



Youth Employment Trends in Pakistan in the context of decent work

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LMIA, ISLAMABAD

Outline

- (1) Introduction of the concept of decent work
- (2) Youth employment trends in Pakistan
- (3) Introduction of the identified set of indicators to measure MDG target 1b on “full and productive employment and decent work for including women and young people”.



Decent work: concept

The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.”

Juan Somavia, ILO Director-General



Decent work & MDGs

World leaders agreed to several important targets at the 2005 World Summit. They recommended the incorporation of these targets into the set used to follow up on the Millennium Declaration, including a new target under MDG1 (1b).

New MDG 1 Target 1b: to make the target of “full and productive employment and decent work for all, including *for women and young people*”, a central objective of our relevant national and international policies and our national development strategies



The main questions

- What is a decent work place and what is a decent job?
- How can decent work be measured so that the decency of different jobs, enterprises and countries can be compared and monitored?



Decent work: tools

- Labour Market Information Analysis
- Decent Work Country Programs (action plans)
- <http://www.ilo.org/public/english/bureau/dgo/selecdoc/2007/toolkit.pdf>

Four ILO sectors:

Employment creation and enterprise development

Social protection

Standards and rights at work

Governance and social dialogue



Decent work: measurement

Dimensions of decent work	Measurement categories of decent work
<ol style="list-style-type: none">1.Opportunities for work2.Work in conditions of freedom3.Productive work4.Equity in work5.Security at work6.Dignity at work	<ol style="list-style-type: none">1.Employment opportunities2.Unacceptable work3.Adequate earnings and productive work4.Decent hours5.Stability and security at work6.Balancing work and family life7.Fair treatment in employment8.Safe work environment9.Social protection10.Social dialogue and workplace relations11.Economic and social context of decent work



Decent work for youth

- A lack of decent employment at an early age often compromises a person's **future employment prospects** and frequently leads to unsuitable behavior patterns that last a lifetime.
- An inability to find employment creates a sense of uncertainty, uselessness and idleness among young people.



LMIA in Pakistan

- Provides **up-to-date and timely** Labour Market Information and Analysis **disaggregated by sex, age and area**
- Monitors the achievement of decent work objectives
- Serves as an input into the formulation and monitoring **of pro-poor and decent work, HRD and other policies.**

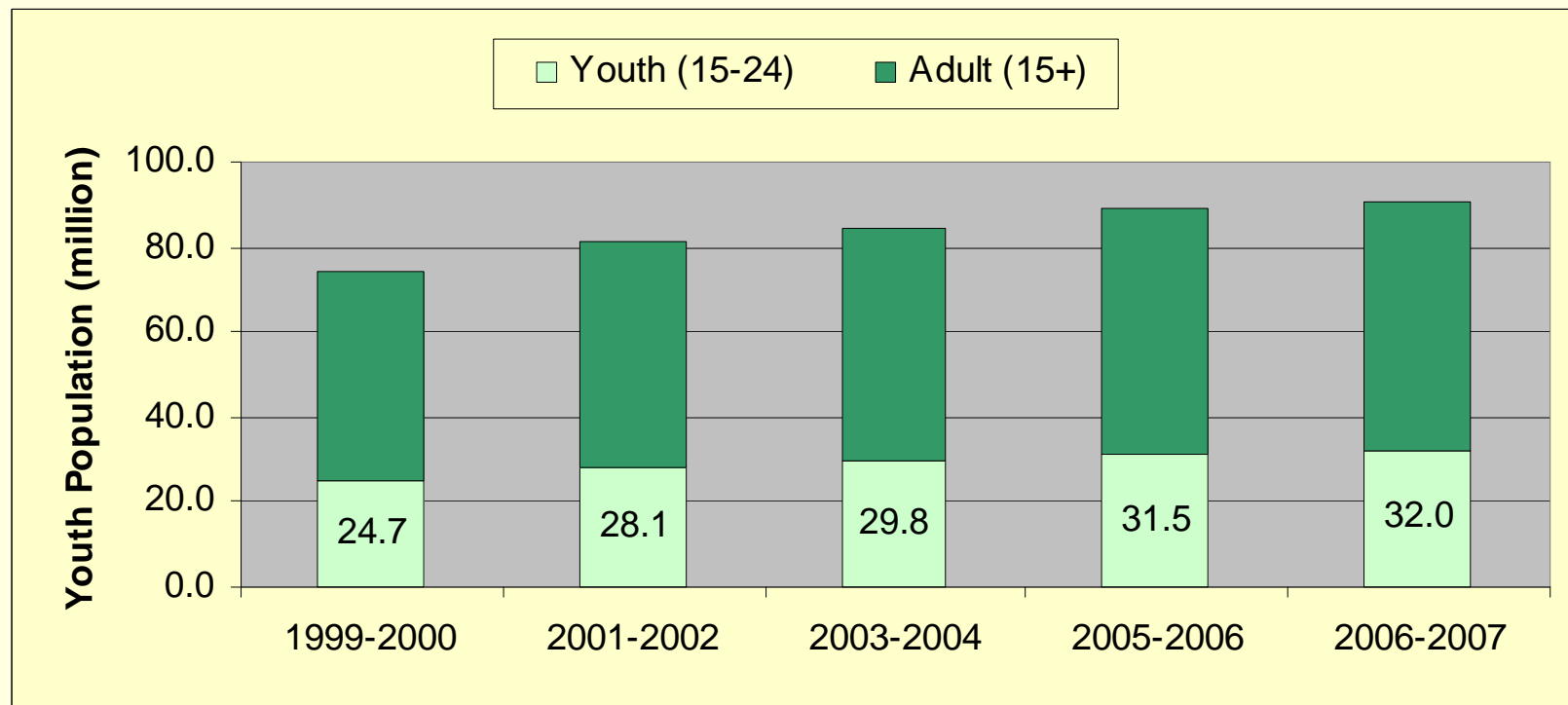


Key indicators of the labour market in Pakistan

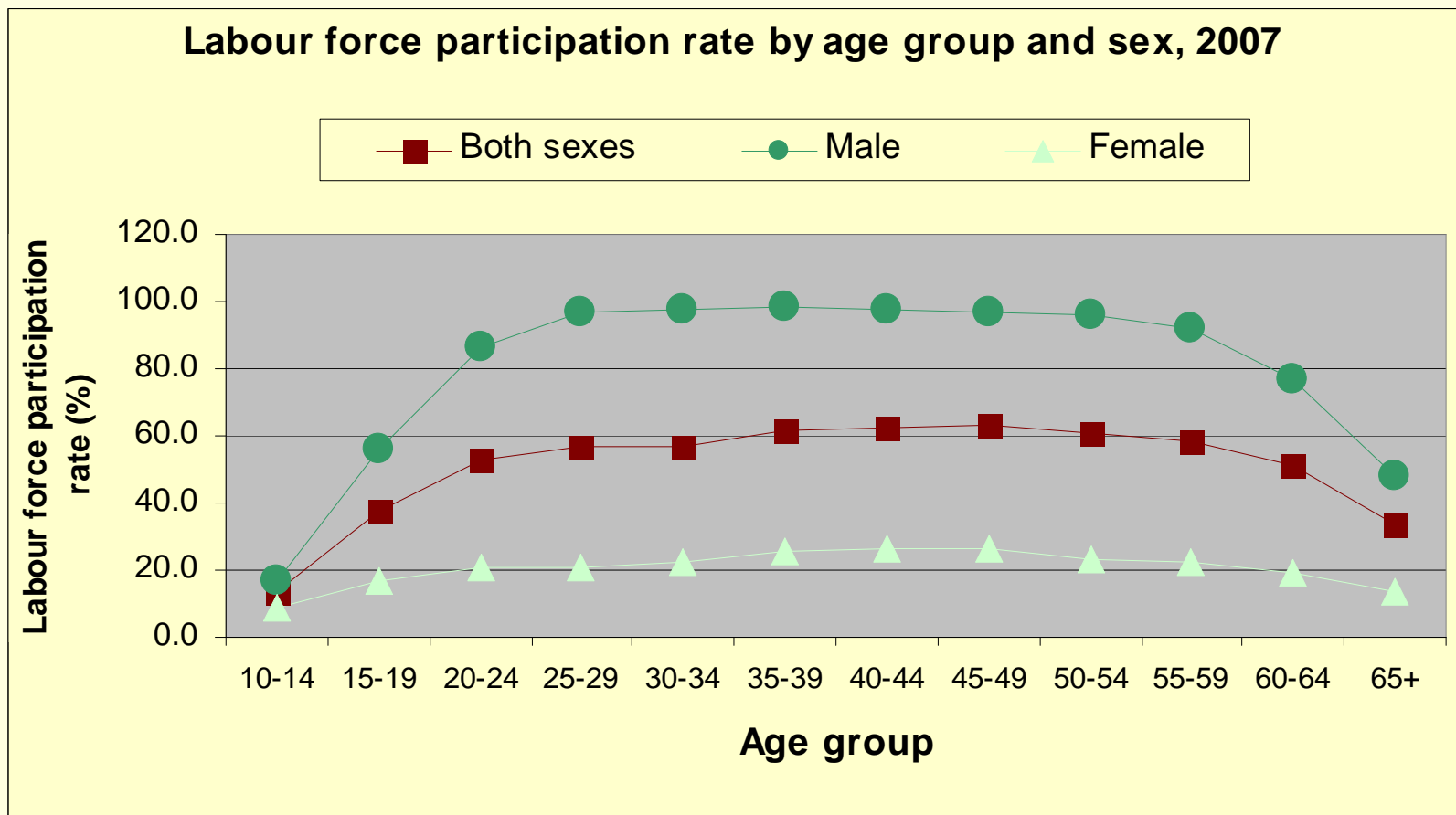
- KILM 1. Labour force participation rate
- KILM 2. Employment-to-population ratio
- KILM 3. Status in employment
- KILM 4. Employment by sector
- KILM 6. Hours of work
- KILM 7. Employment in the informal economy
- KILM 8. Unemployment
- KILM 9. Youth unemployment
- KILM 11. Unemployment by educational attainment
- **KILM 13. Inactivity rate**
- KILM 14. Educational attainment and illiteracy



Youth and adult populations 2007



Labour force participation in 2007



Pakistan Employment Trends for youth

Highlight: **improved labour market access**

- Youth *labour force participation rate*
Increase by 3.7 percentage points during 2000-2007
(from 40.5 to 44.2 per cent)

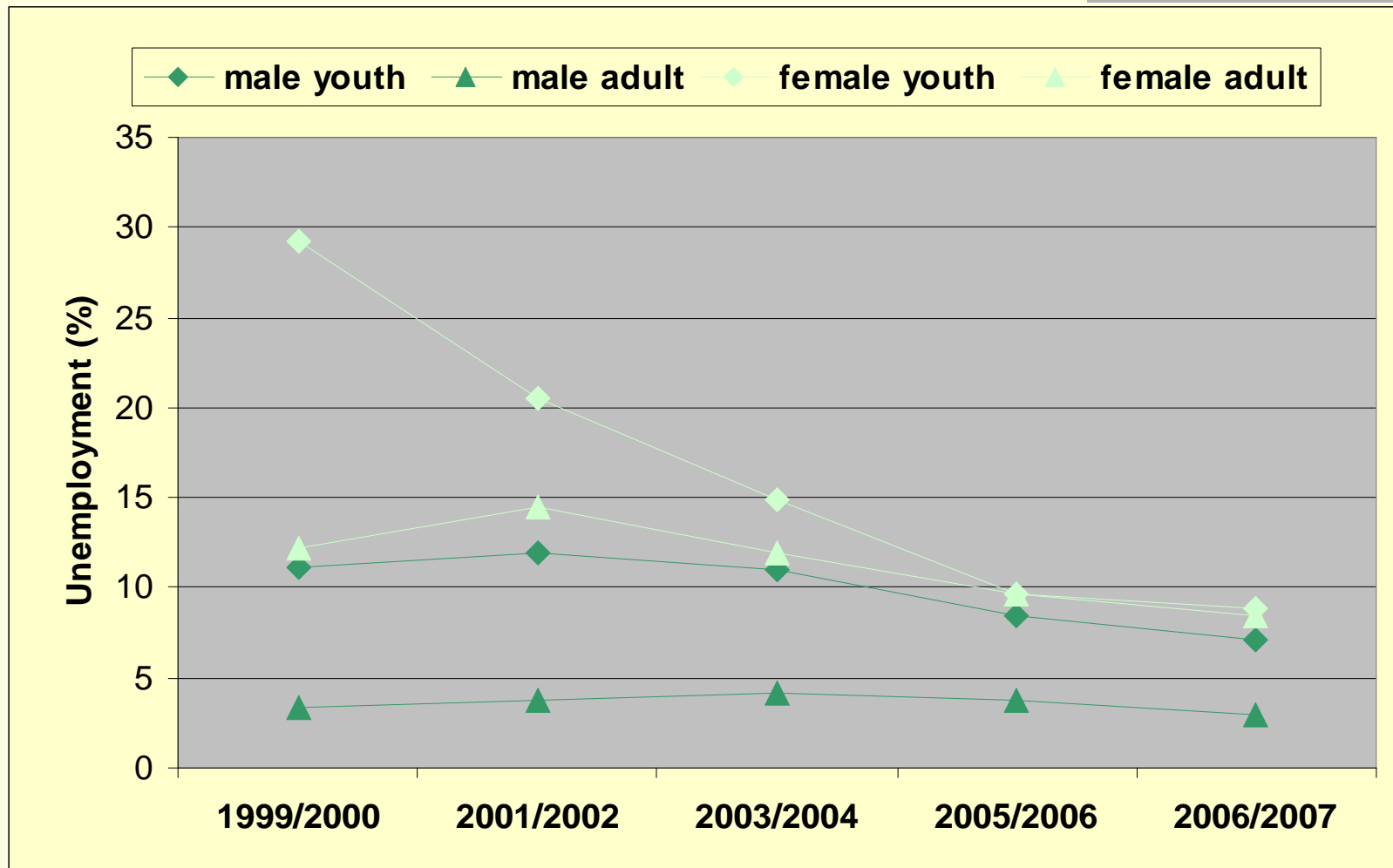
- Youth *employment-to-population ratio*
Increase by 5.8 percentage points during 2000-2007
(from 35.1 to 40.9 per cent)

