.5	57.3	58.2	58.0	57.7	57.0
Female	66.7	62.6	68.4	73.0	74.6	77.1	77.3	79.0	78.3
15-24 years									
Both sexes	60.0	55.8	59.1	59.1	58.1	60.3	60.9	61.4	61.0
Male	60.1	55.5	57.5	56.4	54.9	57.4	57.7	56.8	56.1
Female	59.1	57.3	66.2	70.4	71.1	71.5	72.5	77.6	77.1
25 years & above									
Both sexes	64.1	59.8	61.2	60.9	61.7	62.6	62.2	62.5	61.9
Male	63.3	59.0	59.6	57.9	58.3	58.5	58.1	58.0	57.3
Female	68.4	64.8	69.4	74.2	76.2	79.5	79.4	79.6	78.8
Million									
15 years & above									
Both sexes	21.9	22.1	24.0	26.7	27.4	28.7	29.9	30.7	31.6
Male	18.6	18.8	19.5	20.6	20.9	21.7	22.2	22.5	22.8
Female	3.3	3.3	4.5	6.1	6.5	7.0	7.7	8.2	8.8
15-24 years									
Both sexes	5.2	5.9	6.7	7.8	7.6	7.9	8.4	8.5	8.6
Male	4.7	5.0	5.4	6.0	5.7	6.0	6.2	6.2	6.1
Female	0.5	0.9	1.3	1.8	1.9	1.9	2.2	2.3	2.5
25 years & above									
Both sexes	16.7	16.2	17.2	18.8	19.7	20.7	21.5	22.1	23.0
Male	13.9	13.8	14.1	14.6	15.1	15.6	16.0	16.2	16.8
Female	2.8	2.4	3.1	4.2	4.6	5.1	5.5	5.9	6.2

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

Table A4: Percentage distribution of employed by sector and sex

Sector	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008
Agriculture						
Both sexes	47.8	41.1	41.8	41.6	42.0	42.8
Male	43.4	37.2	37.0	35.6	35.0	35.3
Female	73.7	64.5	66.6	67.7	71.4	73.8
Mining						
Both sexes	0.1	0.1	0.1	0.1	0.1	0.1
Male	0.1	0.1	0.1	0.1	0.1	0.1
Female	0.0	0.0	0.0	0.0	0.0	0.0
Manufacturing						
Both sexes	11.5	13.8	13.8	14.0	13.7	13.2
Male	12.0	13.7	13.6	13.9	14.1	13.5
Female	8.0	14.4	14.6	14.6	12.0	11.9
Electricity, gas and water						
Both sexes	0.7	0.8	0.7	0.7	0.8	0.7
Male	0.8	1.0	0.8	0.9	1.0	0.9
Female	0.1	0.1	0.1	0.0	0.1	0.0
Construction						
Both sexes	5.9	6.3	6.0	6.4	6.8	6.5
Male	6.9	7.2	7.2	7.8	8.3	8.0
Female	0.3	0.3	0.3	0.4	0.5	0.3
Wholesales and retail trade						
Both sexes	13.6	15.1	15.1	15.0	14.8	15.1
Male	15.5	17.3	17.7	17.9	17.8	18.3
Female	2.5	2.0	1.8	2.2	2.4	1.9
Transport and communication						
Both sexes	5.2	6.1	5.9	6.0	5.6	5.7
Male	6.0	7.0	7.0	7.3	6.9	7.1
Female	0.2	0.4	0.1	0.4	0.2	0.2
Finance						
Both sexes	0.9	0.9	1.1	1.2	1.2	1.5
Male	1.0	1.1	1.3	1.4	1.4	1.8
Female	0.2	0.1	0.1	0.2	0.2	0.3
Social services						
Both sexes	14.4	15.8	15.4	14.9	14.9	14.2
Male	14.3	15.5	15.1	15.0	15.3	14.9
Female	14.9	18.3	16.4	14.5	13.3	11.5
Other						
Both sexes	0.0	0.0	0.1	0.1	0.1	0.1
Male	0.0	0.0	0.1	0.1	0.1	0.1
Female	0.0	0.0	0.0	0.0	0.0	0.0
All sectors						
Both sexes	100	100	100	100	100	100
Male	100	100	100	100	100	100
Female	100	100	100	100	100	100

Table A4: Percentage distribution of employed by sector and sex

(contd.)

