



# Pakistan Employment Trends

## MDG Target 1b

**“Full and Productive Employment and  
Decent Work for All”**

*Ina Pietschmann, Technical Adviser,  
LMIA, ILO*

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**LMIA, ISLAMABAD**

# Overview

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- The Millennium Development Goals and Decent Work
- Decent Work and Labour Market Information and Analysis (LMIA) in Pakistan
- Analysis and findings of the report



# Decent work & the MDGs

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At the United Nations World Summit in September 2005, world leaders adopted under goal 1 (eradicate extreme poverty and hunger) an additional target 1b.

The new MDG 1 Target 1b:  
*calls **to make** full and productive employment and decent work for all, including for women and young people, **a central objective of relevant national and international policies and national development strategies.***



# The main questions

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



# Decent work: tools

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- Decent Work Country Programs
- <http://www.ilo.org/public/english/bureau/dgo/selecdoc/2007/toolkit.pdf>

Four dimensions:

- Employment creation and enterprise development
- Social protection
- Standards and rights at work
- Governance and social dialogue



# Decent Work and LMIA in Pakistan

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- LMIA is a necessary tool to monitor the decent work country program aiming for “*full and productive employment and decent work for all, including women and young people*” by using internationally accepted tools.
- Without LMIA 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.**



# 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

## **II. Employment**

4. Labour force participation rate
5. Employment-to-population ratio
6. Poverty and 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 rate by level of education
9. Youth unemployment
10. Youth inactivity
  - 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)

## **III. Social protection**

15. Informality and social protection
  - 15a. Informal employment
  - 15b. Social security coverage (for wage and salary earners)
  - 15c. Public social security expenditure (as percent of GDP)
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

## **IV. 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



# Internationally adopted indicators to measure target 1b

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





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

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- Employment-to-population ratios indicate the efficiency of an economy to provide jobs.
- 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 single ‘correct’ employment-to-population ratio, but careful analysis may reveal imbalances or favourable trends.



# Employment-to-population ratios

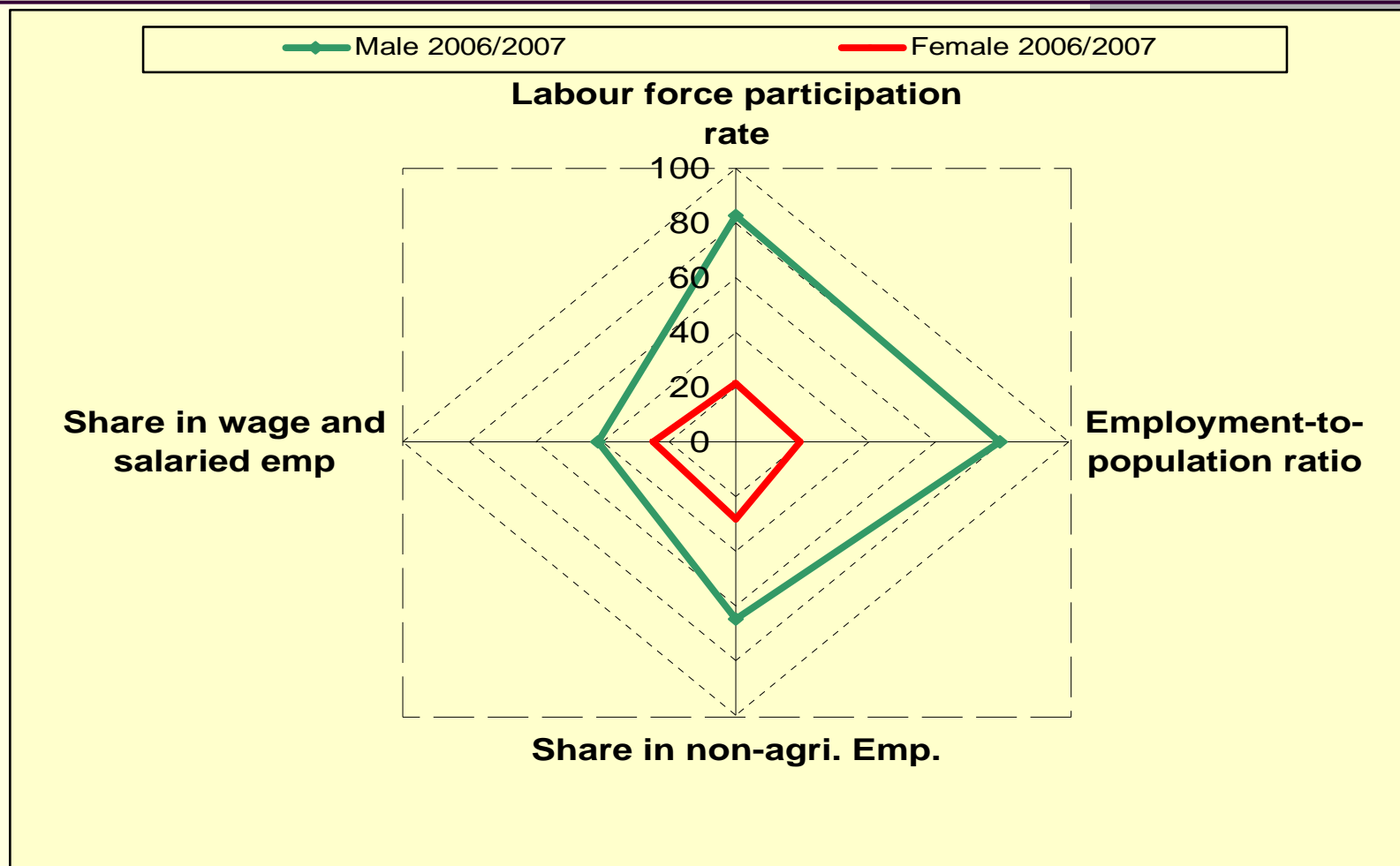
## South Asia and Pakistan, 2000 and 2007