- Youth *unemployment rate*
Decrease by 5.9 percentage points during 2000-2007
(from 13.3 to 7.5 per cent)



Unemployment

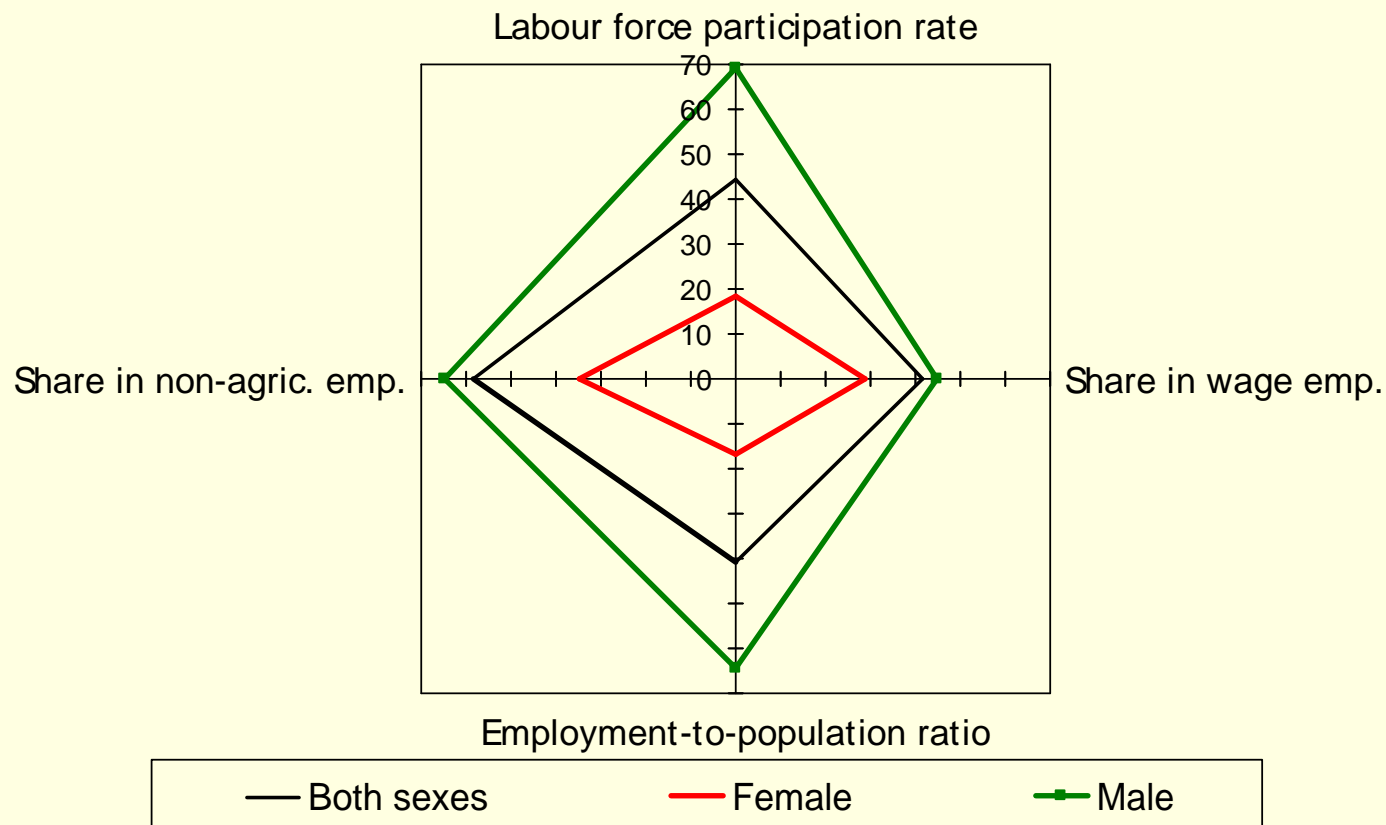
Youth UE dropped significantly but remains higher than adults UE



Pakistan Youth Employment Trends

The gender gap narrowed but remains large

Four dimensions of the youth gender gap in 2007



Youth employment by sector

- Youth *employment in agriculture*

Decrease by 2.7 percentage points during 2000-2007
(from 44.2 to 41.5 per cent)

- Youth *employment in the service sector*

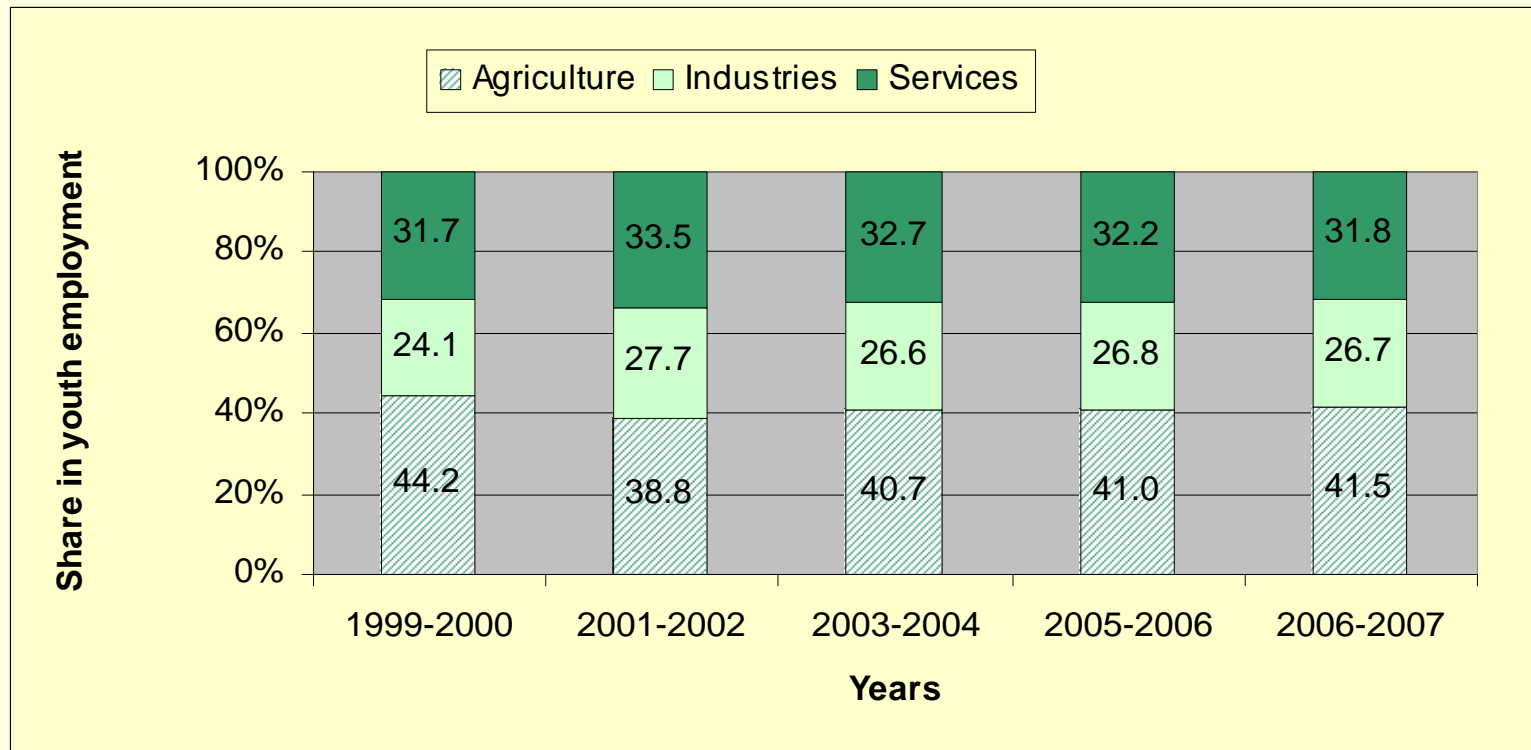
Increase by 0.1 percentage points during 2000-2007
(from 31.7 to 31.8 per cent)

- Youth *employment in the industrial sector*

Increase by 2.6 percentage points during 2000-2007
(from 24.1 – 31.8 per cent)



Youth employment by sector



Female youth employment by sector

- *Female youth employment in agriculture*
Increase by 5.9 percentage points during 2000-2007
(from 59.4 to 65.3 per cent)
- *Female youth employment in the industrial sector*
Increase by 1.2 percentage points during 2000-2007
(from 18.0 – 19.2 per cent)
- *Female youth employment in the service sector*
Decrease by -7.1 percentage points during 2000-2007 (from 22.5 to 15.4 per cent)