Sector	2008-2009	2009-2010	2010-2011
Agriculture			
Both sexes	43.1	43.2	43.3
Male	35.5	34.9	34.7
Female	72.7	73.9	74.2
Fishing			
Both sexes	0.2	0.2	0.2
Male	0.2	0.3	0.2
Female	0.0	0.0	0.0
Mining			
Both sexes	0.1	0.1	0.2
Male	0.2	0.1	0.2
Female	0.0	0.0	0.0
Manufacturing			
Both sexes	13.3	13.5	13.9
Male	13.6	14.1	14.7
Female	12.2	11.3	11.3
Electricity, gas and water			
Both sexes	0.7	0.8	0.5
Male	0.9	1.0	0.6
Female	0.0	0.1	0.1
Construction			
Both sexes	6.9	7.0	7.2
Male	8.5	8.8	9.1
Female	0.4	0.2	0.2
Wholesales and retail trade			
Both sexes	15.6	15.5	15.2
Male	19.2	19.1	19.0
Female	1.5	2.1	1.5
Hotels and restaurants			
Both sexes	1.3	1.1	1.3
Male	1.6	1.4	1.6
Female	0.2	0.1	0.2
Transport and communication			
Both sexes	5.5	5.4	5.3
Male	6.8	6.8	6.8
Female	0.2	0.3	0.1
Finance			
Both sexes	0.6	0.5	0.5
Male	0.7	0.7	0.6
Female	0.2	0.0	0.1
Real estate and business activities			
Both sexes	1.1	1.0	1.0
Male	1.3	1.3	1.3
Female	0.1	0.1	0.1
Public administration			
Both sexes	2.9	2.9	3.0
Male	3.6	3.6	3.7
Female	0.4	0.4	0.4
Education			
Both sexes	4.3	3.9	4.0
Male	3.6	3.2	3.3
Female	7.1	6.3	6.6
Health and social work			
Both sexes	1.4	1.4	1.4
Male	1.2	1.3	1.3
Female	1.8	1.7	1.8
Other community, social and personal services activities			
Both sexes	2.7	3.3	3.0
Male	2.8	3.3	2.9
Female	2.1	3.4	3.3

Table A4: Percentage distribution of employed by sector and sex

(contd.)

Sector	2008-2009	2009-2010	2010-2011
Activities of private households			
Both sexes	0.5	0.1	0.0
Male	0.3	0.1	0.0
Female	1.1	0.1	0.0
Extraterritorial organizations and bodies			
Both sexes	0.0	0.0	0.0
Male	0.0	0.0	0.0
Female	0.0	0.0	0.0
All sectors			
Both sexes	100	100	100
Male	100	100	100
Female	100	100	100

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

Table A5: Percentage distribution of employed by employment status, sector and sex

Sector	2008-09		2009-10		2010-11	
	Wage and salaried workers and employers	Own account and contributing family workers	Wage and salaried workers and employers	Own account and contributing family workers	Wage and salaried workers and employers	Own account and contributing family workers
Agriculture						
Both sexes	7.9	92.1	7.9	92.1	9.6	90.4
Male	8.4	91.6	8.6	91.4	10.5	89.5
Female	6.9	93.1	6.9	93.2	8.1	91.9
Fishing						
Both sexes	86.9	13.1	65.3	34.7	92.0	8.0
Male	88.2	11.8	65.8	34.2	92.5	7.5
Female	0.0	100.0	28.5	71.5	0.0	100.0
Mining						
Both sexes	89.6	10.4	80.0	20.0	87.7	12.3
Male	89.4	10.6	81.1	18.9	87.7	12.3
Female	100.0	0.0	18.7	81.3	0.0	0.0
Manufacturing						
Both sexes	66.5	33.5	65.1	34.9	63.7	36.3
Male	71.2	28.8	70.2	29.8	69.2	30.8
Female	46.1	53.9	41.2	58.8	37.7	62.3
Electricity, gas and water						
Both sexes	99.4	0.6	99.5	0.5	99.5	0.5
Male	99.4	0.6	99.8	0.2	99.9	0.1
Female	100.0	0.0	80.5	19.5	82.5	17.5
Construction						
Both sexes	93.1	6.9	92.8	7.2	91.9	8.1
Male	93.2	6.8	92.9	7.2	92.0	8.0
Female	85.7	14.3	82.1	16.9	84.1	15.9
Wholesales and retail trade						
Both sexes	24.3	75.7	23.6	76.4	24.8	75.2
Male	24.5	75.5	23.9	76.1	25.1	74.9
Female	11.8	88.2	13.1	86.9	11.0	89.0
Hotels and restaurants						
Both sexes	47.8	52.2	48.2	51.8	42.8	57.2
Male	48.5	51.5	48.3	51.7	43.1	56.9
Female	20.1	79.9	46.8	53.2	36.3	63.7
Transport and communication						
Both sexes	58.9	41.1	56.4	43.6	54.2	45.8
Male	58.7	41.3	56.2	43.8	54.2	45.8
Female	88.2	11.8	76.9	23.1	73.0	27.0
Finance						
Both sexes	97.9	2.1	98.8	1.2	98.9	1.1
Male	97.8	2.2	98.8	1.2	98.9	1.1
Female	100.0	0.0	100.0	0.0	100.0	0.0

