

Population Labour Force and Employment

Balanced growth in population is crucial for the welfare of the country or improving the productive capacity of the economy. It is important to know the size of a country's population, its growth rate and other demographic attributes in order to analyze the dynamics of the population, labour force and employment and to estimate the quantity of goods and services that will be needed to meet future demand.

The population of a country plays a vital role not only in the economic development but also for the social well-being of the people. However, poor management of human resources can lead to social distress and reduced economic performance. Due to rapid population growth and lack of well-developed human resources, Pakistan is faced with socioeconomic crises including food insecurity, and unemployment. Nevertheless, with continuous efforts of the government, the situation has started to improve.

Due to improved health facilities and promotion of population welfare activities through the Ministry of Population Welfare the crude birth and fertility rates have been reduced considerably which has led to a reduction in the average growth rate of the population. This has been accompanied by an increased labor participation rate. However despite these improvements Pakistan is still lagging behind in comparison to its neighboring countries. For example, the fertility rate in Pakistan is still higher than neighboring countries like India, Bangladesh, Sri Lanka, Nepal and China. As a result population growth rate is not reducing considerably and at the same time dependency ratio is increasing. Therefore, it is imperative to put further efforts for development of better human resources.

Since its creation Pakistan has exhibited a continuously high rate of population growth. When measured by population size it has moved from the thirteenth largest country in 1950 to the sixth largest country in 2011. According to World Bank projection it will become the fifth largest country by 2050. This rapid increase in population leads to greater demand for food, infrastructure, and services and puts an enormous strain on food security and provision of basic services.

This chapter presents a discussion of the structure of Pakistan's population and the evolution of demographic indicators, followed by a thorough overview of the structure of labour force, including unemployment statistics and details of government projects and programmes aimed at boosting employment opportunities.

Overview of Population and Demographic Indicators

The structure and growth pattern of population can be evaluated through certain key indicators. These are briefly explained below:

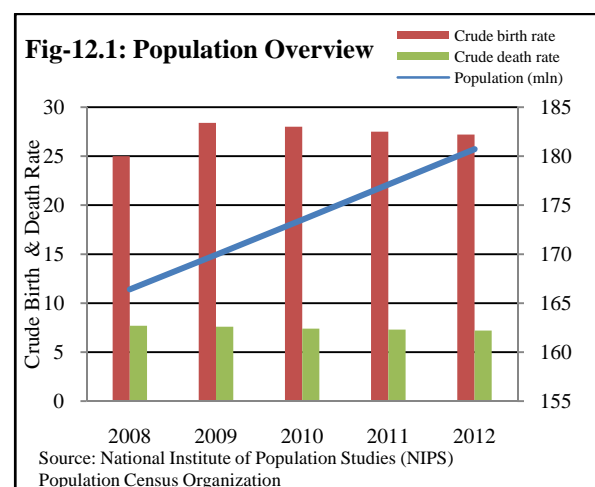
Crude Birth Rate: The average annual number of births during a year per thousand persons in the population at midyear is known as the crude birth rate. The birth rate is the main factor in determining the rate of population growth. It depends on both the level of fertility and the age structure of the population. The Crude Birth Rate (CBR) does not take into account the age or sex differences among the population. A crude birth rate of more than 30 per thousand is considered high and a rate of less than 18 per thousand is considered low. The global crude birth rate in 2011 was 20 per thousand. The CBR in Pakistan is

estimated at 27.2 per thousand in 2011-12; in 2008 it was 25.0 per thousand. This indicates a marginally improving trend.

Similarly, the crude death rate measures the rate of deaths per one thousand people in a given population per year. A crude death rate of less than ten per thousand is considered as low while above twenty per thousand is considered as high. According to the World Population Data Sheet 2011, the global crude death rate in 2010 was 8 persons per thousand. In Pakistan it was 7.3 per thousand in 2011. It is worth mentioning that the crude death rate decreased from 7.7 per thousand in mid-year 2008 to 7.2 per thousand in mid-year 2012, which shows an improving trend (Fig.1).

Infant mortality in Pakistan has also improved as the country experienced a considerable decline in maternal and infant mortality. Infant mortality was 70.20 per thousand in mid year 2008, which reduced to 69.00 per thousand live births in mid year 2012. The major reason for this decline is provision of improved health facilities to control diarrhea and pneumonia which can be fatal for infants. Nevertheless, this decline is not significant, given the repeated pregnancies and

births. The status of maternal health is improving in Pakistan. The maternal death rate decreased from 400 per 100,000 live births in 2005-06 to 276 per 100,000 live births in 2010. This decline is the result of the strengthening of the four pillars of safe motherhood including family planning, antenatal care, clean safe delivery and essential obstetrical care.



Some of the selected demographic indicators for the period (2010-11 and 2011-12) are posted in Table 12.1.

Table 12.1: Selected Demographic Indicators

| | 2010-11 (1 st July) | 2011-12 (1 st July) |
|----------------------------------|--------------------------------|--------------------------------|
| Total Population (Million) | 177.1 | 180.71 |
| Urban Population (Million) | 65.3 | 67.55 |
| Rural Population (Million) | 111.8 | 113.16 |
| Total Fertility Rate (TFR) | 3.5 | 3.4 |
| Crude Birth Rate (Per thousand) | 27.5 | 27.2 |
| Crude Death Rate (Per thousand) | 7.3 | 7.2 |
| Population Growth Rate (Percent) | 2.05 | 2.03 |
| Life Expectancy (Year) | | |
| - Females | 65.8 | 66.1 |
| - Males | 63.9 | 64.3 |

Source: P&D Division, National Institute of Population Studies

The demographic indicators reflect improvement in the structure of the population and point to future trends. There is improvement in life expectancy and a fall in the population growth rate. Increase in life expectancy indicates the provision of a better living environment and health facilities in the country. The decline in fertility and the

resultant decline in population growth lead to a lower dependency ratio which may help in improving living standards in the country. However the population growth rate is still higher than other neighboring countries and is still a challenge for the government.