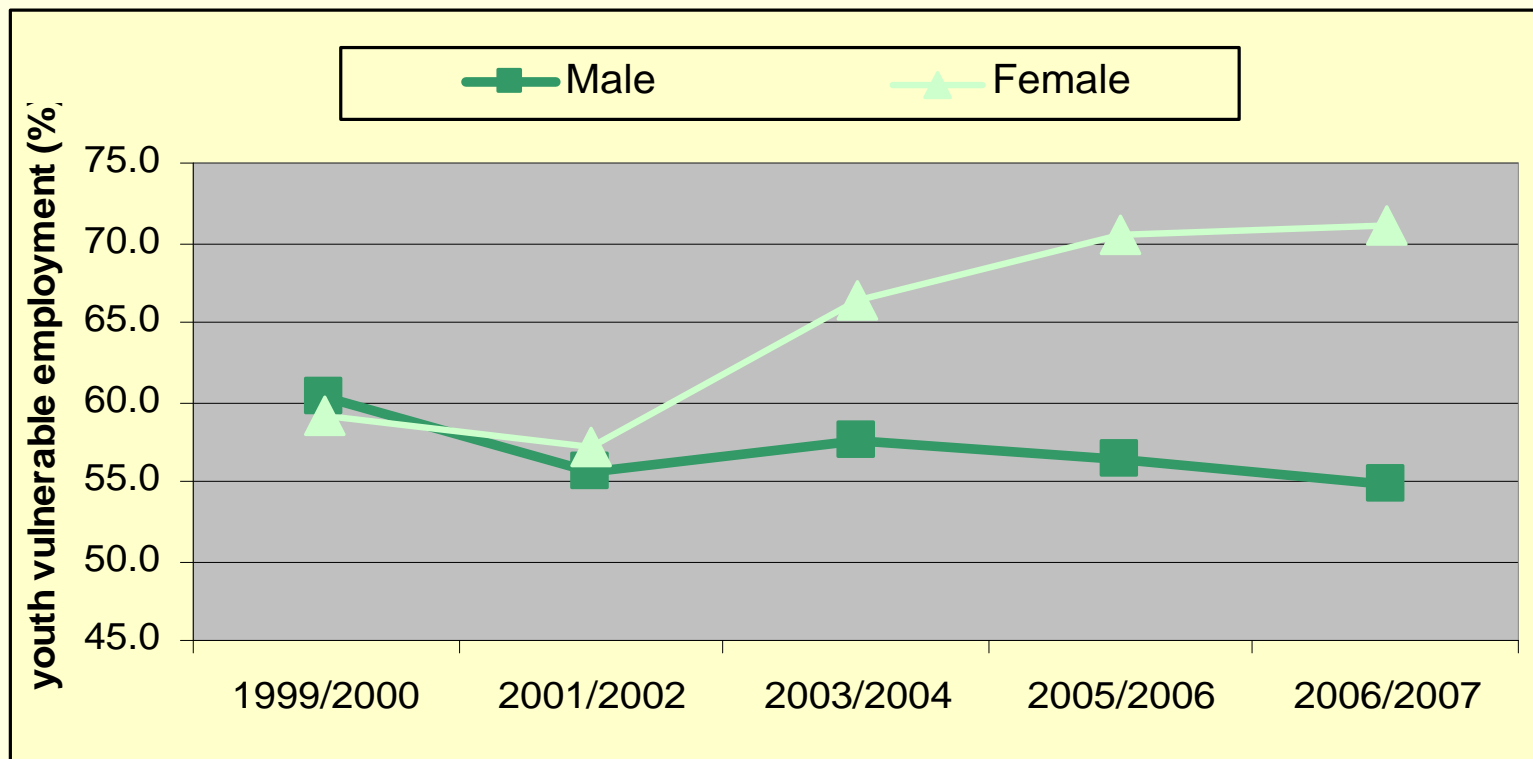


Youth employment status

- Youth *contributing family worker*
Increase by 2.1 percentage points during 2000-2007
(from 39.5 to 41.7 per cent)
- Youth *wage and salaried worker*
Increase by 1.9 percentage points during 2000-2007
(from 39.6 to 41.6 per cent)
- Youth *own account worker*
Decrease by 4.0 percentage points during 2000-2007
(from 20.5 to 16.5 per cent)
- Youth *vulnerable employment*
Decrease by 1.8 percentage points during 2000-2007
(from 60.0 to 58.2 per cent)

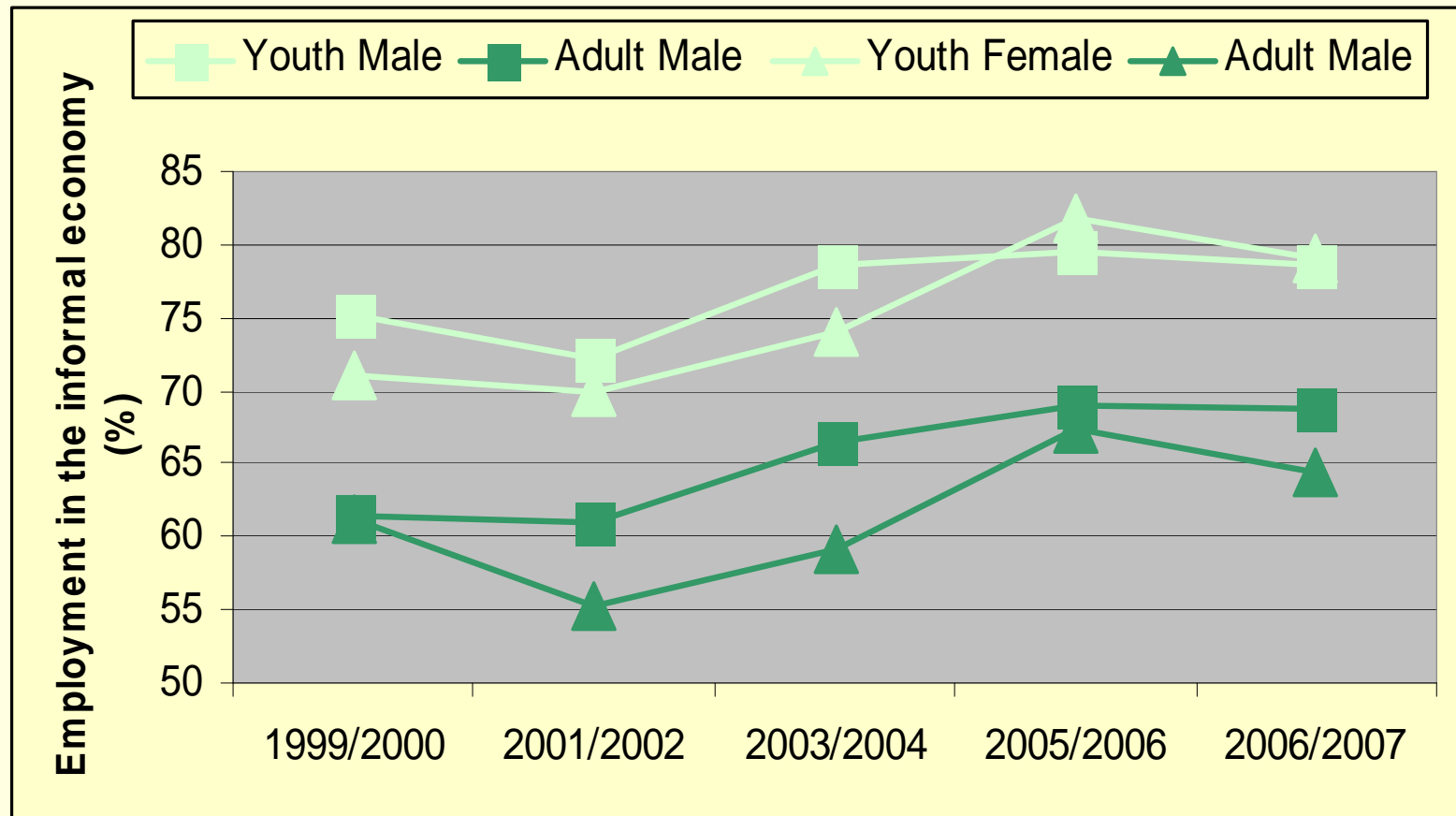
Youth female vulnerable employment

- Youth female *vulnerable employment*
Increase by 11.9 percentage points during 2000-2007 (from 59.1 to 71.0 per cent)



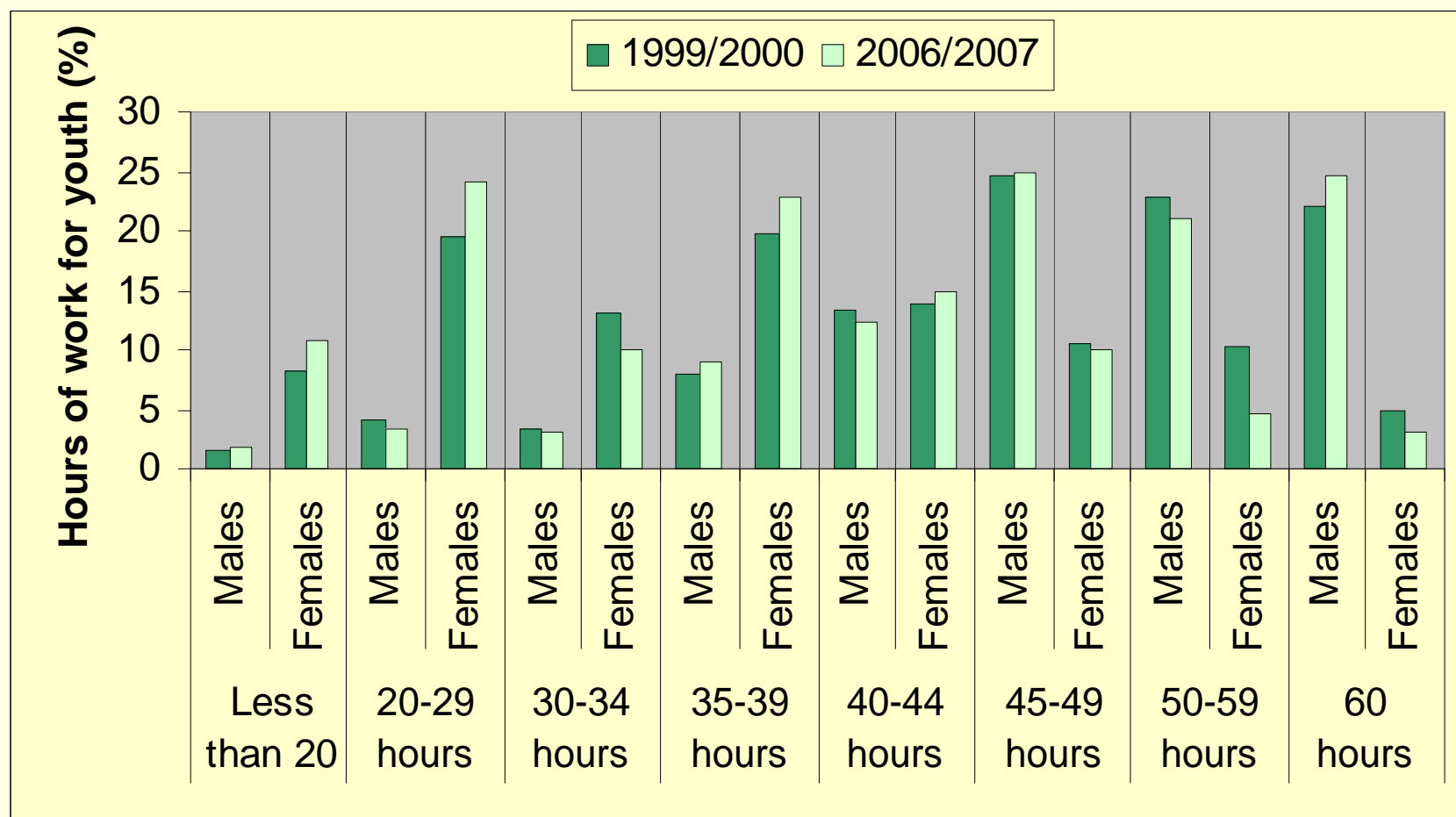
Youth employment in the informal economy