Table A5: Percentage distribution of employed by employment status, sector and sex

Sector	2008-09		2009-10		2010-11	
	Wage and salaried workers and employers	Own account and contributing family workers	Wage and salaried workers and employers	Own account and contributing family workers	Wage and salaried workers and employers	Own account and contributing family workers
Real estate and business activities						
Both sexes	48.4	51.6	45.8	54.2	46.2	53.8
Male	48.2	51.8	45.5	54.5	45.9	54.1
Female	58.2	41.8	63.6	36.4	63.0	37.0
Public administration						
Both sexes	99.6	0.4	99.2	0.9	99.7	0.3
Male	99.6	0.4	99.2	0.8	99.7	0.3
Female	100.0	0.0	98.9	1.1	100.0	0.0
Education						
Both sexes	95.5	4.5	94.7	5.3	94.4	5.6
Male	97.3	2.7	96.6	3.4	96.5	3.5
Female	91.8	8.2	91.2	8.8	90.8	9.2
Health and social work						
Both sexes	69.6	30.4	73.9	26.1	73.1	26.9
Male	63.3	36.7	69.2	30.8	67.4	32.6
Female	86.6	13.4	87.1	12.9	88.2	11.8
Other community, social and personal services activities						
Both sexes	53.8	46.2	64.1	35.9	65.5	34.5
Male	50.0	50.0	60.1	39.9	60.6	39.4
Female	73.9	26.1	78.6	21.4	81.0	19.0
Activities of private households						
Both sexes	80.1	19.9	86.3	13.7	92.0	8.0
Male	69.2	30.8	89.3	10.7	88.5	11.5
Female	92.9	7.1	76.9	23.1	100.0	0.0
Extraterritorial organizations and bodies						
Both sexes	100.0	0.0	100.0	0.0	100.0	0.0
Male	100.0	0.0	100.0	0.0	100.0	0.0
Female	100.0	0.0	100.0	0.0	100.0	0.0
All sectors						
Both sexes	38.1	61.9	37.8	62.2	38.4	61.6
Male	42.0	58.0	42.3	57.7	43.0	57.0
Female	22.7	77.3	21.0	79.0	21.7	78.3

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

Note: Share has been calculated from respective sector

Table A6: Percentage distribution of employed by hours of work and sex

Hours worked	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Less than 20 hours									
Both sexes	2.1	3.0	2.7	3.1	2.6	2.9	3.2	3.1	3.4
Male	1.2	1.9	1.5	1.3	1.2	1.1	1.1	1.1	1.3
Female	7.3	9.4	8.8	10.7	8.7	10.2	11.4	10.4	10.8
20-29 hours									
Both sexes	6.3	5.9	6.1	6.8	6.9	6.6	7.0	6.3	6.5
Male	3.5	3.4	3.0	3.3	2.8	2.7	3.2	2.6	2.6
Female	23.4	21.0	22.3	22.3	24.2	22.7	21.8	20.1	20.3
30-34 hours									
Both sexes	4.9	4.3	4.8	4.0	4.3	3.2	3.7	3.3	3.8
Male	3.9	3.3	3.1	2.9	3.0	2.3	2.7	2.3	2.6
Female	11.0	10.3	13.4	8.5	9.5	7.1	7.8	7.2	8.2
35-39 hours									
Both sexes	9.9	9.7	9.6	11.5	12.1	13.2	13.4	13.8	13.9
Male	8.3	8.3	7.6	8.5	9.1	9.5	9.2	9.3	9.2
Female	19.4	18.3	18.3	24.6	24.4	28.4	29.7	30.5	30.7
40-44 hours									
Both sexes	14.6	15.4	13.3	13.4	13.4	14.3	14.3	13.7	13.5
Male	14.3	15.0	12.7	12.9	12.9	13.7	13.9	13.1	13.3
Female	16.6	18.2	16.1	15.8	15.4	16.4	15.8	15.7	14.4
45-49 hours									
Both sexes	20.4	20.9	20.6	19.7	20.1	20.2	20.1	20.1	20.1
Male	22.2	22.8	22.8	22.3	22.6	23.3	23.3	23.3	23.8
Female	9.3	9.4	9.6	8.5	9.4	7.4	7.4	8.1	7.1
50-59 hours									
Both sexes	20.5	20.8	21.0	18.2	17.7	18.0	16.9	17.9	17.4
Male	22.5	22.7	23.6	20.9	20.7	21.1	20.3	21.5	20.8
Female	8.5	9.8	8.2	6.3	4.8	5.2	3.7	4.6	5.3
60 hours and more									
Both sexes	21.4	20.0	21.8	23.3	23.0	21.5	21.3	21.8	21.3
Male	24.2	22.7	25.4	27.9	27.6	26.2	26.2	26.8	26.4
Female	4.4	3.7	3.5	3.3	3.7	2.5	2.3	3.2	3.2