Age Composition of Population

The age composition of a population gives insight to the size of the future productive human resource. It also highlights changes in the dependency levels. During 2011, the under-15 population was 62 million, whereas 104 million were between the ages 15-59 years. The available projections of the population by age categories indicate that those below 30 years of age will constitute more than 53 percent of the total population by 2030. Countries, like Pakistan, having a very young age structure are more likely

to have large dependent population which puts a considerable stress on the economy. This higher percentage has a dual impact on the country's future economic and social wellbeing. The growing youth population will only add marginally to the productive resources of the country but will put a large burden on health, education and decent jobs, if they are not trained properly. This will worsen both the economic and social situation. Conversely with effective government policies for their education and training, these youth can become a powerful force for economic development.

| Table 12.2: Population by Age Groups | | | | | | Million |
|--------------------------------------|--------|--------|--------|--------|--------|---------|
| Age Group | 1998 | 2011 | 2015 | 2020 | 2025 | 2030 |
| 00-04 | 19.59 | 22.02 | 22.76 | 23.28 | 22.44 | 20.35 |
| 05-09 | 20.72 | 20.40 | 21.33 | 22.35 | 22.95 | 22.18 |
| 10-14 | 17.14 | 19.94 | 20.07 | 21.24 | 22.28 | 22.88 |
| 15-19 | 13.73 | 20.27 | 20.12 | 20.01 | 21.19 | 22.24 |
| 20-24 | 11.88 | 17.72 | 19.8 | 20.05 | 19.95 | 21.14 |
| 25-29 | 9.76 | 15.25 | 17.13 | 19.71 | 19.98 | 19.89 |
| 30-34 | 8.24 | 12.95 | 14.72 | 17.04 | 19.62 | 19.91 |
| 35-39 | 6.32 | 10.83 | 12.4 | 14.62 | 16.94 | 19.53 |
| 40-44 | 5.89 | 8.90 | 10.36 | 12.27 | 14.49 | 16.81 |
| 45-49 | 4.68 | 7.32 | 8.49 | 10.2 | 12.01 | 14.31 |
| 50-54 | 4.26 | 6.01 | 6.88 | 8.26 | 9.95 | 11.84 |
| 55-59 | 2.86 | 4.83 | 5.53 | 6.57 | 7.93 | 9.60 |
| 60-64 | 2.72 | 3.78 | 4.31 | 5.13 | 6.14 | 7.45 |
| 65+ | 4.64 | 6.81 | 7.82 | 9.39 | 11.39 | 13.93 |
| Total | 132.43 | 177.03 | 191.72 | 210.12 | 227.26 | 242.06 |

Source: National Institute of Population Studies, Planning & Development Division, June 2010

Regional Demographics

The Pakistan family planning indicators, though improving, do not compare favorably with other countries. Table 12.3 and 12.4 present a comparison of the family planning indicators with neighboring and some brotherly Islamic countries. It is evident from the data that the performance of Pakistan when compared with these countries is modest. Many Muslim countries such as Turkey,

Iran and Egypt have experienced a considerable decline in the Total Fertility Rate (TFR). In Pakistan an important reason for the slower decline is the low Contraceptive Prevalence Rate (CPR) due to the lack of awareness because of which people hesitate in practicing contraception. The following table provides a comparison with regional countries on TFR, CPR and the Population Growth Rate (PGR).

| Table 12.3: Family Planning Indicators of Regional Countries-2011 | | | |
|---|----------------------|---------------------------------|-------------------------|
| Country | Total Fertility Rate | Contraceptive Prevalence Rate % | Population Growth Rate% |
| Asia | 2.1 | 67 | 0.9 |
| Bangladesh | 2.2 | 56 | 1.3 |
| Bhutan | 2.3 | 31 | 1.5 |

Table 12.3: Family Planning Indicators of Regional Countries-2011

| Country | Total Fertility Rate | Contraceptive Prevalence Rate % | Population Growth Rate% |
|-----------|----------------------|---------------------------------|-------------------------|
| India | 2.5 | 56 | 1.3 |
| Maldives | 1.7 | 35 | 1.3 |
| Nepal | 2.6 | 48 | 1.7 |
| Sri Lanka | 2.2 | 68 | 0.8 |
| Pakistan | 3.4 | 27 | 2.03 |

Source: i) State of the world population 2011, United Nation Fund for Population Activities (UNFPA) Population Projection by Planning Commission's Working Group on Population Sector, 2010

ii) Sub Group II on Population Projections for the 10th Five Year People's Plan 2010-15

Table 12.4: Family Planning Indicators of Muslim Countries-2011

| Country | Total Fertility Rate | Contraceptive Prevalence Rate % | Population Growth Rate% |
|-----------|----------------------|---------------------------------|-------------------------|
| Egypt | 1.7 | 60 | 2.6 |
| Morocco | 2.2 | 63 | 1.0 |
| Turkey | 2.0 | 73 | 1.1 |
| Iran | 1.6 | 73 | 1.0 |
| Indonesia | 2.1 | 61 | 1.0 |
| Malaysia | 2.6 | 55 | 1.6 |
| Pakistan | 3.4 | 27 | 2.03 |

Source:

i) State of the world population 2011, United Nation Fund for Population Activities (UNFPA) Population Projection by Planning Commission's Working Group on Population Sector, 2010

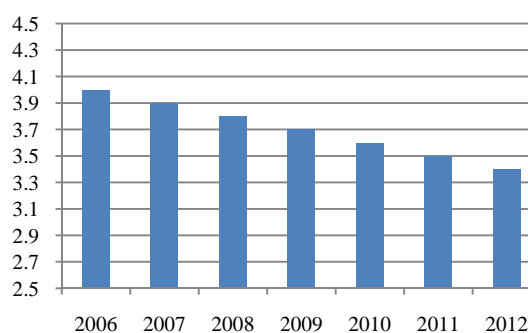
ii) Sub Group II on Population Projections for the 10th Five Year People's Plan 2010-15

Fertility in Pakistan

The Total Fertility Rate (TFR) of a population is the average number of children that are born to a woman over her life time. The TFR is closely tied to the population growth rates of a country and can be a good indicator of future population trends. Awareness of contraception is increasing in the country. According to the Demographic and Health Survey of Pakistan 2006-07 by the Ministry of Population Welfare, 96 percent of women who have ever been married are aware of at least one family planning method compared to 78 percent in 1991. The survey also shows that less than 30 percent of married women were using contraception. The fertility rate per woman has been reduced to 3.4 percent in 2012 from 4.0 percent in 2006 and the population growth rate has come down to 2.03 percent.