Overwhelming majority of youth in the informal economy



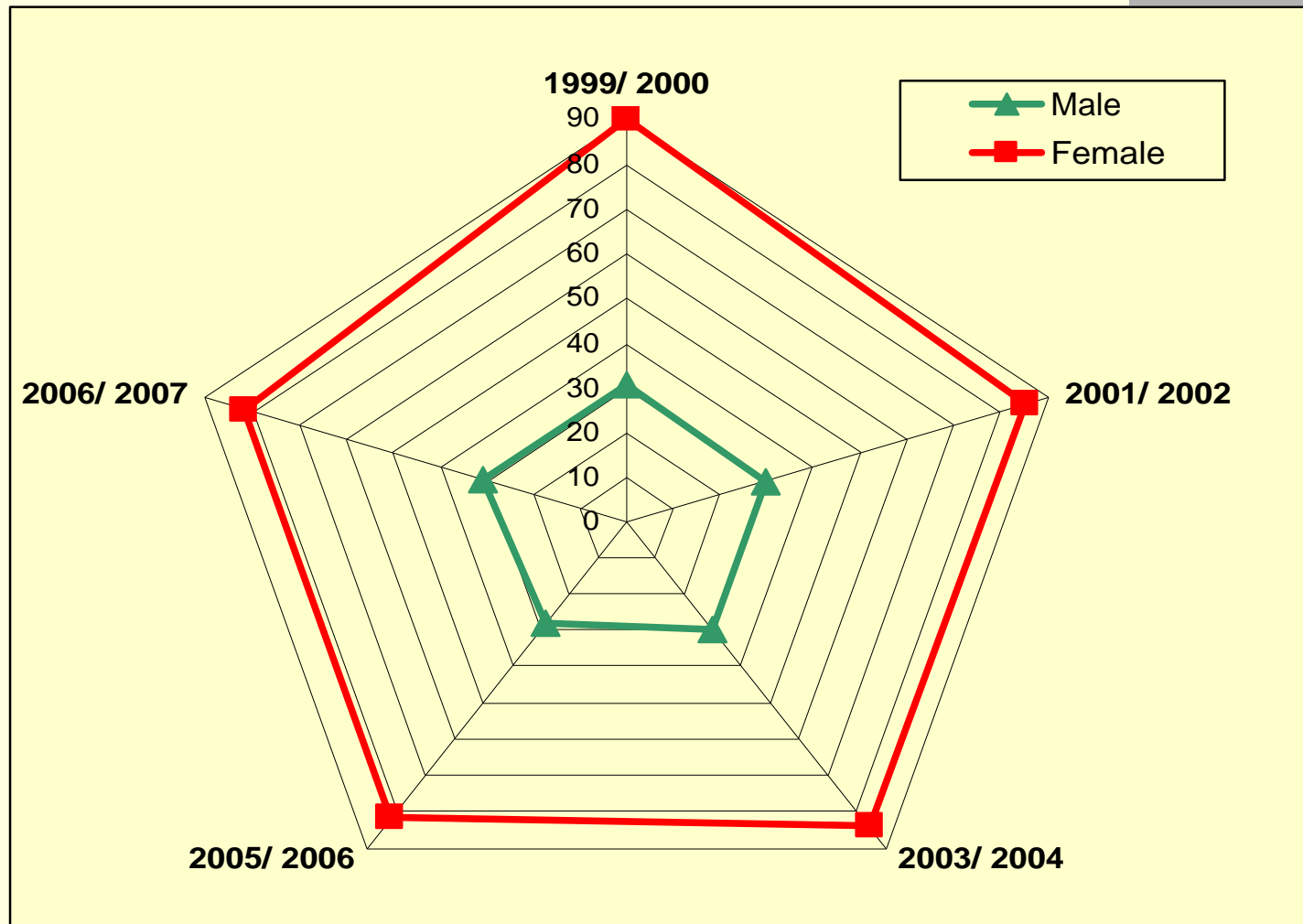
Youth employment by hours of work

number of hours worked by youth is on a downward trend



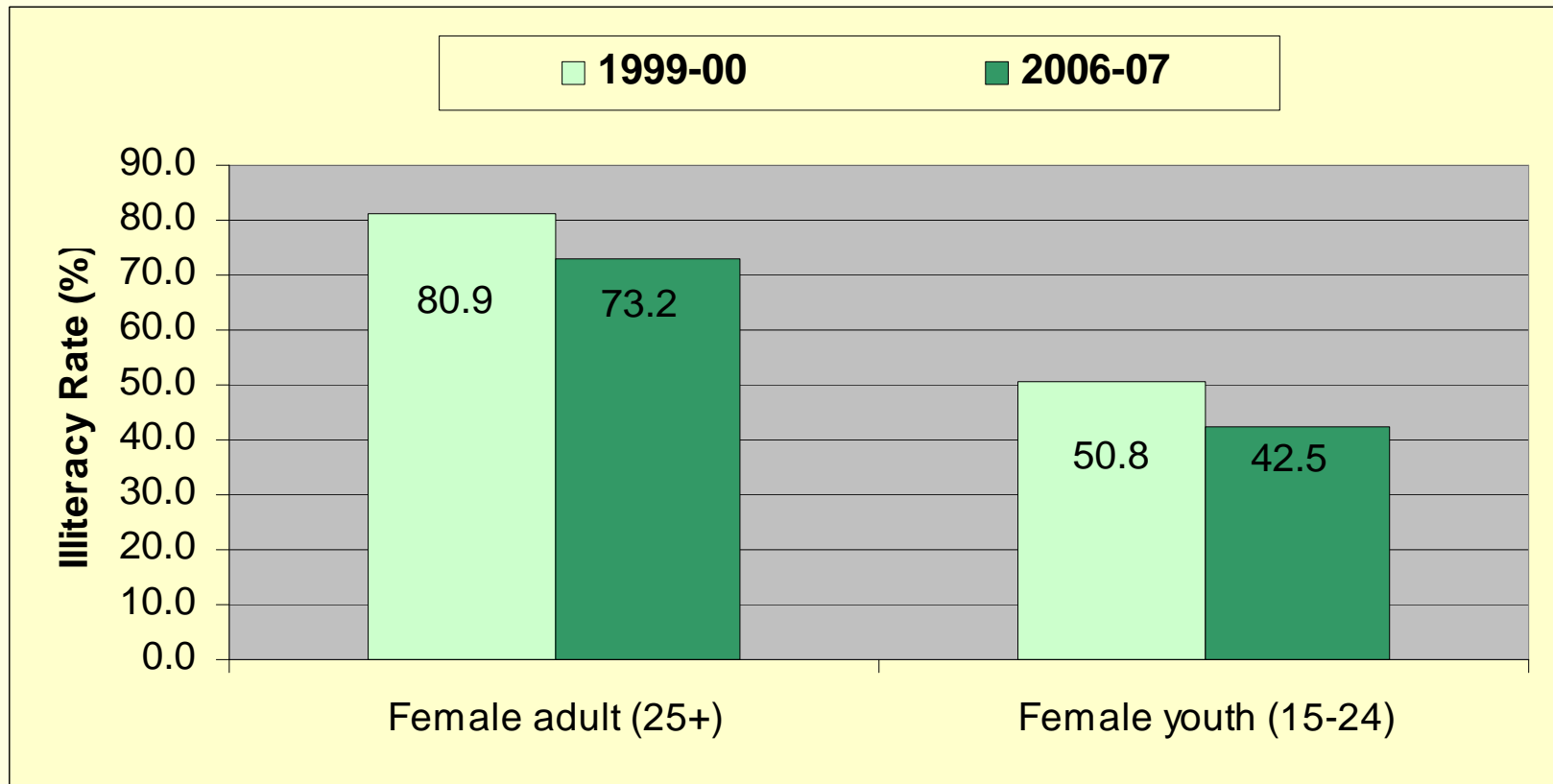
Youth Inactivity

Inactivity decreased but remains high for females

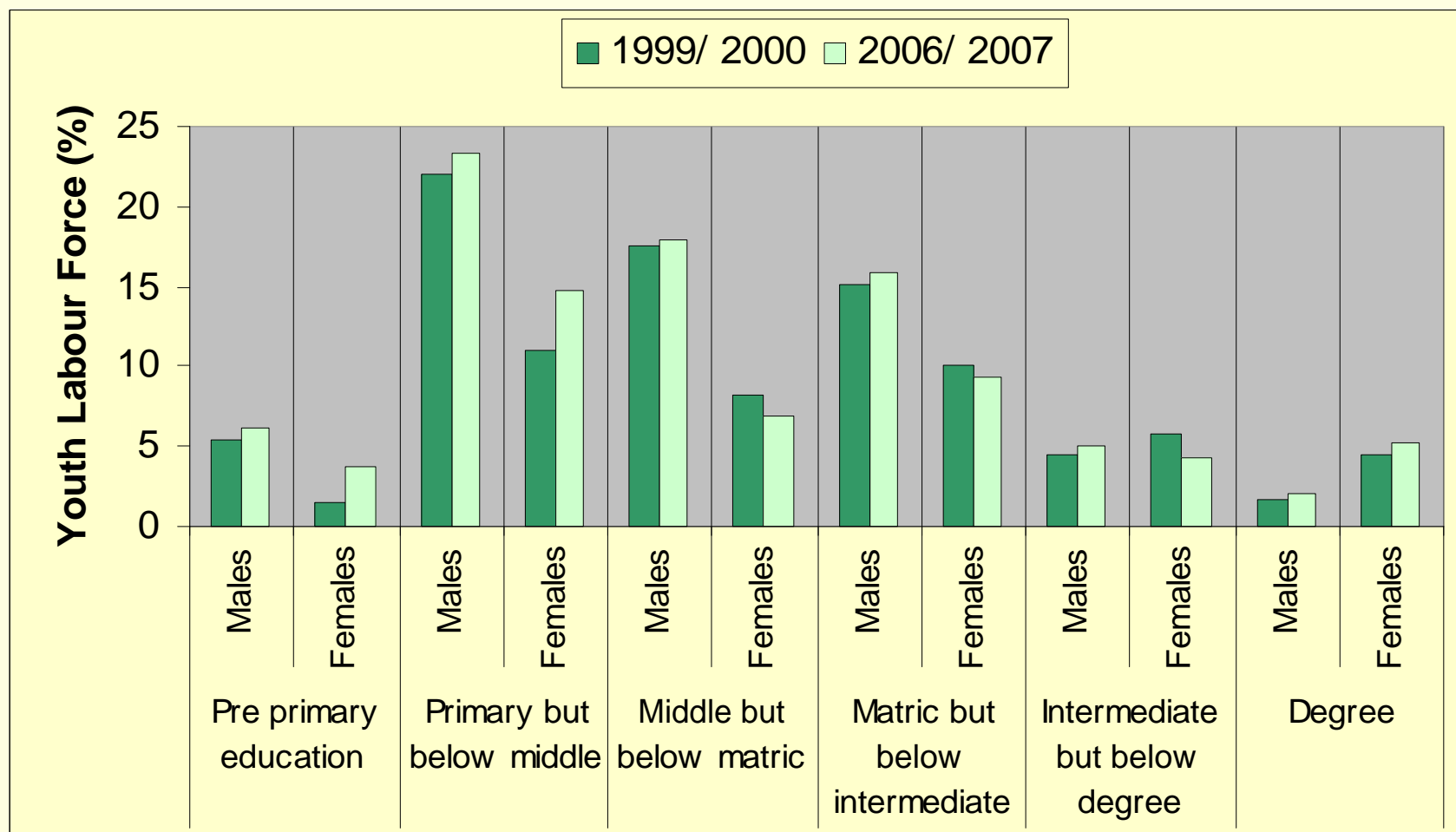


Female illiteracy

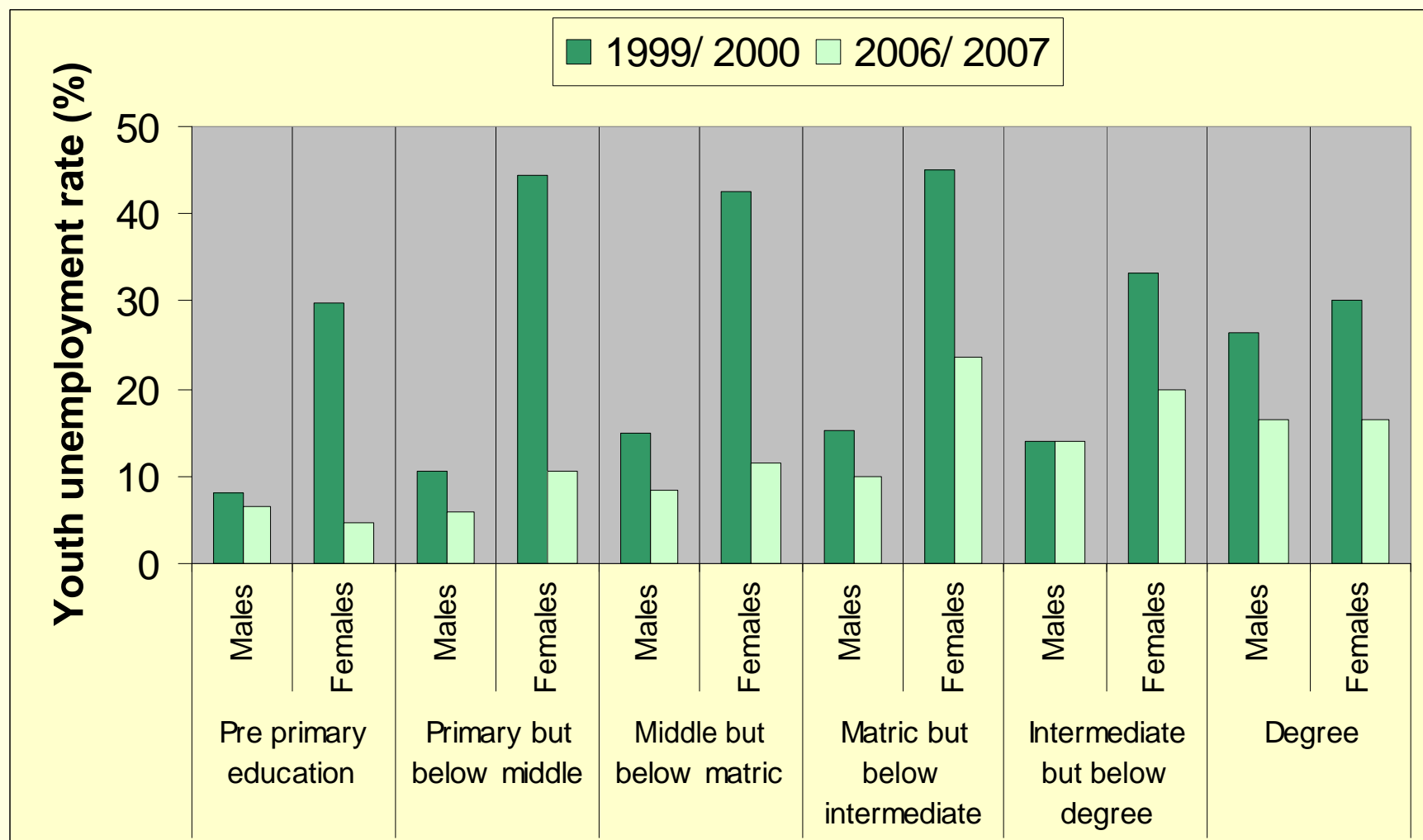
Female literacy improved



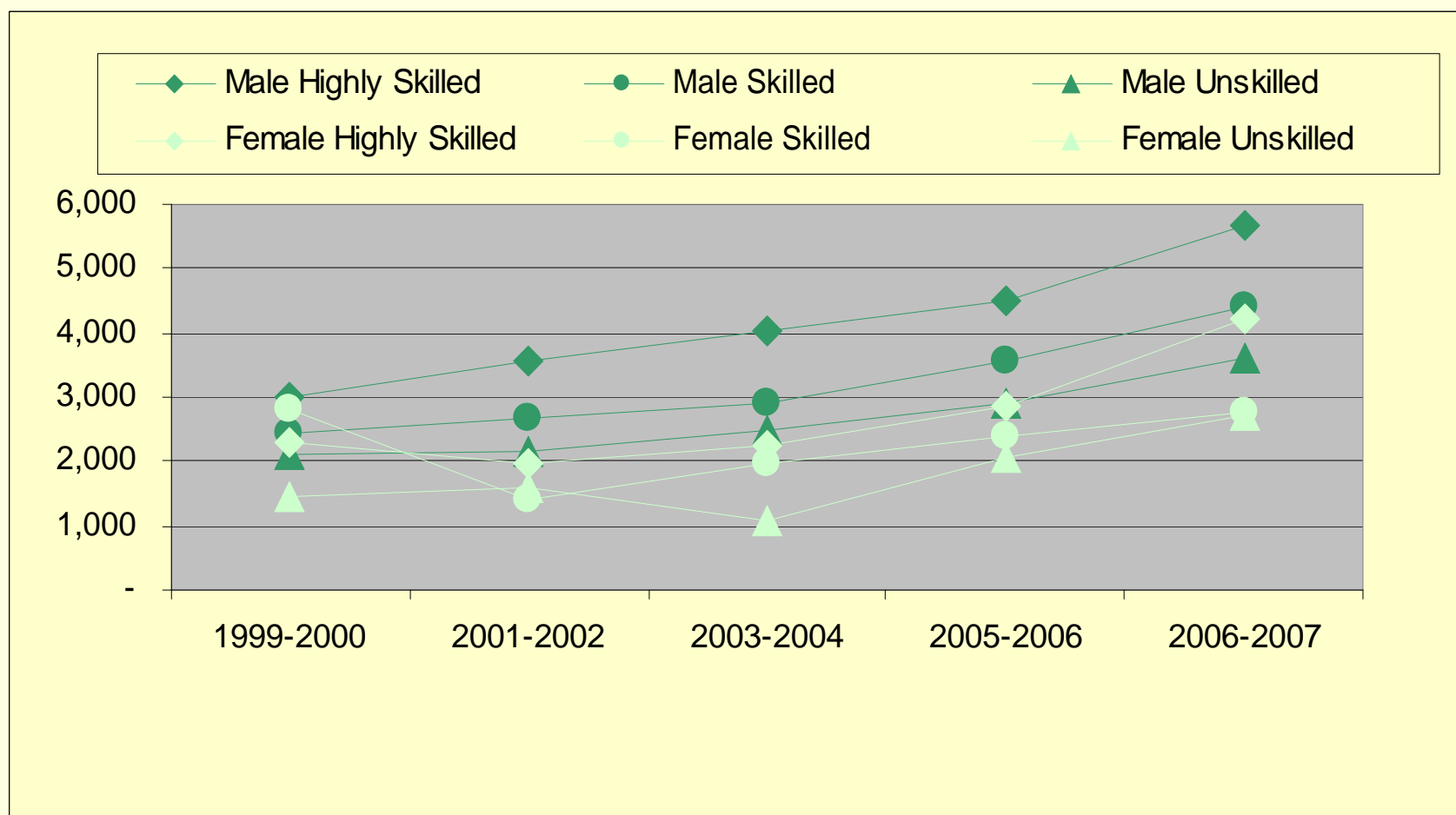
Educational attainment of the youth labour force (15-24)