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

Table A7: Percentage distribution of employed working excessive hours by sector and sex

Sector	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008
Agriculture						
Both sexes	47.5	38.5	37.5	33.6	30.7	31.0
Male	46.2	37.0	36.2	32.4	29.6	29.9
Female	74.1	68.4	64.5	59.7	59.5	59.2
Mining						
Both sexes	0.0	0.0	0.0	0.2	0.1	0.1
Male	0.0	0.1	0.0	0.2	0.1	0.1
Female	0.2	0.0	0.1	0.0	0.0	0.0
Manufacturing						
Both sexes	10.5	12.7	13.3	13.7	14.7	14.0
Male	10.7	12.8	13.1	13.7	14.8	14.0
Female	5.8	12.3	16.3	13.2	12.5	15.4
Electricity, gas and water						
Both sexes	0.2	0.4	0.3	0.3	0.3	0.4
Male	0.2	0.4	0.3	0.3	0.3	0.4
Female	0.0	0.3	0.0	0.0	0.2	0.0
Construction						
Both sexes	2.8	3.1	3.3	4.0	4.7	3.9
Male	2.9	3.3	3.5	4.2	4.9	4.0
Female	0.8	0.4	0.0	0.8	2.0	1.0
Wholesales and retail trade						
Both sexes	21.1	23.3	24.5	25.0	26.0	26.7
Male	21.8	24.2	25.5	25.7	26.6	27.5
Female	6.6	3.9	3.4	9.1	9.2	8.2
Transport and communication						
Both sexes	7.5	9.3	8.7	10.0	9.6	9.8
Male	7.8	9.7	9.1	10.3	9.9	10.1
Female	1.1	1.0	0.9	1.9	2.0	1.6
Finance						
Both sexes	0.5	0.5	1.0	1.2	1.3	1.7
Male	0.5	0.5	1.1	1.2	1.4	1.8
Female	0.0	0.4	0.5	0.3	0.5	0.7
Social services						
Both sexes	9.9	12.2	11.3	12.1	12.4	12.3
Male	9.8	12.1	11.2	12.0	12.4	12.2
Female	11.4	13.4	14.5	15.0	13.9	13.6
Other						
Both sexes	0.0	0.0	0.1	0.0	0.2	0.1
Male	0.0	0.0	0.1	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.2	0.1
All sectors						
Both sexes	100	100	100	100	100	100
Male	100	100	100	100	100	100
Female	100	100	100	100	100	100