The results are still not encouraging when compared with other developing countries of the region. Pakistan has the highest birth as well as total fertility rate among the Asian developing

countries. If this trend prevails, it is expected that Pakistan's population will double in 2046, and other things remaining the same Pakistan's rank in terms of the selected social and economic indicators in comparison with other developing Asian countries may deteriorate further. Therefore, vigorous efforts are needed to control population growth and reduce the TFR.

Fig-12.2: Trend in Fertility Rate (%)

Source: Sub group II on population projection for the 10th Five Year People Plan 2010-15 (Planning and Development Division)

Reproductive Health

Reproductive health is a state of complete physical, mental and social well-being (and not merely the absence of disease or infirmity), in all matters relating to the reproductive system, and to its functions and processes. The provision of comprehensive, voluntary family planning and reproductive health services is a fundamental human right. Contrary to its importance, the general public is not sensitive about realizing and understanding the importance of reproductive health and as a result a large proportion of the population is reluctant to use contraception. The prevailing social mindset of son preference and the limited role of women in decision making for the welfare of the family hinder the effective implementation of any reproductive health program in many parts of the country.

The Rights of Women and Children

The future of a country depends largely on the quality of maternal guidance to the children and

the social and academic environment available to them. A healthy and educated mother, therefore, plays an extremely important role in making sure that her children are physically healthy, intellectually developed and academically active. Similarly every child has the right to avail good quality health care, safe drinking water, balanced diet and clean and safe environment. The first focus of population welfare, therefore, has to be on the education and health of a country's female population which has direct relevance to children's future. At the International Summit on Population and Development in 1994, nations of the world agreed that progress in addressing population issues could be better achieved through empowering women and girls to participate in their societies and economies on equal footing with men and boys and to make fundamental decisions about their lives, including decisions related to the timing and spacing of pregnancies and births.

Box 1

Measures for Empowering Women

- Equal access to education, training and science and technology
- The government has signed national and international commitments like Convention On Elimination of all Forms of Discrimination Against Women (CEDAW) and Millennium Development Goals (MDGs)
- Increase of women quota up to 10% for recruitment in public sector
- Reservation of thirty three percent seats for women in all local bodies, seventeen percent seats have been reserved in the Senate, Provincial Assembly and in National Assembly
- Protection of women against harassment at workplace
- Benazir Income Support Programme (BISP) for enhancing the confidence of women
- Establishment of working women hostel, provision of transport facilities to female employees and establishment of day care centre are part of the government initiatives to resolve the problems faced by employed women

Population Welfare Programme

Since 2002 the service delivery of the Population Welfare Programme has been under the administrative control of the provinces. Now the provincial governments are responsible for implementing the Population Welfare Programme. The federal government will be funding the

programme for a four year period. The population welfare department played an impressive role in the promotion of health and family planning related services throughout the country. Major achievements are listed as below:

- The population welfare program has established 2,891 family welfare centres

(FWC) during 2010-11. The FWC is one of the main service delivery networks of the program established in rural and urban areas for the provision of Mother Child Health Services (MCH), contraceptives and the treatment of minor ailments.

- ▶ Reproductive Health Services-A Centres (RHS-A) are hospital based units which provide the full range of family planning methods including contraceptive surgery services. These centres also assist in public health education campaigns and raising awareness about personal hygiene. There are 207 RHS-A centres functioning throughout the country.

- ▶ At present 292 Mobile Service Units (MSU) are functioning in the country. The MSU extends reproductive health and family planning services to villages through regular (twice a week) camping services.
- ▶ The hospitals registered as RHS-B Centres are providing training for doctors and paramedics. During 2010-11, the government launched 133 RHS-B Centers.
- ▶ Registered Medical Practitioners, Hakims and Homeopaths are a significant source of health care provision in both the urban and rural areas of the country.

Table-12.5: Physical and Contraceptive Users Targets

| (Cumulative Number) Name of Service Outlet / Unit | 2010-11 (Target) | 2010-11 (Achievement) | 2011-12 (Target) |
|---|------------------|-----------------------|------------------|
| Public Sector | | | |
| Family Welfare Centers (FWCs) | 3084 | 2891 | 3427 |
| Reproductive Health-A Centers | 258 | 207 | 269 |
| Mobile Service Units (MSUs) | 293 | 292 | 300 |
| Contraceptive users (million) | 9.953 | 2.734 | 10.241 |
| Private Sector | | | |
| RHS-B Centers | 145 | 133 | 184 |
| Registered Medical Practitioners (RMPs) | 24273 | 9297 | 27576 |
| Hakeems and Homeopaths | 13925 | 8071 | 14009 |

Source: Planning and Development Division

Urbanization

Urbanization is a process which involves the absolute and relative growth of towns and cities within defined areas. Major reasons for urbanization are better economic opportunities and living conditions as compared to rural areas. Due to the growing needs and limited work opportunities people are rapidly moving towards urban centers. Resultantly urbanization has been accelerated worldwide. This is the first time in human history that the majority of the world's population has been shifted to urban areas. At present 3.3 billion people (more than one half of world population) are living in urban areas. It is predicted that by 2030 at least 60 percent of the population will be living in cities. In developing countries, about 60 million people move from rural to urban areas each year and this rate of movement is expected to continue.

In Pakistan cities are growing rapidly as a result of the movement of people from rural areas in search of jobs, opportunities to improve their lives and make a better future for their children. Moreover the lack of basic facilities in rural areas like electricity, sanitation, safe drinking water and schooling are some of the reasons for rapid urbanization. The population in urban areas increased from 65.28 million in 2011 to 67.55 million in 2012. This means that within a year, two million people shifted from rural to urban areas in Pakistan. The annual population growth in urban areas is expected to increase further in coming years which may cause socio economic problems in future.