Youth unemployment rate by educational attainment level (15-24)



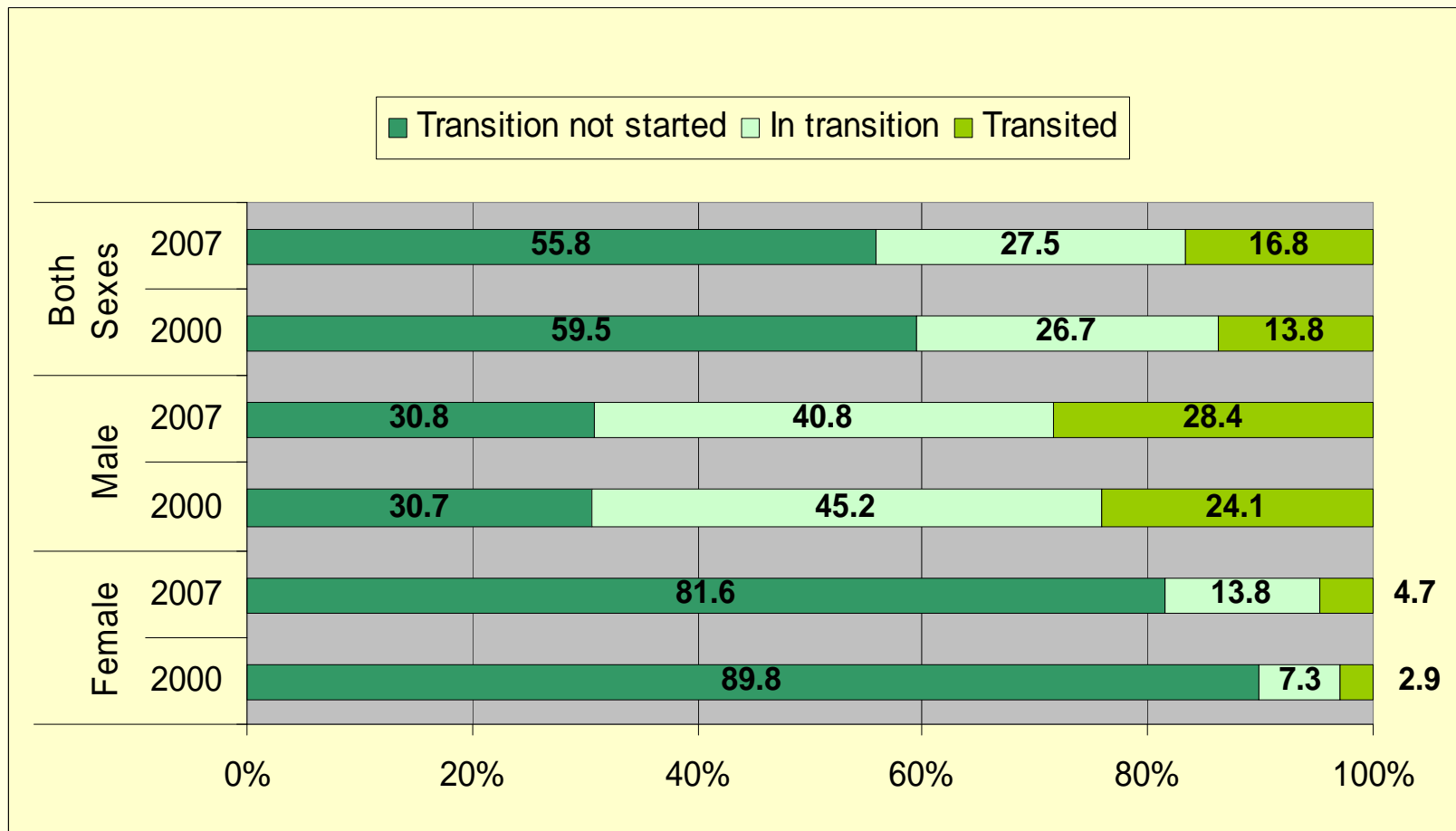
Wages for youth employees by major occupational groups



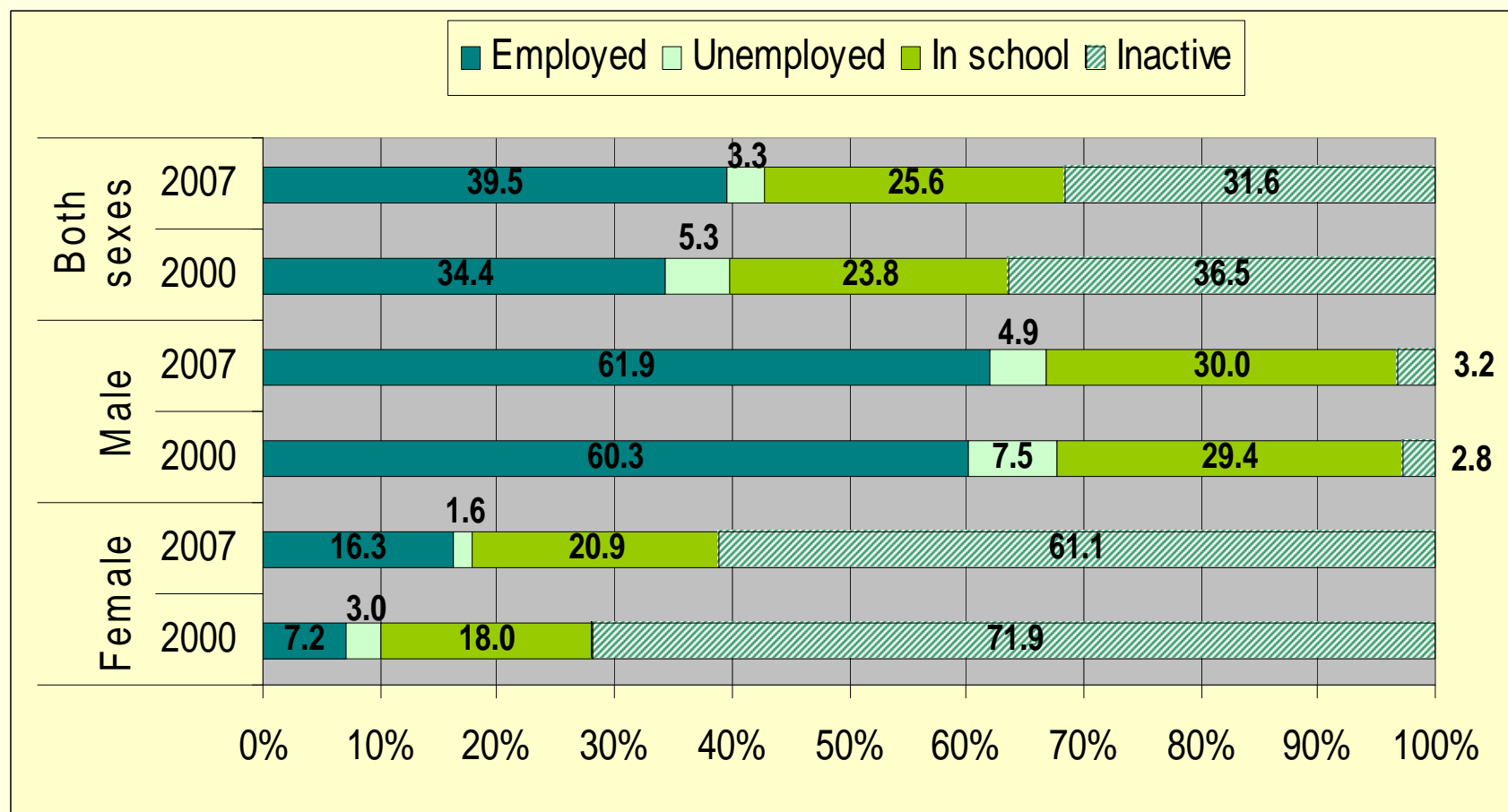
School-to-work transition

- How many young women and men who managed the transition successfully found decent and satisfying employment and how many have difficulties in the transition from school to decent work?
- What are the characterizing factors that influence the length and difficulty of the transition?