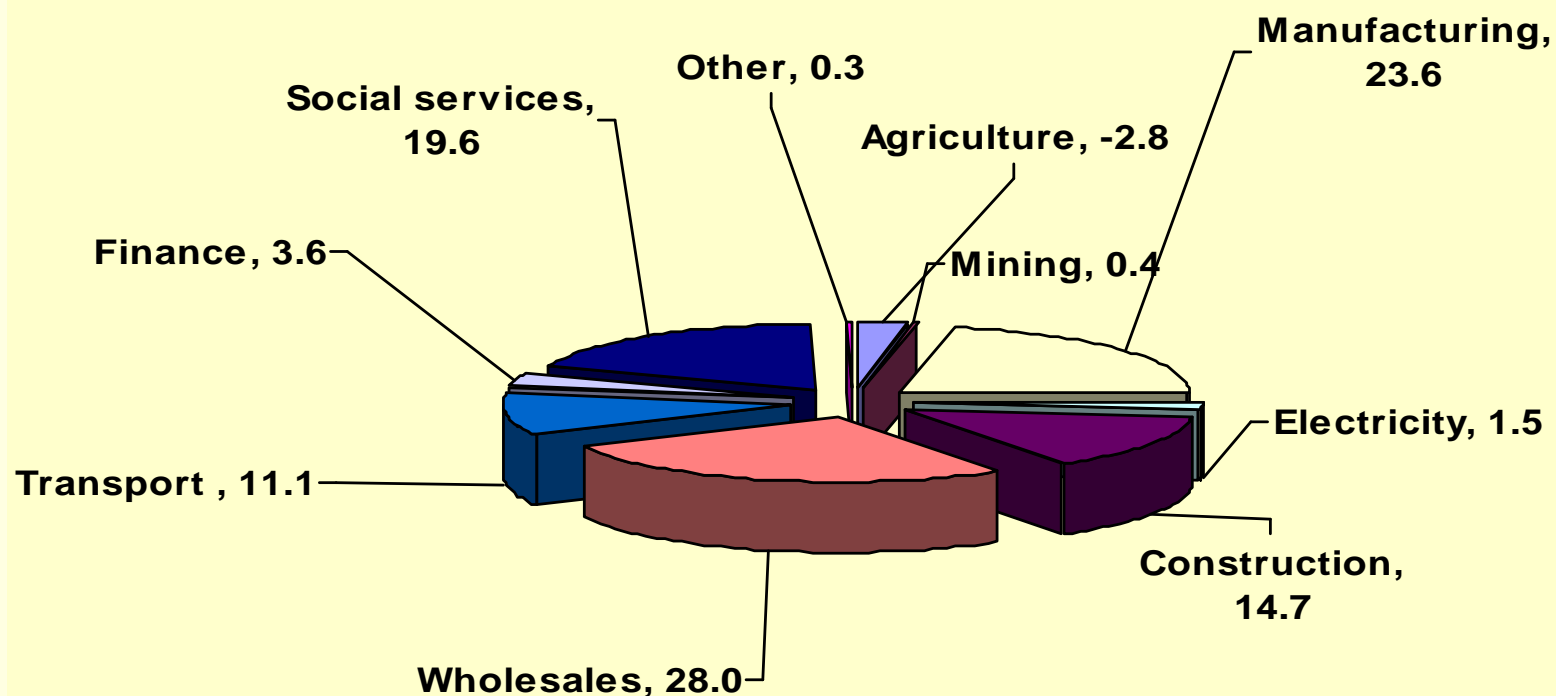
Source: FBS, Pakistan Labour force survey, 1999/2000 & 2005/06 and ILO, Global Employment Trends Model, 2007