In order to cope with the situation, the government is not only trying to create a better economic and healthy environment in urban areas but also provide basic facilities in slum areas. Some of the reforms to manage urbanization are:

- ▶ Provision of adequate infrastructure, such as roads, houses, electricity, water and sanitation services, public transportation, schools and health clinics.
- ▶ Transforming slums into legitimate communities.
- ▶ Government supportive policies for agricultural sector.

Table 12.6: Urban and Rural Population (Million)

| Mid-Year | Urban Population | Rural Population |
|----------|------------------|------------------|
| 2008 | 57.32 | 105.06 |
| 2009 | 60.87 | 109.07 |
| 2010 | 63.05 | 110.46 |
| 2011 | 65.28 | 111.82 |
| 2012 | 67.55 | 113.16 |

Source: Planning and Development Division

Labour Force and Employment

The labour force can be defined as that part of the economically active population which can supply labour for production of goods and services in the

country. Pakistan has a very large labour force due to its large population size. Since independence, six labour policies have been announced by the government. These were announced in 1955, 1959, 1969, 1972, 2002 and 2010. These policies laid down the parameters for the growth of trade unionism; protection of workers' rights; the settlement of industrial disputes and the redress of workers grievances. The policy of 1972 was the most progressive one in terms of reforming the labour laws. The present government, recognizes that there should be a cordial relationship between workers and employers and at the same time both must enjoy reasonable benefits without inflicting any set back on the economy. This is only possible if there is a mutual awareness and understanding between workers and employers of the rights and obligations.

The labour policy 2010 has been developed within a framework of objectives and initiatives; some of which are summarized in Box-2

Box 2

Labour Policy 2010

Objectives

- ▶ Promotion of employee's social security and social insurance programme
- ▶ Adequate security of jobs should be available to the workers
- ▶ Conditions should be created so that workers and employers are committed to enhancing labour productivity
- ▶ Promotion of higher jobs be ensured at all levels based on suitability and merit
- ▶ Forced labour in all its forms to be eliminated
- ▶ Just and humane conditions of work be guaranteed to all workers

Initiatives

- ▶ The government has increased the minimum wages from Rs.7,000 to Rs.8,000 per month (announced by Prime Minister on 1st May, 2012).
- ▶ Consolidation of labour laws is underway
- ▶ Mine workers, whether contracted or permanent, will be provided with the same protection as other workers
- ▶ The government has started the process to regularize/confirm contract employees
- ▶ Elimination of gender discrimination
- ▶ Special emphasis on education of workers children
- ▶ Regulate and control child labour

According to the Labour Force Survey (LFS) 2010-11, Pakistan has a labour force of 57.24 million people which is 0.91million more than the

previous year. The total number of people employed during 2010-11 was 53.84 million, 0.63 million more than the preceding year.

Table-12.7: Civilian Labour Force, Employed and Unemployed for Pakistan (Million)

| YEAR | 2003-04 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Labour Force | 45.5 | 50.05 | 50.33 | 51.78 | 53.72 | 56.33 | 57.24 |
| Employed | 42 | 46.95 | 47.65 | 49.09 | 50.79 | 53.21 | 53.84 |
| Unemployed | 3.5 | 3.1 | 2.68 | 2.69 | 2.93 | 3.12 | 3.40 |

Source: Various Issues of Labour Force Survey, 2010-11

Labour Force Participation Rates

The Labour force participation is estimated on the basis of the Crude Activity Rate (CAR) and Refined Activity Rate (RAR). The CAR is the percentage of the labour force in the total population while RAR is the percentage of the labour force in the population of persons 10 years of age and above. The RAR gives a relatively better picture of change in the labour force participation in the country because it is comprised of the active labour force. Between 2008-09 and 2010-11, the CAR showed a mixed trend in the rural areas. The male CAR decreased from 49.2 percent to 48.6 percent whereas at the same time the female CAR increased from 18.5 percent to

19.4 percent. Therefore the net effect on participation in rural areas was zero. In the case of the urban areas the female CAR increased more than the male CAR and there was an increase in the overall participation rate. The RAR for the rural areas shows a marginal decrease during the 2009- 2011 period. There is a marginal increase in the female RAR and a decrease in the male RAR. However in the urban areas both male and female RAR increased which on aggregate eliminated the effect of reduction in the rural RAR. Therefore as a whole, no change has been seen in RAR at the country level. An important insight in this change is that female participation is increasing in urban areas. This is a good sign of female empowerment.

Table-12.8: Labour Force Participation Rates

| Indicators | 2008-09 | 2009-10 | 2010-11 | Indicators | 2008-09 | 2009-10 | 2010-11 |
|---|---------|---------|---------|---|---------|---------|---------|
| Crude Activity (Participation) Rates (%) | | | | Refined Activity (Participation) Rates (%) | | | |
| Pakistan | | | | Pakistan | | | |
| Total | 32.8 | 33.0 | 32.8 | Total | 45.7 | 45.9 | 45.7 |
| Male | 49.6 | 49.5 | 49.3 | Male | 69.3 | 68.8 | 68.7 |
| Female | 14.9 | 15.5 | 15.6 | Female | 20.7 | 21.5 | 21.7 |
| Augmented | | | | Augmented | | | |
| Total | 38.8 | 38.8 | 38.4 | Total | 53.9 | 53.9 | 53.5 |
| Female | 27.0 | 27.2 | 27.0 | Female | 37.5 | 37.9 | 37.4 |
| Rural | | | | Rural | | | |
| Total | 34.3 | 34.5 | 34.3 | Total | 49.2 | 49.4 | 49.1 |
| Male | 49.2 | 49.0 | 48.6 | Male | 71.0 | 70.2 | 70.0 |
| Female | 18.5 | 19.3 | 19.4 | Female | 26.4 | 27.6 | 27.6 |
| Augmented | | | | Augmented | | | |
| Total | 42.7 | 42.6 | 42.2 | Total | 61.2 | 61.0 | 60.4 |
| Female | 35.6 | 35.8 | 35.4 | Female | 50.7 | 51.2 | 50.3 |
| Urban | | | | Urban | | | |
| Total | 29.9 | 30.0 | 30.0 | Total | 39.3 | 39.5 | 39.5 |
| Male | 50.4 | 50.6 | 50.6 | Male | 66.3 | 66.4 | 66.4 |
| Female | 7.6 | 7.8 | 8.1 | Female | 10.1 | 10.3 | 10.7 |
| Augmented | | | | Augmented | | | |
| Total | 31.0 | 31.1 | 31.0 | Total | 40.8 | 41.0 | 40.8 |
| Female | 9.9 | 10.1 | 10.1 | Female | 13.1 | 13.3 | 13.3 |