School-to-work transition



Distribution of youth by current activity status (%)



Conclusions on decent employment for youth

- Labour market analysis for youth in the light of decent and productive work provide number of worrying trends in the youth labour market in Pakistan, which require the immediate **attention of policy-makers** in order to capitalize on the demographic dividend
- Appropriate cross-ministerial policies should be developed that support youth, for example, regarding entrepreneurship, as the current labour market falls short in creating sufficient wage and salaried jobs or non-vulnerable employment.



LMIA 2008

- LMIA will further analyze inequalities on Pakistan's labour market.
- The next issue of LMIA Analyses will be a brief along the internationally agreed standard indicators to measure MDG target 1b on “full and productive employment and decent work for all including for women and young people.”



Decent work & MDGs

World leaders agreed to several important targets at the 2005 World Summit. They recommended the incorporation of these targets into the set used to follow up on the Millennium Declaration, including a new target under MDG1 (1b).

New MDG 1 Target 1b: to make the target of “full and productive employment and decent work for all, including for women and young people”, a central objective of our relevant national and international policies and our national development strategies



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Decent work: New MDG target - indicators

- ✓ Employment-to-population ratios for persons aged 15+ and youth (15-24) by sex
- ✓ The share of working poor (US\$1 a day) in total employment
- ✓ Labour productivity
- ✓ Vulnerable employment



Employment-to-population ratios for persons aged 15+ and youth by sex

- Employment-to-population ratios **indicate the efficiency of an economy** to provide jobs for those who want to work.
- Employment-to-population ratios **express the number of people in employment** as a percentage of the population for the corresponding age group (either 15 years and over or youth).
- There is no “correct” employment-to-population ratio, but **there are certain “rules” and favourable trends that have a positive impact on reducing decent work deficits** in the short and long run.

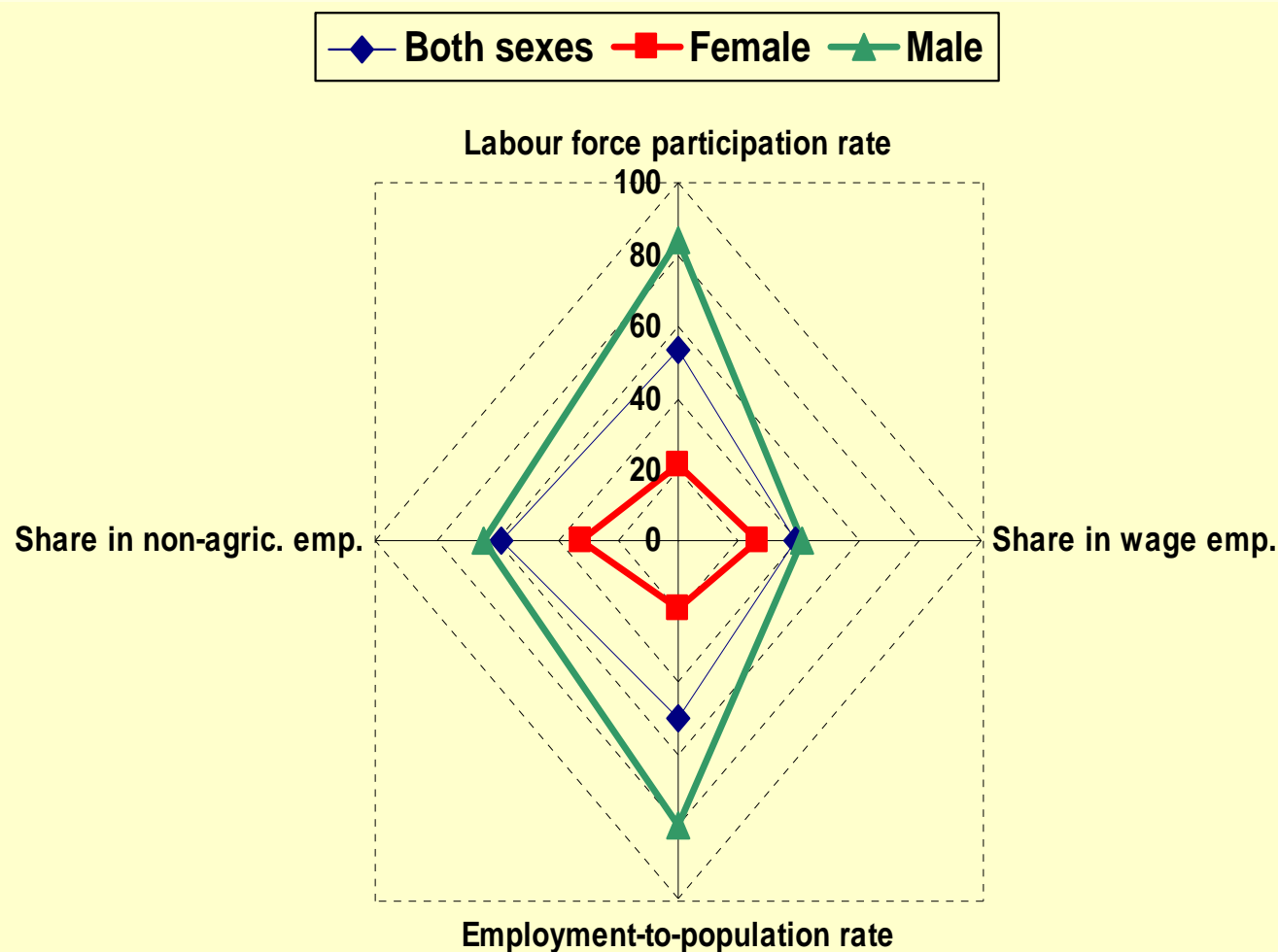


Employment-to-population ratio

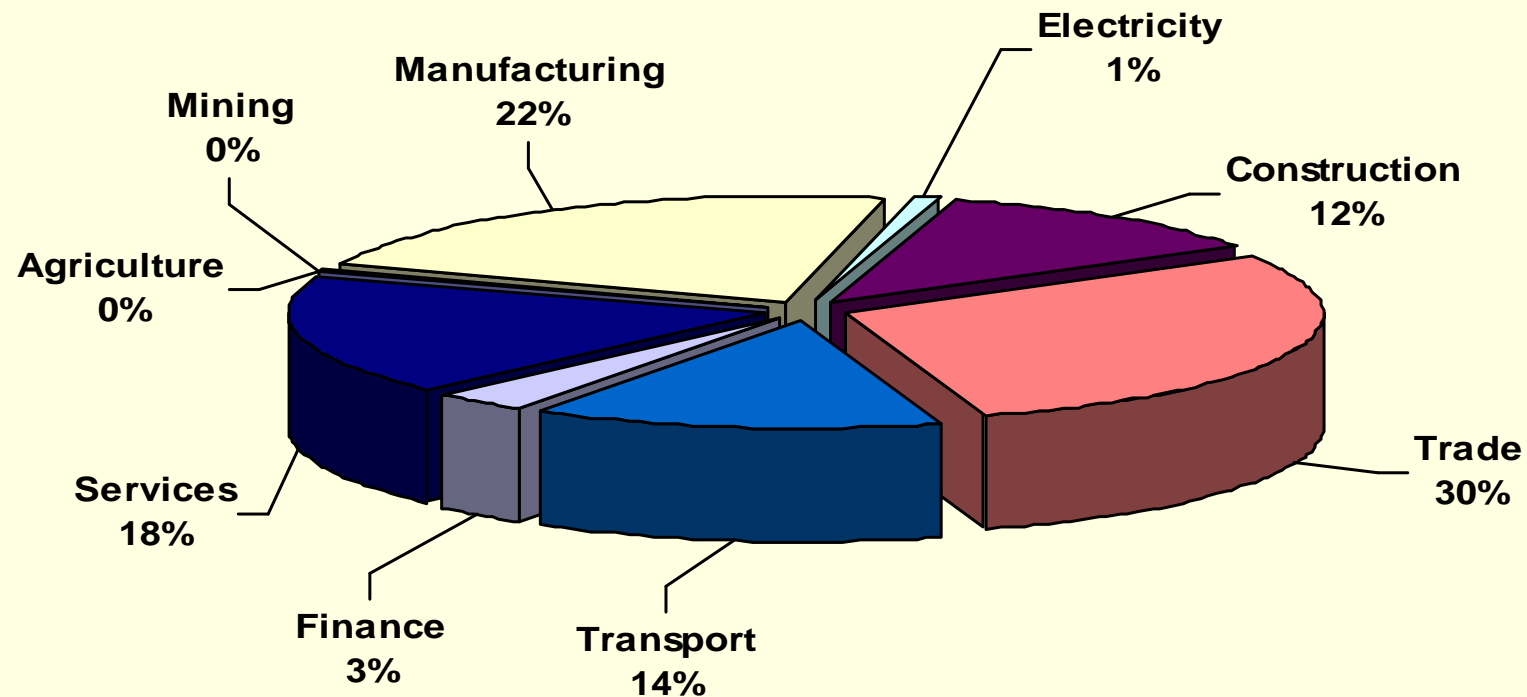
South Asia and Pakistan, 2000 and 2006



Gender differences in various labour market indicators in Pakistan: 2006



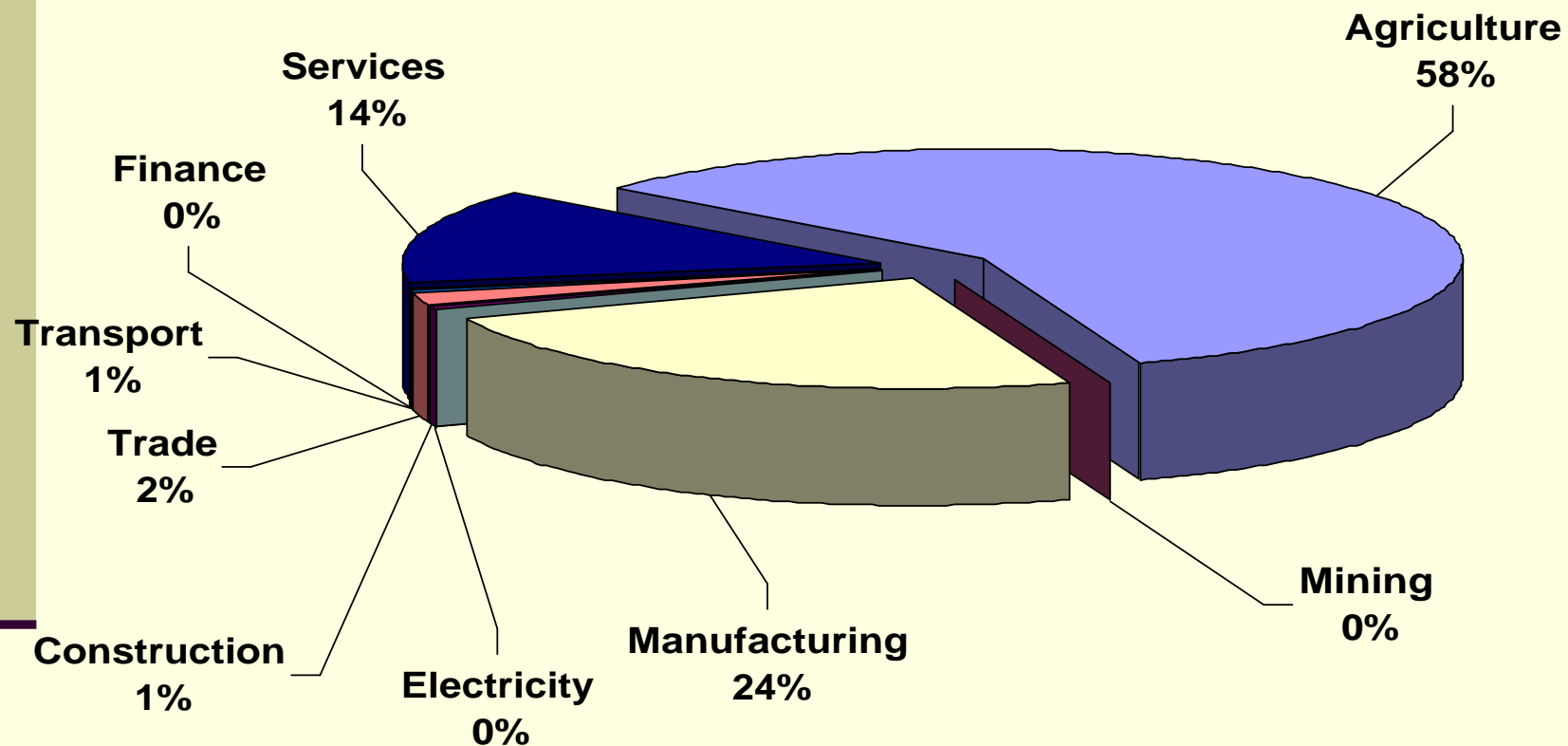
Share of employment creation by sector 2000-2006 (males)