# Gender differences in various labour market indicators in Pakistan: 2007



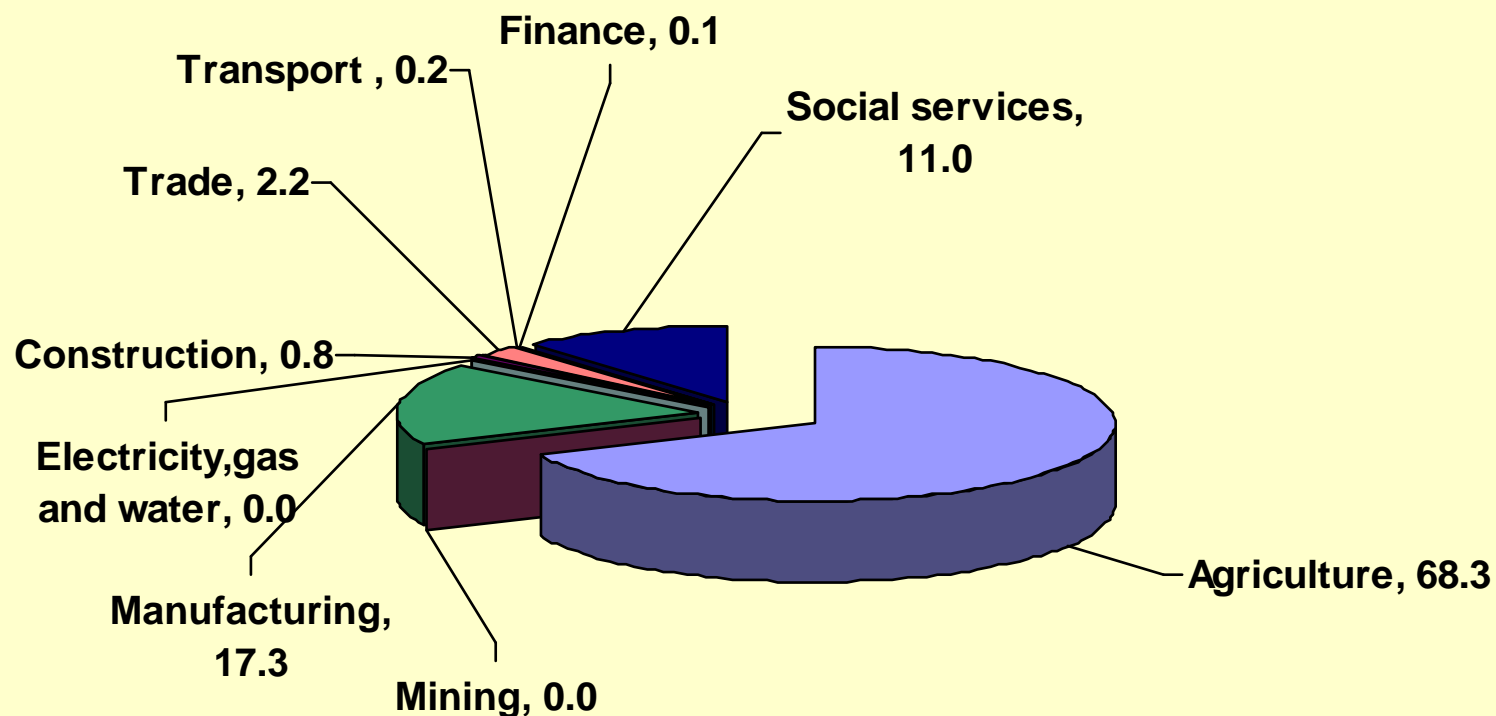
# Share of employment creation by sector 2000-2007(males)



Source: FBS, Pakistan Labour force survey, 1999/2000 & 2006/2007



# Share of employment creation by sector 2000-2007 (females)



Source: FBS, Pakistan Labour force survey, 1999/2000 & 2006/2007

# Decent work & MDGs:

## Vulnerable employment rate

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- ✓ Vulnerable employment rate for persons aged 15+ by sex
- ✓ The vulnerable employment rate is a measure of the more vulnerable statuses of employment, namely own account workers and contributing family workers
- ✓ Vulnerable employment rate = (number of own-account workers + number of contributing family workers)/total employment \* 100%
- ✓ The rate is typically related to level of GDP per capita