Source: Labour Force Survey 2010-11

Table 12.9: Employment Trend and Changes from 1999-00 to 2010-11**(Million)**

| Year | Pakistan | | Rural | | Urban | |
|---------|----------|--------|----------|--------|----------|--------|
| | Employed | Change | Employed | Change | Employed | Change |
| 1999-00 | 36.32 | 2.19 | 25.55 | 1.68 | 10.77 | -0.01 |
| 2001-02 | 38.88 | 2.56 | 26.66 | 1.11 | 12.22 | 1.45 |
| 2003-04 | 42.00 | 3.12 | 28.81 | 2.15 | 13.19 | 0.97 |
| 2005-06 | 46.95 | 4.95 | 32.49 | 3.68 | 14.46 | 1.27 |
| 2006-07 | 47.65 | 0.70 | 33.11 | 0.62 | 14.54 | 0.08 |
| 2007-08 | 49.09 | 1.44 | 34.48 | 1.37 | 14.61 | 0.07 |
| 2008-09 | 50.79 | 1.70 | 35.54 | 1.06 | 15.25 | 0.64 |
| 2009-10 | 53.21 | 1.08 | 37.25 | 0.79 | 15.96 | 0.29 |
| 2010-11 | 53.84 | 0.63 | 37.85 | 0.60 | 15.99 | 0.03 |

Source: Various issues of Labour Force Survey (2010-11) Pakistan Bureau of Statistics

Age Specific Labour force Participation rates

There is an unambiguous disparity between the male and female participation rates in Pakistan in age groups of 15 to 29 and 60+. The total labour force participation rate increased from 32.81 percent in 2008 to 32.83 percent in 2010-11. The participation rate in the 10-14 age groups decreased for both males and females. There was a declining trend (1.10 percent) for males in the 15-

19 age groups whereas an increasing trend (0.70 percent) was found in females of the same age group. In case of the 20-24, 25-34 and 35-44 age groups both male and female participation has increased. In the 45-54 and the 55-59 age groups the participation rate has decreased compared to last year. In the 60+ category the male participation rate has decreased while an increasing trend is observed in the female group in this cohort.

Table-12.10: Age Specific Labour Force Participation Rate (%)

| Age Groups | 2008-09 | | | 2009-10 | | | 2010-11 | | |
|------------|---------|------|--------|---------|------|--------|---------|------|--------|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| 10-14 | 13.1 | 16.2 | 9.5 | 12.6 | 15.4 | 9.2 | 11.8 | 14.3 | 8.8 |
| 15-19 | 37.0 | 52.7 | 18.9 | 37.1 | 52.7 | 19.2 | 36.4 | 51.6 | 19.6 |
| 20-24 | 53.8 | 85.4 | 22.7 | 54.7 | 84.5 | 23.9 | 53.8 | 84.3 | 24.2 |
| 25-29 | 57.5 | 96.6 | 22.8 | 58.0 | 96.3 | 24.7 | 58.9 | 96.8 | 25.0 |
| 30-34 | 58.8 | 97.9 | 24.6 | 59.1 | 97.6 | 26.4 | 59.5 | 98.2 | 25.9 |
| 35-39 | 62.2 | 98.5 | 27.7 | 62.2 | 97.4 | 29.0 | 62.5 | 98.4 | 29.0 |
| 40-44 | 62.7 | 98.2 | 27.6 | 62.4 | 97.7 | 26.6 | 64.2 | 98.3 | 30.0 |
| 45-49 | 62.6 | 97.3 | 26.8 | 65.0 | 97.4 | 29.5 | 64.8 | 97.8 | 28.6 |
| 50-54 | 63.1 | 95.9 | 24.5 | 64.7 | 96.4 | 29.3 | 63.5 | 96.6 | 28.1 |
| 55-59 | 62.8 | 93.7 | 26.4 | 62.6 | 93.3 | 28.0 | 61.5 | 92.2 | 26.3 |
| 60+ | 38.6 | 56.4 | 15.2 | 37.6 | 55.5 | 13.5 | 37.3 | 55.0 | 11.9 |