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

**Table A7: Percentage distribution of employed working excessive hours
by sector and sex**

Sector	2008-2009	2009-2010	2010-2011
Agriculture			
Both sexes	30.0	31.1	32.0
Male	29.3	29.9	30.2
Female	48.9	60.5	68.5
Fishing			
Both sexes	0.4	0.4	0.3
Male	0.4	0.4	0.4
Female	0.0	0.0	0.0
Mining			
Both sexes	0.1	0.1	0.2
Male	0.1	0.1	0.2
Female	0.0	0.0	0.0
Manufacturing			
Both sexes	14.7	15.1	15.5
Male	14.3	15.2	15.8
Female	24.2	13.2	9.3
Electricity, gas and water			
Both sexes	0.4	0.3	0.2
Male	0.4	0.3	0.2
Female	0.0	0.2	0.0
Construction			
Both sexes	4.2	3.8	3.8
Male	4.3	4.0	3.9
Female	0.5	0.5	0.3
Wholesales and retail trade			
Both sexes	27.9	27.4	26.4
Male	28.5	28.1	27.4
Female	8.3	9.5	6.5
Hotels and restaurants			
Both sexes	2.7	2.2	2.6
Male	2.8	2.3	2.7
Female	0.9	0.4	0.8
Transport and communication			
Both sexes	9.9	9.5	9.5
Male	10.2	9.9	9.9
Female	1.8	0.5	0.9
Finance			
Both sexes	0.3	0.3	0.4
Male	0.3	0.3	0.4
Female	0.8	0.0	0.4
Real estate and business activities			
Both sexes	1.3	1.3	1.2
Male	1.3	1.4	1.2
Female	0.9	0.2	0.4
Public administration			
Both sexes	1.6	1.6	1.8
Male	1.7	1.6	1.8
Female	0.7	0.2	0.7
Education			
Both sexes	1.3	1.3	1.2
Male	1.3	1.3	1.2
Female	1.7	2.0	1.7

Table A7: Percentage distribution of employed working excessive hours by sector and sex

Sector	2008-2009	2009-2010	2010-2011
Health and social work			
Both sexes	1.2	1.1	1.2
Male	1.2	1.0	1.1
Female	2.9	2.2	2.9
Other community, social and personal services activities			
Both sexes	3.6	4.2	3.8
Male	3.5	4.0	3.6
Female	6.0	10.3	7.9
Activities of private households			
Both sexes	0.4	0.1	0.0
Male	0.4	0.0	0.0
Female	2.4	0.3	0.0
Extraterritorial organizations and bodies			
Both sexes	0.0	0.0	0.0
Male	0.0	0.0	0.0
Female	0.0	0.0	0.0
All sectors			
Both sexes	100	100	100
Male	100	100	100
Female	100	100	100

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

Table A8: Share of the employed persons working excessive hours by sector (%)

Sector	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008
All sectors	41.6	40.7	42.8	41.0	40.1	39.3
Agriculture	41.3	38.2	38.3	33.0	29.3	28.5
Mining	22.1	28.2	19.2	66.2	44.0	36.5
Manufacturing	37.9	37.6	41.1	39.9	43.0	41.6
Electricity, gas and water	12.4	19.2	18.5	18.3	15.7	19.1
Construction	19.8	20.3	23.3	25.7	27.9	23.5
Wholesales and retail trade	64.5	62.8	69.4	68.4	70.3	69.5
Transport and communication	60.7	62.4	62.8	67.8	68.4	67.2
Finance	22.1	20.2	39.5	42.3	44.9	45.4
Social services	28.6	31.3	31.6	33.1	33.4	34.0

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

Table A8: Share of the employed persons working excessive hours by sector (%)
(contd.)

Sector	2008-2009	2009-2010	2010-2011
All sectors	38.0	39.5	38.5
Agriculture	26.4	28.5	28.4
Fishing	78.3	69.2	71.6
Mining	28.0	28.4	43.4
Manufacturing	42.0	44.3	42.9
Electricity, gas and water	19.3	15.7	16.7
Construction	23.2	21.8	20.1
Wholesales and retail trade	68.1	69.6	66.9
Hotels and restaurants	77.5	77.7	76.7
Transport and communication	69.0	69.2	68.7
Finance	21.3	23.7	29.6
Real estate and business activities	47.1	50.9	46.4
Public administration	21.1	21.3	22.5
Education	11.6	14.0	11.3
Health and social work	34.9	31.3	32.3
Other community, social and personal services activities	51.3	50.5	49.2
Activities of private households	35.6	27.0	7.8
Extraterritorial organizations and bodies	23.8	14.9	12.0

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

Table A9: Percentage distribution of the enrolled population of age 15 years and above by education attainment level