# Decent work & MDGs: Vulnerable employment rate

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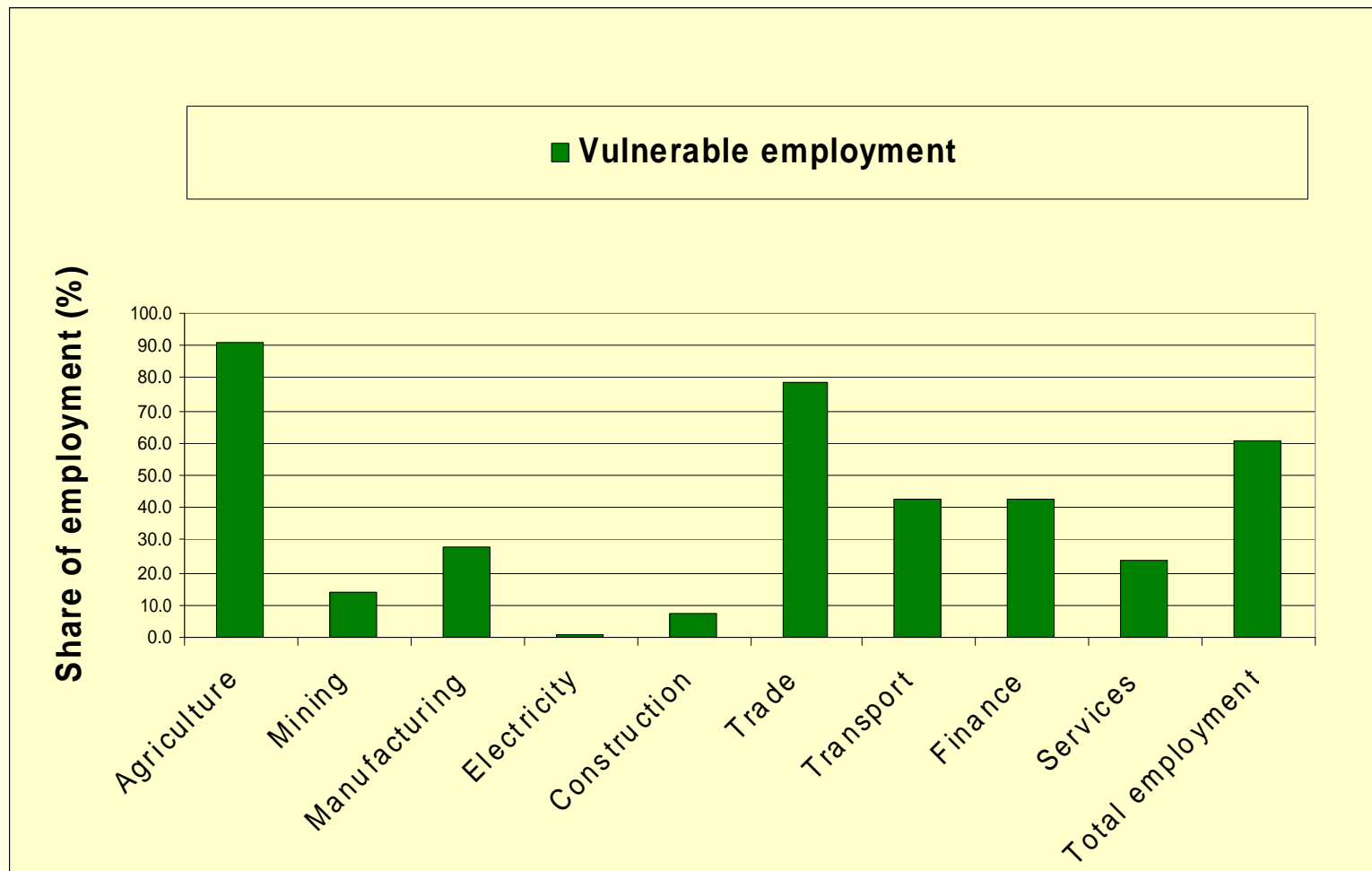
Standard development discourse:

*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 services sectors
- Gradual phasing out of own-account work of the subsistence type