Source: FBS, Pakistan Labour force survey, 1999/2000 & 2005/06



Share of employment creation by sector 2000-2006 (females)



Source: FBS, Pakistan Labour force survey, 1999/2000 & 2005/06



Vulnerable employment: concept


Vulnerable employment
 (“at risk of lacking decent work”)
 =
 own account workers
 +
 contributing family workers



Vulnerable employment: concept



Vulnerable employment: concept

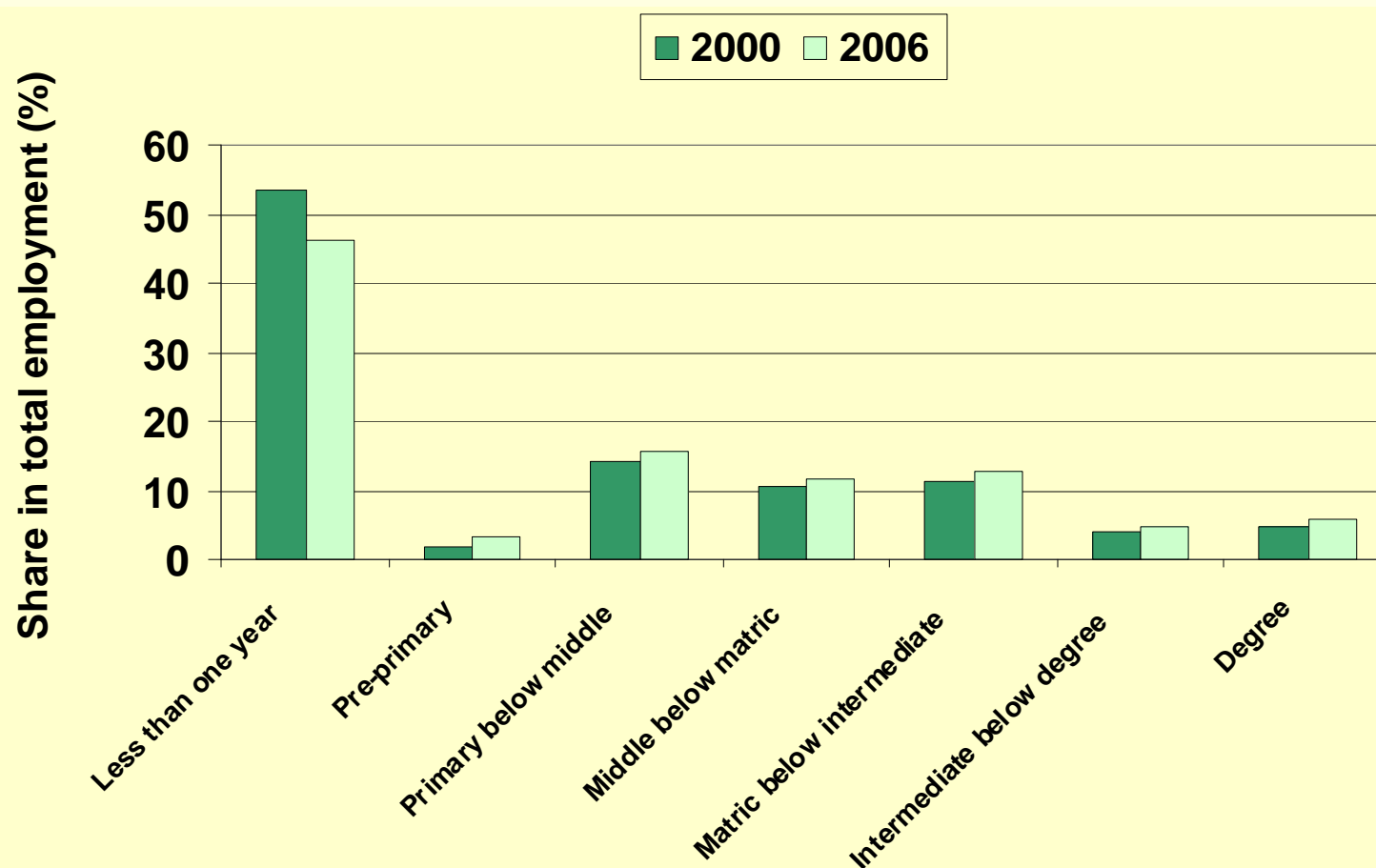


Measured
vulnerability

Vulnerable employment: concept

- Standard development discourse:
economic growth results in structural transformation with regard to the economic and the employment structure
 - Shift of employment away from agriculture to the industry and the services sectors
 - Gradual phasing out of own-account work of the subsistence type

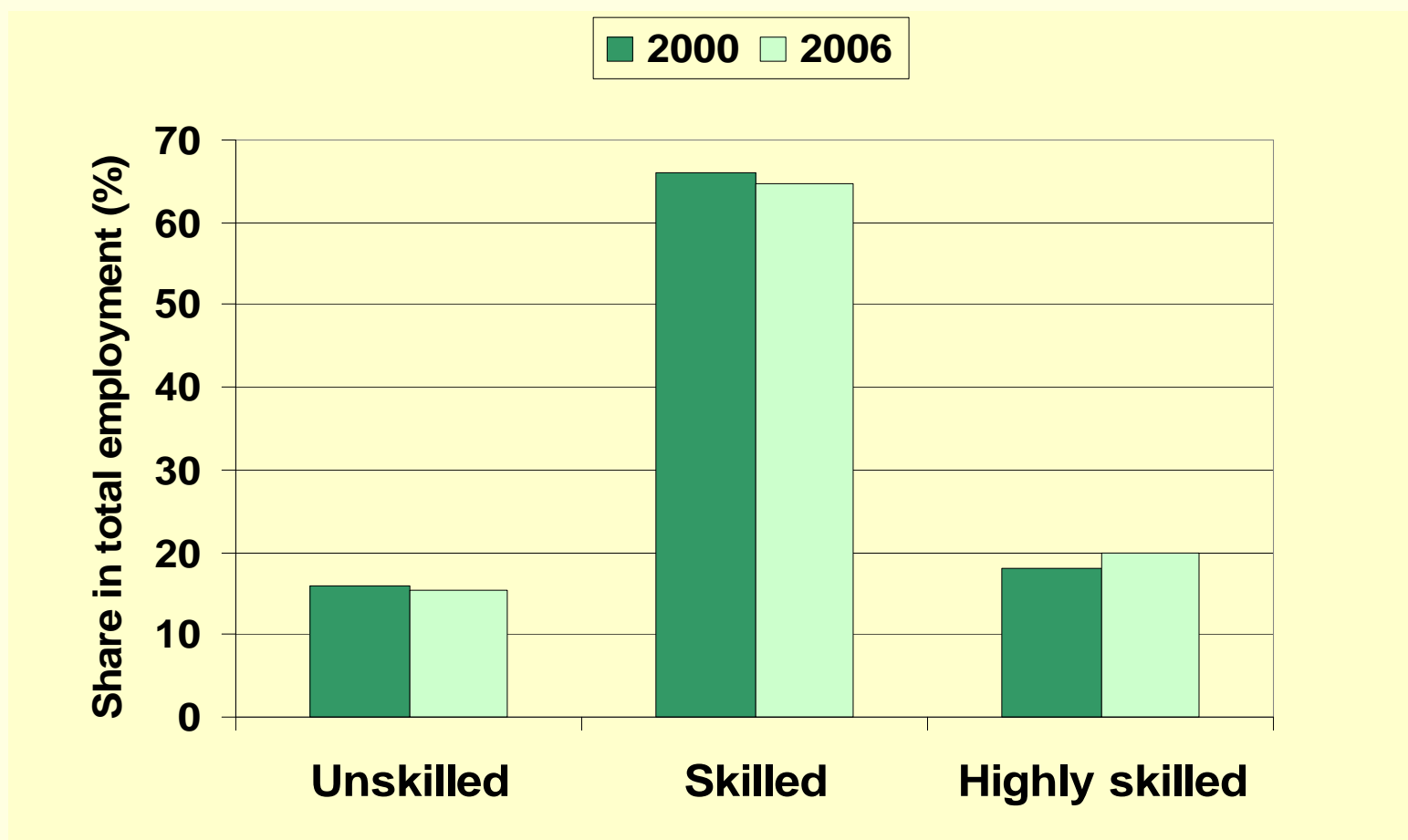
Educational attainment of the employed, 2000 and 2006 (shares)



Source: FBS, Pakistan Labour force survey, 2000 & 2006



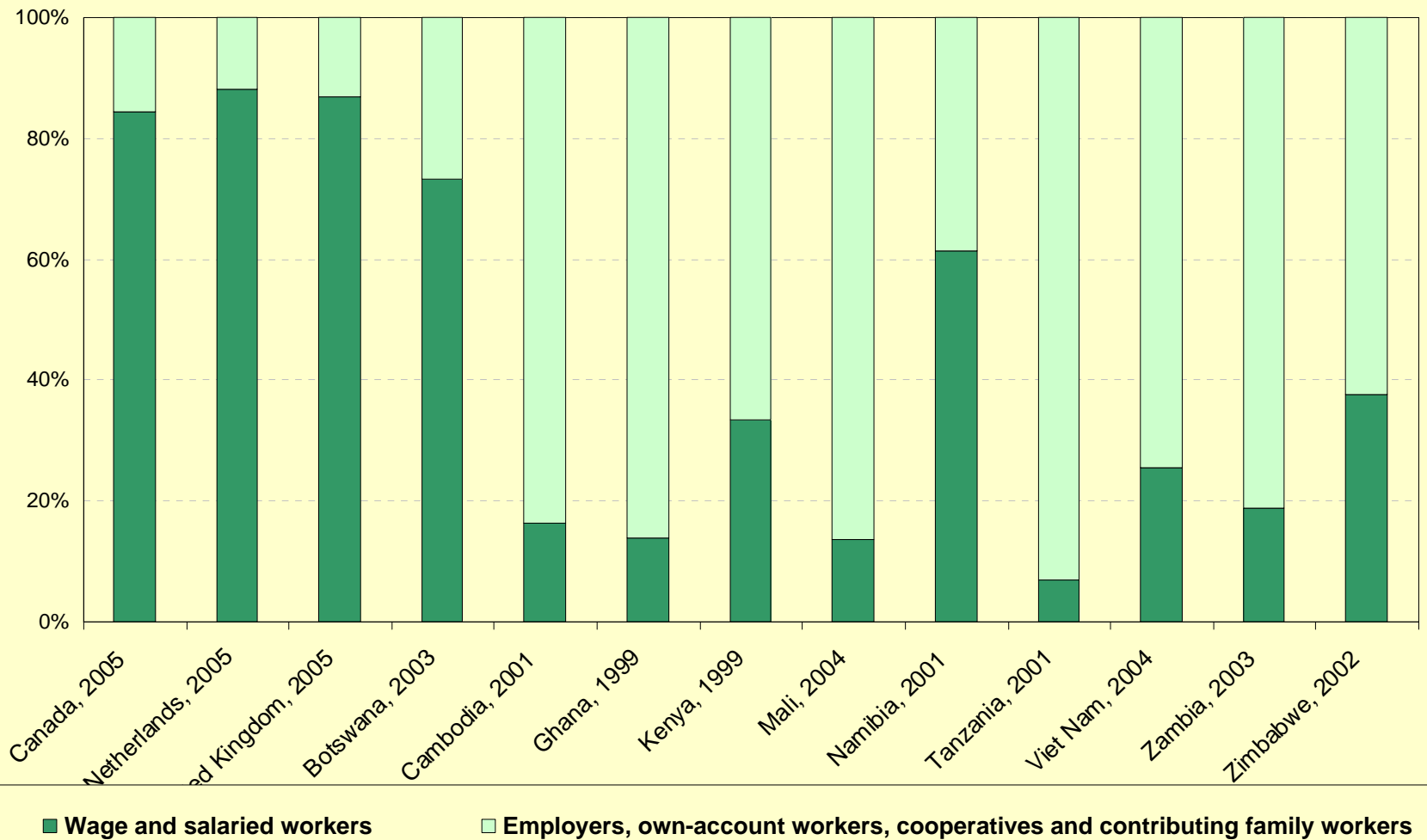
Share of aggregated major occupational groups in total employment, 2000 and 2006 (15+)