Level of education	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Middle but below matric									
Both sexes	0.9	0.9	1.1	1.1	1.2	1.4	1.2	1.2	1.2
Male	1.1	1.1	1.3	1.3	1.4	1.7	1.5	1.5	1.5
Female	0.7	0.7	0.8	0.8	0.9	1.0	0.9	0.9	0.9
Matric but below intermediate									
Both sexes	3.2	3.2	3.2	3.3	3.6	3.9	4.1	4.0	4.2
Male	4.1	4.2	3.9	4.1	4.4	4.8	5.0	4.8	5.0
Female	2.3	2.2	2.4	2.5	2.8	3.0	3.3	3.1	3.3
Intermediate but below degree									
Both sexes	2.4	2.4	2.5	2.3	2.4	2.7	2.9	2.9	3.0
Male	3.0	3.0	3.0	2.6	2.8	3.2	3.5	3.3	3.5
Female	1.8	1.7	2.0	2.0	2.0	2.3	2.4	2.4	2.4
Degree									
Both sexes	1.5	1.4	1.7	1.8	1.9	2.0	2.2	2.4	2.4
Male	1.8	1.7	2.0	2.0	2.1	2.2	2.4	2.6	2.6
Female	1.2	1.0	1.5	1.5	1.7	1.8	2.0	2.1	2.1
All education levels									
Both sexes	8.0	7.9	8.5	8.5	9.1	10.0	10.5	10.4	10.7
Male	10.0	10.0	10.2	10.0	10.8	11.9	12.4	12.1	12.6
Female	6.0	5.6	6.8	6.9	7.4	8.0	8.6	8.5	8.7

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

Table A10: Unemployment rate by educational attainment (%)

Level of education	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Less than one year of education*									
Both sexes	6.2	6.9	6.0	5.5	4.8	5.3	3.4	5.1	3.8
Male	3.9	4.5	4.2	4.1	3.5	5.3	3.0	5.2	3.8
Female	13.4	14.8	11.1	8.7	7.6	5.8	5.6	4.3	3.5
Pre primary education**									
Both sexes	6.3	7.2	7.4	5.2	4.6	4.3	3.6	4.3	4.0
Male	5.6	6.8	7.1	4.8	4.2	4.3	2.5	4.3	3.8
Female	19.3	13.3	12.4	9.7	8.3	4.0	11.9	4.1	5.4
Primary but below middle									
Both sexes	7.0	7.4	6.3	6.0	4.3	4.5	4.6	4.4	4.9
Male	5.6	6.4	5.3	5.5	3.7	3.7	3.9	3.7	4.1
Female	30.3	19.0	16.5	9.8	9.6	11.6	10.2	9.5	10.3
Middle but below matric									
Both sexes	10.1	9.3	8.8	5.8	5.4	4.7	5.5	5.0	5.9
Male	9.1	8.4	8.5	5.5	5.0	4.2	5.2	4.5	5.2
Female	34.5	23.1	15.4	10.5	10.9	12.5	10.9	12.1	14.8
Matric but below intermediate									
Both sexes	9.0	9.7	10.4	7.6	6.2	6.5	6.3	6.2	7.9
Male	7.7	8.2	9.4	6.9	5.3	5.3	5.0	5.0	6.4
Female	27.0	25.3	20.9	14.6	15.3	20.9	21.3	18.0	22.2
Intermediate but below degree									
Both sexes	8.7	10.0	11.2	8.1	6.5	6.8	7.3	8.0	10.8
Male	7.3	8.3	9.8	6.9	5.6	5.5	5.7	5.8	8.3
Female	22.6	20.3	22.0	16.5	13.9	18.3	19.6	23.9	26.8
Degree									
Both sexes	6.7	8.5	8.8	7.0	5.4	4.9	6.2	8.3	8.7
Male	5.7	7.4	7.2	5.9	4.6	3.5	4.2	5.8	6.3
Female	13.6	15.3	17.1	12.5	9.7	12.9	15.1	19.5	19.3

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

* Includes "No formal education"

** Includes "Nursery but below K.G." and "K.G. but below primary".

Table A11: Percentage distribution of employed persons with technical/vocational training by major occupational groups

Occupation	1999-2000	2001-2002	2003-2004	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Legislators	9.6	10.7	10.7	14.3	13.4	6.3	6.8	5.3	4.7
Professionals	7.5	8.1	3.9	5.5	7.2	1.4	1.3	1.1	1.5
Technicians	16.0	21.5	14.5	24.7	28.1	7.9	6.9	6.4	5.9
Clerk	3.1	3.6	3.6	5.8	4.4	1.7	1.2	0.8	0.8
Service workers	2.3	2.3	2.8	4.5	2.3	3.3	3.0	3.7	3.6
Agriculture and fishery workers	9.1	5.9	7.3	5.8	6.3	7.2	11.1	8.4	8.6
Craft and trade workers	37.1	28.8	41.5	22.8	26.4	55.8	50.3	52.1	51.4
Plant and machine operators	12.6	15.9	10.8	14.1	10.3	13.6	15.5	16.8	16.6
Elementary Occupations	2.7	3.3	4.9	2.6	1.7	2.8	3.9	5.3	6.9
Total	100.0								

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