# Vulnerable employment



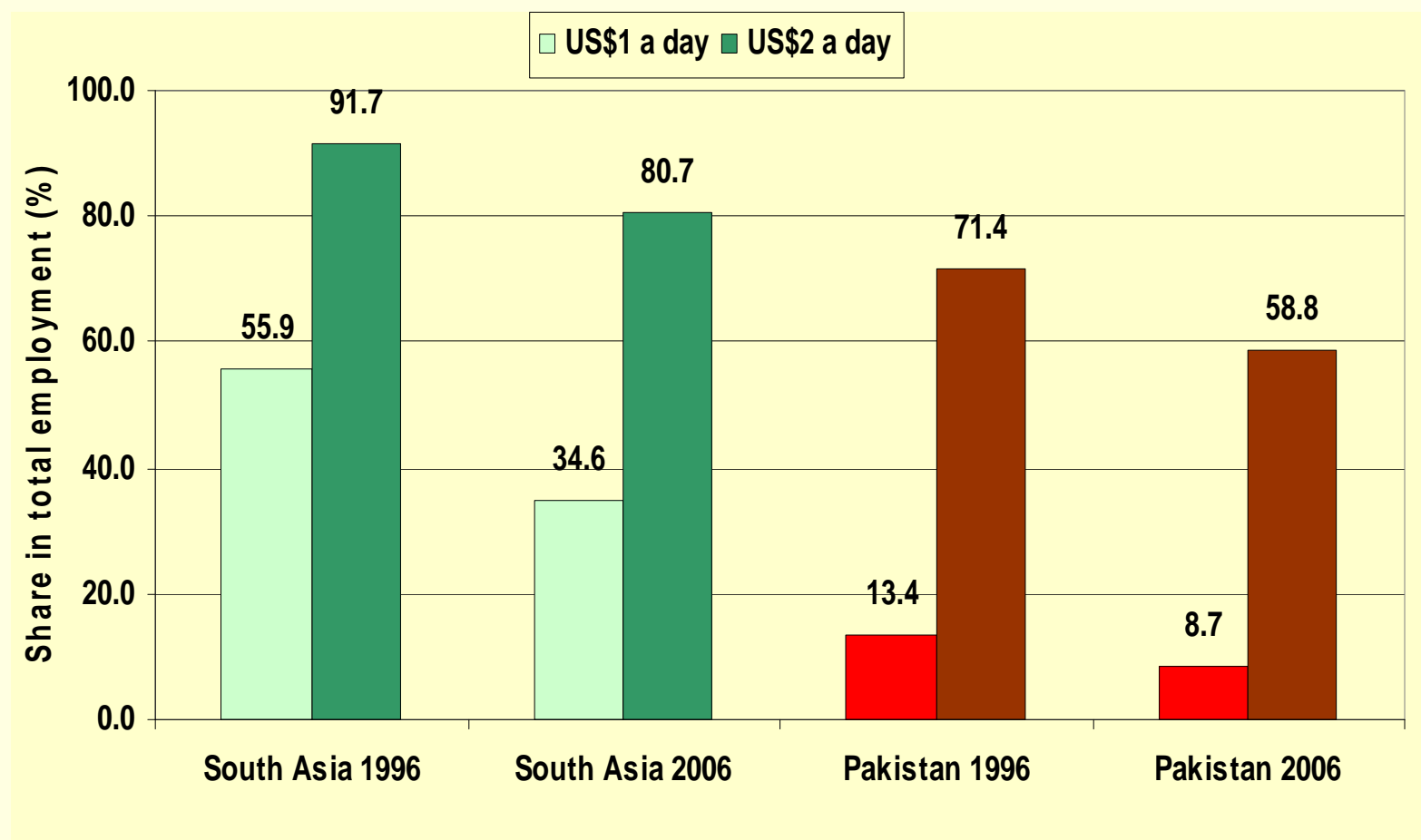


# The share of working poor (US\$1 an day) in total employment

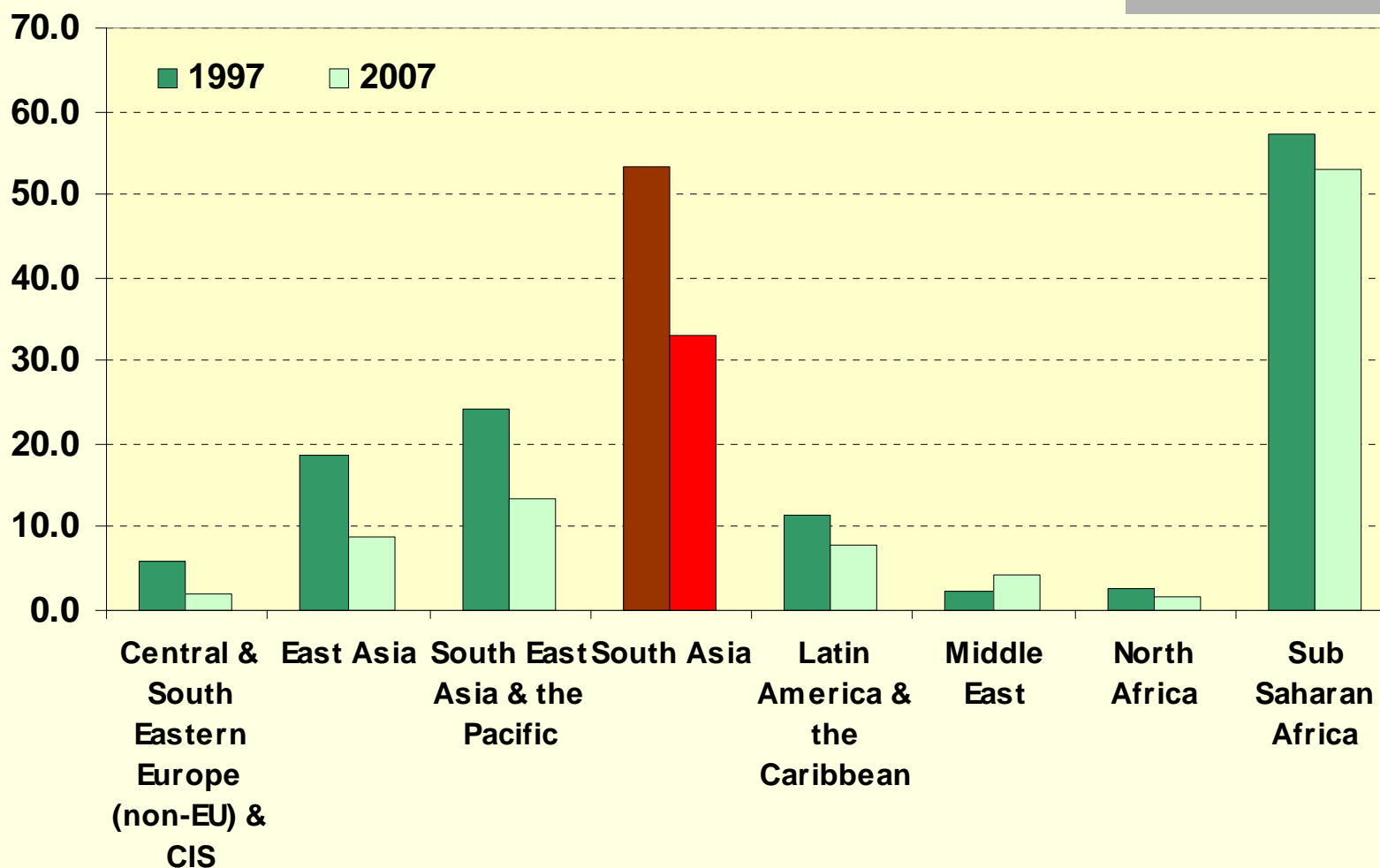
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- Working poor are defined as individuals who work, but nevertheless **live with their families in poverty on less than US\$1 a day per family member.**
- This total number is then divided by the total number of employed in a country to calculate the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