Source: Labour Force Survey 2010-11

Employment by Sectors

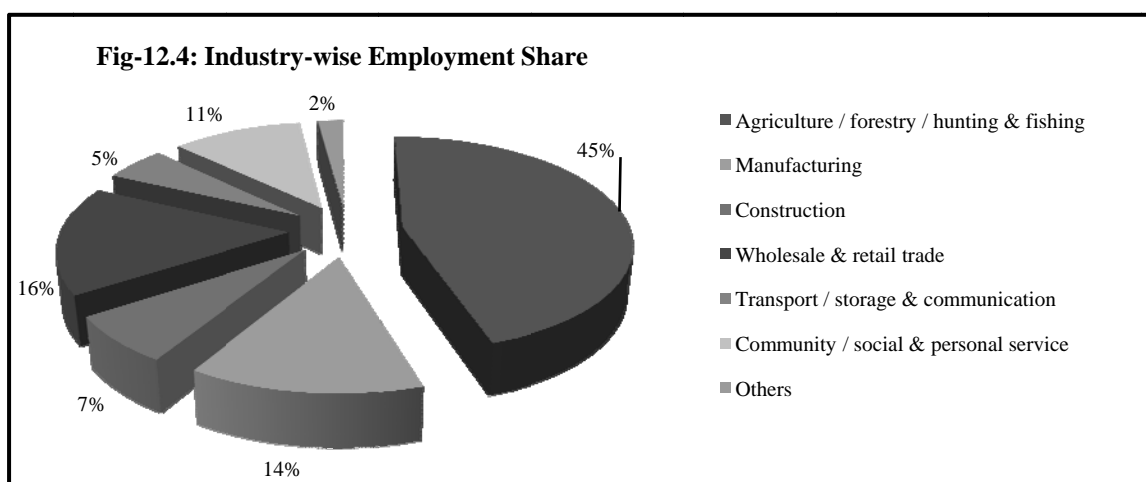
Most of the labour force in Pakistan works in the rural areas where agriculture is the dominant activity. The total labour force working in the agricultural sector remained unchanged during the 2008- 2011 period. However, female participation has shown an increase of 1.4 percent during this period. Contrary to that the male participation shows a declining trend. The manufacturing and construction sectors are also playing an important

role in the provision of employment. The employment share by manufacturing sector has increased from 13.2 percent in 2009-10 to 13.7 percent in 2010-11 and the share of construction sector has increased from 6.7 percent in 2009-10 to 7.0 percent in 2010-11. The Share of wholesale and retail trade has decreased from 16.3 percent to 16.2 percent while, the share of community / social and personnel service sector has decreased from 11.2 percent to 10.8 percent in 2010-11.

Table-12.11: Employment Shares by Industry (%)

| Major Industry Divisions | 2008-09 | | | 2009-10 | | | 2010-11 | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Agriculture/ forestry/ hunting & fishing | 45.1 | 37.3 | 74.0 | 45.0 | 36.6 | 74.9 | 45.1 | 36.2 | 75.4 |
| Manufacturing | 13.0 | 13.3 | 11.9 | 13.2 | 13.9 | 11.0 | 13.7 | 14.5 | 10.9 |
| Construction | 6.6 | 8.3 | 0.4 | 6.7 | 8.5 | 0.3 | 7.0 | 8.9 | 0.2 |
| Wholesale & retail trade | 16.5 | 20.5 | 1.6 | 16.3 | 20.2 | 2.1 | 16.2 | 20.4 | 1.6 |
| Transport/ storage & communication | 5.2 | 6.6 | 0.2 | 5.2 | 6.6 | 0.3 | 5.1 | 6.6 | 0.1 |
| Community/social & personal service | 11.2 | 11.1 | 11.6 | 11.2 | 11.2 | 11.2 | 10.8 | 10.8 | 11.5 |
| *Others | 2.4 | 2.9 | 0.3 | 2.4 | 3.0 | 0.2 | 2.1 | 2.6 | 0.3 |

Source: Pakistan Bureau of Statistics, Labour Force Survey 2010-11



Employment Status

The structure of employment as shown in Table 12.12 suggests that the employee and self-employed category account for 36 percent and 39.9 percent of the total employed workforce respectively. This is followed by unpaid family helpers at 27.7 percent and employers at 1.4 percent. Of the unpaid family helpers, females

decreased from 65 percent to 63.4 percent and males from 20.2 percent to 17.3 percent. The data indicates that unpaid family helpers have decreased from 15.10 million in 2008-10 to 14.91 million in 2010-11. In the rural population the number of unpaid family helpers is much larger than the urban areas. This indicates that there is a possibility that the services are not properly counted in the rural areas.

Table 12.12: Employment Status by Sex (%)

| | 2008-09 | | | 2009-10 | | | 2010-11 | | |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| Employers | 1.2 | 1.5 | 0.1 | 1.3 | 1.6 | 0.1 | 1.4 | 1.8 | 0.1 |
| Self employed | 33.3 | 38.7 | 13.1 | 34.2 | 40 | 13.6 | 39.9 | 40.5 | 15.6 |
| Unpaid family Helpers | 29.7 | 20.2 | 65 | 29.1 | 18.7 | 66.3 | 27.7 | 17.3 | 63.4 |
| Employees | 35.8 | 39.6 | 21.8 | 35.4 | 39.7 | 20 | 36.0 | 40.4 | 20.9 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source: Labour Force Survey 2010-11

Table 12.13: Employment Status by Region**(Million)**

| | 2008-09 | | | 2009-10 | | | 2010-11 | | |
|-----------------------|---------|-------|-------|-------------|-------|-------|---------|-------|-------|
| | Total | Urban | Rural | Total | Urban | Rural | Total | Urban | Rural |
| Employers | 0.60 | 0.46 | 0.14 | 0.67 | 0.50 | 0.17 | 0.77 | 0.53 | 0.24 |
| Self employed | 16.91 | 4.59 | 12.32 | 18.21 | 4.90 | 13.30 | 18.77 | 5.01 | 13.76 |
| Unpaid family Helpers | 15.10 | 1.84 | 13.26 | 15.48 | 1.82 | 13.67 | 14.91 | 1.83 | 13.08 |
| Employees | 18.18 | 8.36 | 9.82 | 18.85 | 8.73 | 10.12 | 19.39 | 8.62 | 10.77 |
| Total | 50.79 | 15.25 | 35.54 | 53.21 | 15.95 | 37.26 | 53.84 | 15.99 | 37.85 |

Source: Labour Force Survey 2010-11, Pakistan Bureau of Statistics

Formal and Informal Sectors

The informal sector covers a wide range of labour market activities and plays an important and sometimes controversial role. It provides jobs and reduces unemployment but in many cases jobs are low paid. This sector employs 73.8 percent of Pakistan's total labour force. The employment ratio in rural informal sector (76.5 percent) is higher compared to that in the urban areas (71.2 percent). Table 12.14 illustrates that the female employment rate in the rural informal sector is showing an increasing trend while in the urban informal sector; the employment rate has decreased (from 67.2 percent in 2008-09 to 63.1 percent in 2010-11). According to the Labour Force Survey (LFS) 2008-09, the male employment rate in the

rural informal sector stood at 76.2 percent which remained constant in 2010-11. However, in the urban informal sector employment has increased from 70.6 percent to 72.4 percent during this period. The overall percentage of persons working in the informal sector shows an increase in both the rural (from 76.3 percent to 76.5 percent) and urban areas (from 70.4 percent to 71.2 percent).