Source: FBS, Pakistan Labour force survey, 2000 & 2006



Vulnerable employment



Vulnerable employment: concept

- Recently documented examples: economic and labour developments in Latvia and Croatia in the past 10 years followed the standard pattern
- On the other hand, experience in African countries suggest that economic growth doesn't necessarily lead to a reduction in vulnerable employment
- It should also be realized that wage and salaried employment is not equal to decent employment

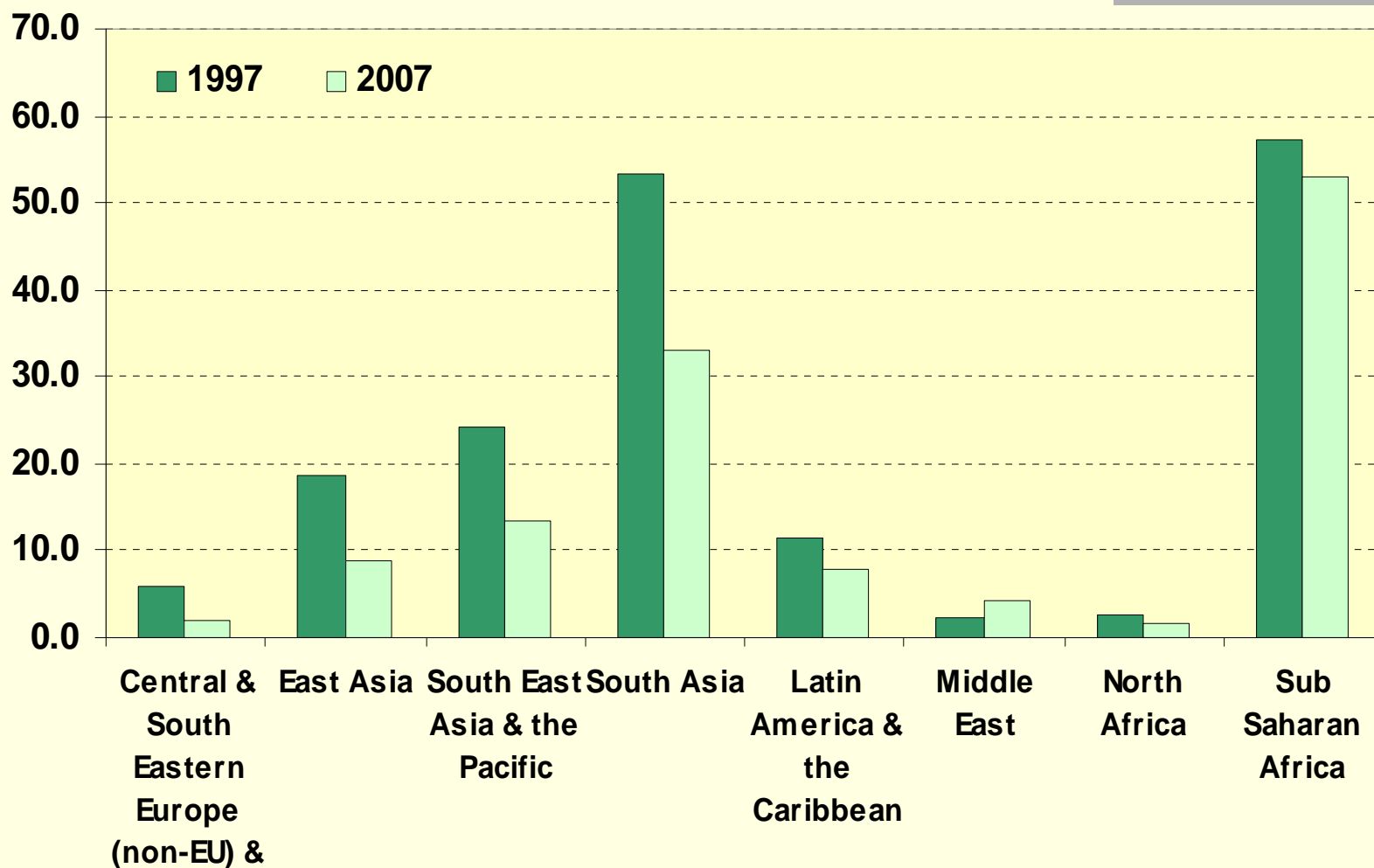


The share of working poor (US\$1 an day) in total employment

- Working poor (KILM 20) are defined as individuals who work, but nevertheless live with their families in poverty on less than US\$1 a day per family member.
- This total number is then divided by the total number of employed in a country to calculate the share of working poor.



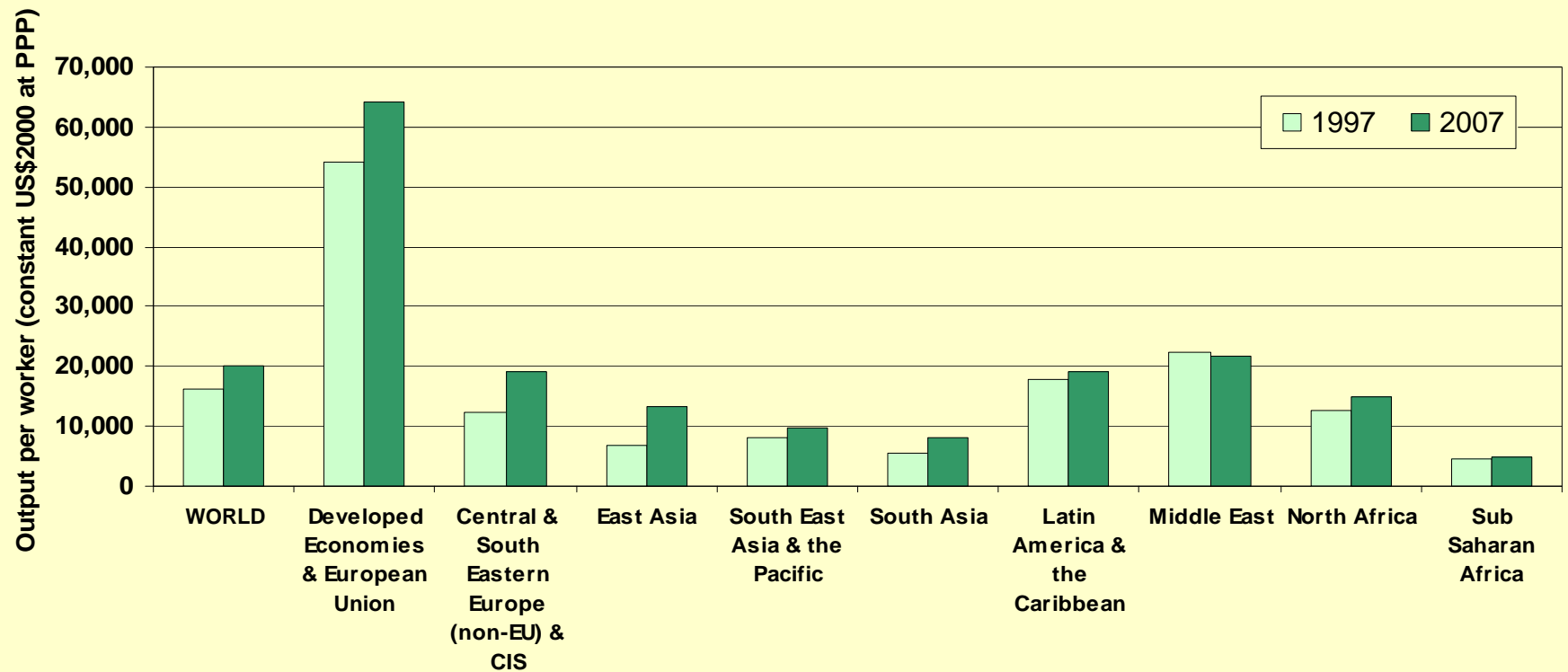
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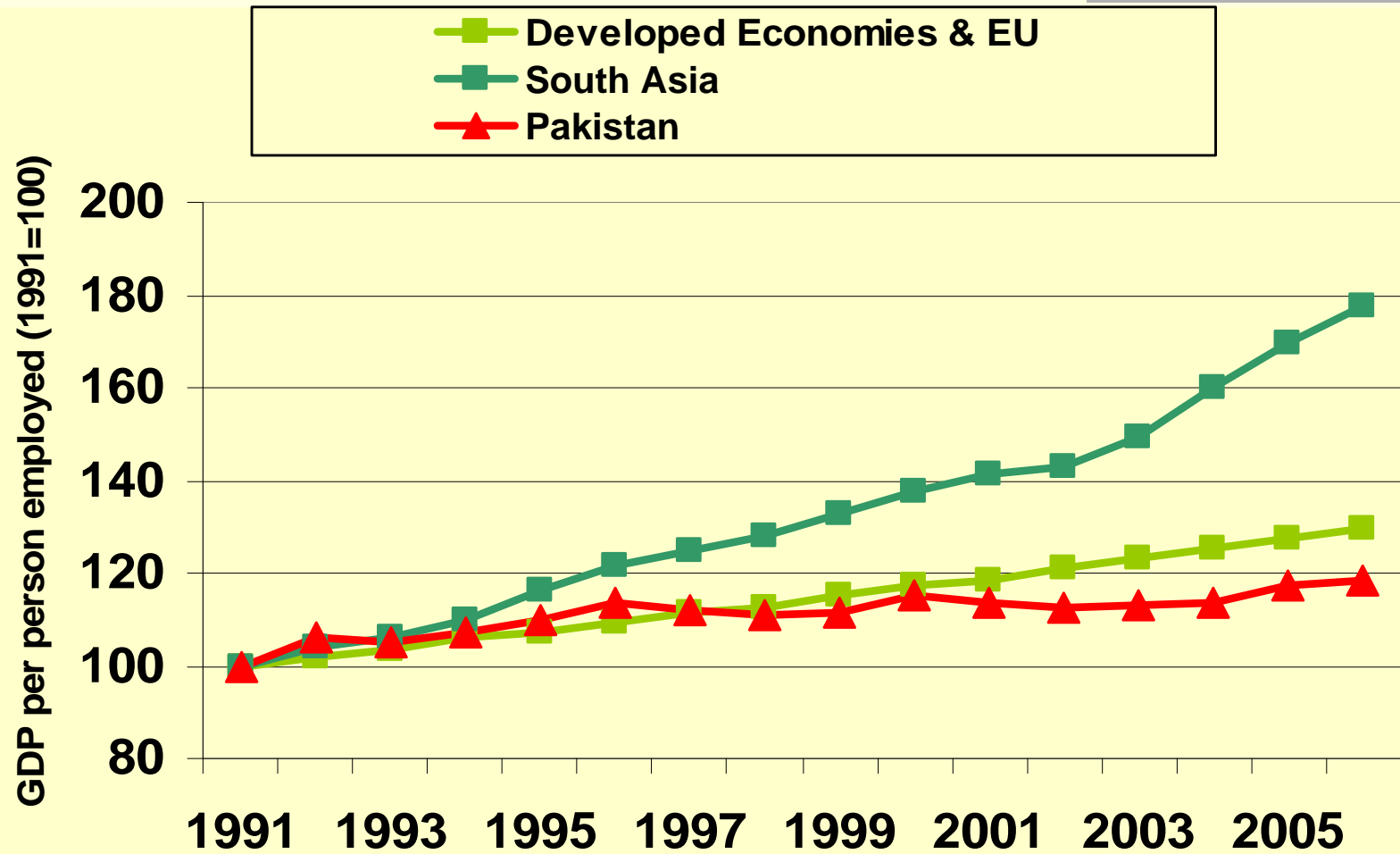
Labour productivity

- Given that the target to be evaluated is “*full decent and **productive** work for all*”, labour productivity – measured as **output per person employed** – is by definition important.
- This indicator (KILM 18) can be used to assess the likelihood of the country’s economic environment to create and sustain decent employment opportunities with fair equitable remuneration.

Labour productivity by region



Labour productivity growth in Pakistan and selected regions



Thank You

for your interest and attention