# Share of working poverty in Pakistan and South Asia, 1996 & 2006



# Share of working poor (US\$1 a day) in total employment

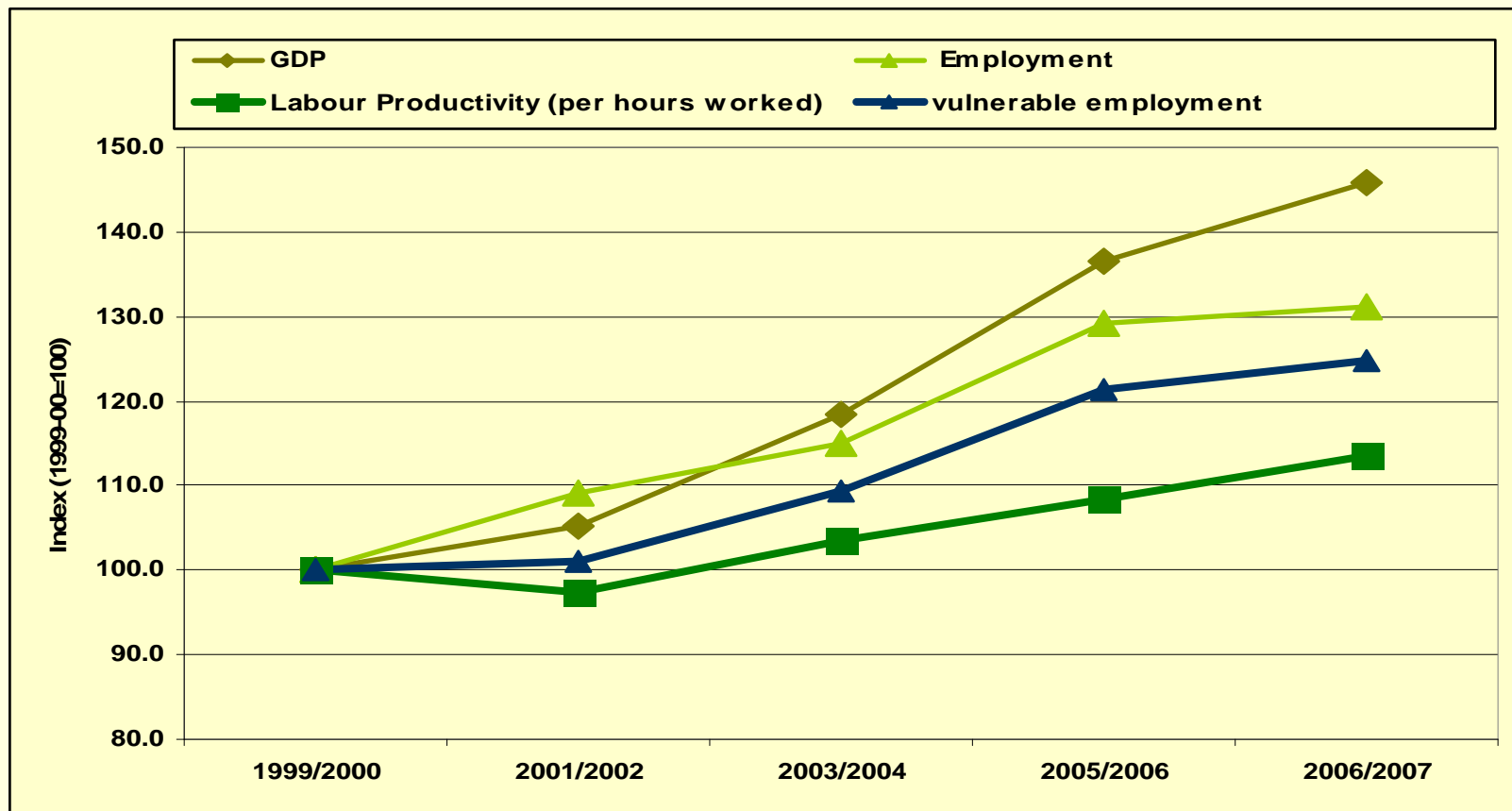


# Labour productivity

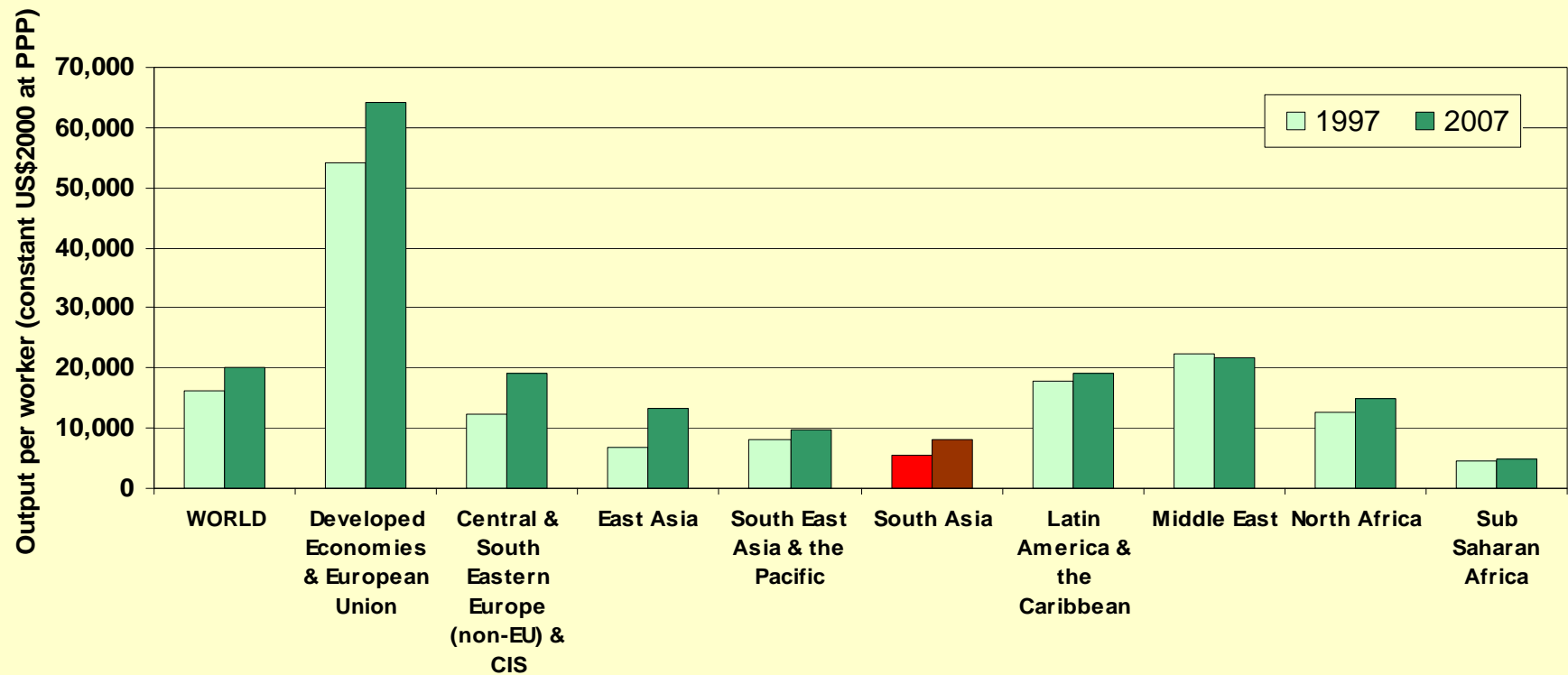
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- Given that the target to be evaluated is “*full decent and **productive** work for all*”, labour productivity – measured as **output per person employed** or **per hour worked**– is by definition important.
- This indicator (KILM 18) can be used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