The formal sector did not show any significant changes with respect to employment level during the 2008-2011 period. The total employment in this sector reduced marginally from 26.7 percent to 26.2 percent. However in urban areas there was a significant reduction from 29.4 percent to 28.8 percent during this period.

Table 12.14: Formal and informal Sector-Distribution of non-Agriculture Workers (%)

| Sector | 2008-09 | | | 2009-10 | | | 2010-11 | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| - Formal | 26.7 | 26.6 | 27.6 | 26.7 | 26.7 | 26.9 | 26.2 | 25.9 | 28.9 |
| - Informal | 73.3 | 73.4 | 72.4 | 73.3 | 73.3 | 73.1 | 73.8 | 74.1 | 71.1 |
| Rural | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| - Formal | 23.8 | 24.0 | 22.2 | 23.7 | 23.8 | 22.3 | 23.5 | 23.8 | 21.0 |
| - Informal | 76.2 | 76.0 | 77.8 | 76.3 | 76.2 | 77.7 | 76.5 | 76.2 | 79.0 |
| Urban | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| - Formal | 29.4 | 29.1 | 32.8 | 29.6 | 29.4 | 31.6 | 28.8 | 27.6 | 36.9 |
| - Informal | 70.6 | 70.9 | 67.2 | 70.4 | 70.6 | 68.4 | 71.2 | 72.4 | 63.1 |

Source: Labour Force Survey 2010-11 Pakistan Bureau of Statistics.

Unemployment

Unemployment is the situation in which people, willing and able to work at the prevailing wage rate are unable to find jobs. In Pakistan the labour force is classified to include all persons who are

ten years of age and above and during the period are without work, currently available and seeking work. On the basis of the existing population of 180.71 million with a labour force participation rate of 32.83 percent, the total labour force is approximately 57.24 million.

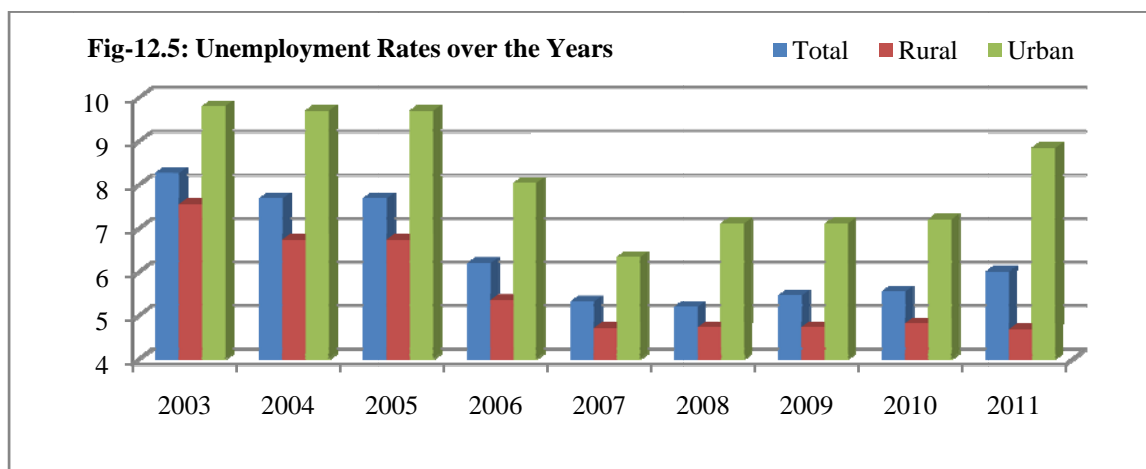
Table 12.15: Unemployment rate by area

| Area/sex | Unemployed labour force (in million) | | | Unemployment rate (%) | | |
|----------|--------------------------------------|-------|-------|-----------------------|-------|-------|
| | Total | Rural | Urban | Total | Rural | Urban |
| 2008-09 | 2.93 | 1.76 | 1.17 | 5.5 | 4.7 | 7.1 |
| 2009-10 | 3.12 | 1.89 | 1.23 | 5.6 | 4.8 | 7.2 |
| 2010-11 | 3.40 | 1.85 | 1.55 | 6.0 | 4.7 | 8.8 |

Source: Pakistan Bureau of Statistics, Labour Force Survey 2010-11

The unemployment rate has increased from 5.6 percent in 2009-10 to 6.0 percent in 2010-11. In rural areas unemployment rate has decreased from 4.8 percent in 2009-10 to 4.7 percent in 2010-11 due to supportive policies of government. Often it is perceived that the unemployment rate of rural areas is greater because in rural areas there is a lower chance of employment compared to the urban areas where employment opportunities are relatively better due to greater economic activity. Contrary to this perception, the situation seems to be the opposite. As is evident from the data in the above table, the unemployment rate in urban areas has increased from 7.2 percent in 2009-10 to 8.8 percent in 2010-11. The apparent reason of this

hard reality is that the industrial sector is facing an acute shortage of energy resources and therefore there is a reduction in job opportunities. It is not only affecting economic development but is also hampering social life. The comparison among provinces shows that the unemployment rate in Punjab is high (as shown in Table 12.16) as compared to other provinces. The number of unemployed people in Sindh has increased from 0.44 million in 2008-09 to 0.70 million in 2010-11 while in Khyber-Pakhtunkhwa (KPK) a fall in unemployment has been observed. However, in Baluchistan number of unemployed people increased from 0.06 million in 2008-09 to 0.07 million in 2010-11.