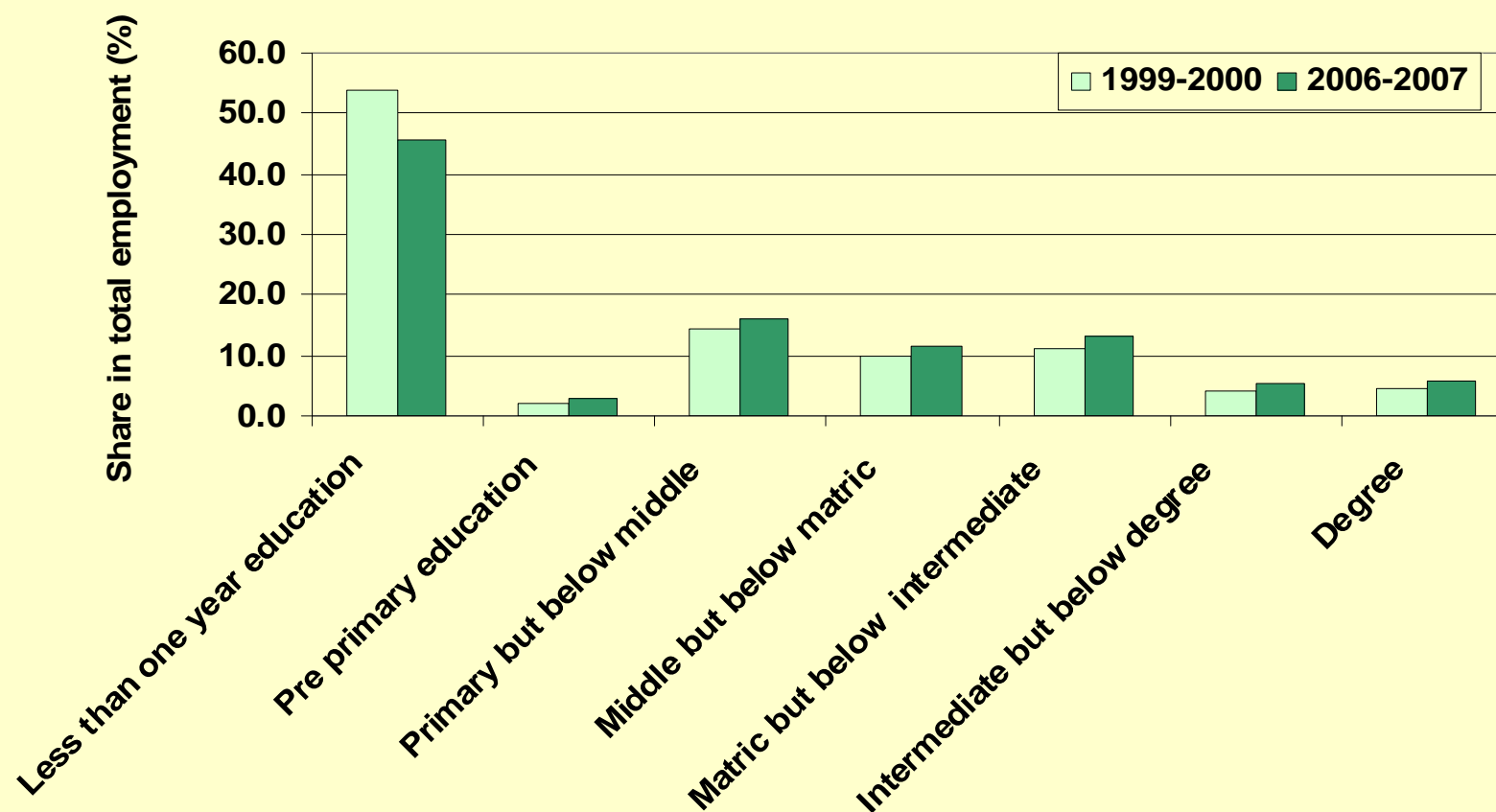
# Labour productivity



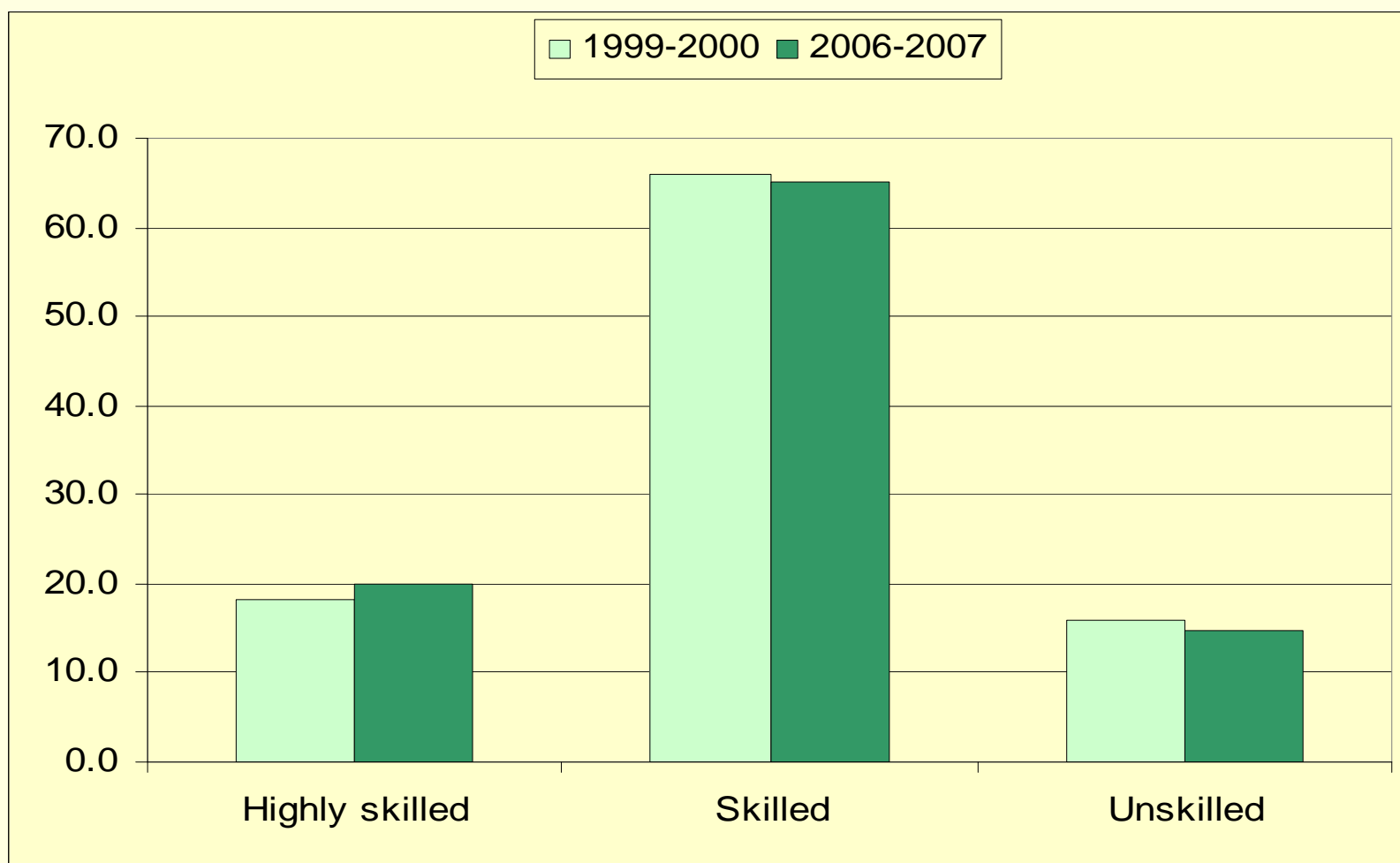
# Labour productivity by region



# Educational attainment of the employed, 2000 and 2007 (shares)



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





# Pakistan Employment Trends 5

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The next issue of *Pakistan Employment Trends*, the fifth in the series, will focus on the *district of Faisalabad*.

*It will provide the first district level LMIA with the focus on school-to-work transition.*

The Faisalabad Brief will be available in February 2008.



For further information  
regarding Labour Market  
Information Analyses  
(LMIA) in Pakistan please  
check:

[www.lmis.gov.pk](http://www.lmis.gov.pk)