**Table-12.16: Unemployed – Pakistan and Provinces**

Million

| Province /Area | Unemployment | | | | | | | | |
|-----------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2008-09 | | | 2009-10 | | | 2010-11 | | |
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| Pakistan | 2.93 | 1.87 | 1.06 | 3.12 | 1.91 | 1.21 | 3.40 | 2.22 | 1.18 |
| Rural | 1.76 | 1.06 | 0.70 | 1.89 | 1.12 | 0.77 | 1.85 | 1.14 | 0.71 |
| Urban | 1.17 | 0.81 | 0.36 | 1.23 | 0.79 | 0.44 | 1.55 | 1.08 | 0.47 |
| Punjab | 1.87 | 1.21 | 0.66 | 1.94 | 1.18 | 0.76 | 2.10 | 1.31 | 0.79 |
| Rural | 1.14 | 0.70 | 0.44 | 1.16 | 0.68 | 0.48 | 1.25 | 0.76 | 0.49 |

Table-12.16: Unemployed – Pakistan and Provinces

Million

| Province /Area | Unemployment | | | | | | | | |
|--------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2008-09 | | | 2009-10 | | | 2010-11 | | |
| | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| Urban | 0.73 | 0.51 | 0.22 | 0.78 | 0.50 | 0.28 | 0.85 | 0.55 | 0.30 |
| Sindh | 0.44 | 0.28 | 0.16 | 0.57 | 0.35 | 0.22 | 0.70 | 0.54 | 0.16 |
| Rural | 0.14 | 0.06 | 0.08 | 0.24 | 0.12 | 0.12 | 0.15 | 0.10 | 0.05 |
| Urban | 0.30 | 0.22 | 0.08 | 0.33 | 0.23 | 0.10 | 0.55 | 0.44 | 0.11 |
| KPK | 0.56 | 0.36 | 0.20 | 0.55 | 0.35 | 0.20 | 0.53 | 0.32 | 0.21 |
| Rural | 0.44 | 0.29 | 0.15 | 0.45 | 0.29 | 0.16 | 0.41 | 0.25 | 0.16 |
| Urban | 0.12 | 0.07 | 0.05 | 0.10 | 0.06 | 0.04 | 0.12 | 0.07 | 0.05 |
| Balochistan | 0.06 | 0.02 | 0.04 | 0.06 | 0.03 | 0.03 | 0.07 | 0.05 | 0.02 |
| Rural | 0.04 | 0.01 | 0.03 | 0.04 | 0.02 | 0.02 | 0.04 | 0.03 | 0.01 |
| Urban | 0.02 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0.03 | 0.02 | 0.01 |

Source: Labour Force Survey 2010-11

Employment Expansion policies

Employment expansion policies are based on accelerating the rate of growth of the economy along with a special emphasis on the development of the relatively more labour intensive sectors. The specific policies are as follows:

Micro Credit Facilities: The Khushali Bank was established to provide loans of up to Rs.30, 000 per person to unemployed people to set up their own business. Moreover, the SME Bank was established to provide financial assistance and business support to small and medium enterprises.

President's Rozgar Scheme by National Bank of Pakistan (NBP): The National Bank of Pakistan has developed a full range of products under the President's Rozgar Scheme with the brand name of "NBP KAROBAR". Under this scheme, a loan up to size of Rs. 100,000 is given for a maximum period of five years with a grace period of three months for establishing the business.

National Vocational and Technical Education Commission: The National Vocational and Technical Education Commission (NAVTEC) was established with a view to overcoming skill gaps, and the non-availability and lack of standardization of proper curricula. NAVTEC initiated two major training programs (**President's Funnee Maharat Program and the Prime Minister's Hunarmand Pakistan Program**) in the country under the President and the Prime Minister's directives. These programs remained focused on young men and women

throughout the country to provide them quality technical training. A stipend of Rs 2,000 per month is paid to the participants

Skill Development Councils: Five Skill Development Councils (SDCs) one each at Islamabad, Karachi, Lahore, Peshawar and Quetta has been established. These Councils are fulfilling the diversified training needs of the industrial and commercial sectors. The SDCs assess the training needs of their geographical areas; prioritize them on the basis of market demand and facilitate the training of workers through the public and private sector.

Overseas Employment: Overseas employment also provides an opportunity to developing countries to reduce poverty and to improve income distribution through growth in employment linkages. In 2011 the total number of registered Pakistani workers in different countries was 456,893. The Bureau Emigration and overseas employment is making concerted efforts to boost overseas employment.

Information Technology: The development of the IT and telecom sector has created considerable employment opportunities, both directly or indirectly, for educated unemployed in a wide range of areas like call centres, telecom engineering, telecom sales, customer services, finance and accounting etc. This is one of the fastest growing sectors of the economy.

National Internship Program: The first phase of the National Internship Program (NIP) has been completed. Under the first phase, 25,826 applicants were offered internship at the Federal, Provincial and District government levels. The second phase of the NIP was launched in February 2008. A total of 71,915 applications were received. So far 21,138 applications have been verified by HEC and NADRA and are being placed in ministries, divisions, departments and provincial governments and at district level.

Investing in Increasing Water Resources: Agriculture is the largest sector of Pakistan's economy and provides employment to nearly 45 percent of the country's work force. More than two-thirds of the country's population lives in the rural areas and depends directly or indirectly on the agriculture sector for their livelihood. GDP growth originating in agriculture is more effective in raising the income of the poor and increasing overall employment than other sectors of the economy. The major constraint in Pakistan's agriculture has been the lack of availability of water resources. The government is making a heavy investment to develop water resources which will not only be helpful in increasing water availability and electricity but will also expand the employment opportunities in the country.

Employee Projection Policies: Efforts are being made to establish an efficient, equitable and rights-based labour market that provides mechanisms to allow productivity growth in the economy and result in real wage increases. The Zakat fund provides a monthly subsistence allowance and a rehabilitation grant is given to all the needy Muslims. The Bait-ul-Mall Fund has different projects such as Individual Financial Assistance, Free Skill Development and the Food Support Programme for helping the needy people. The Public Sector Benevolent Fund and Group Insurance provide benefits to government employees especially in the form of education scholarships to their children and other financial aid at the time of emergency.

Export of Manpower

The government of Pakistan is making sincere efforts to boost overseas employment which will not only reduce the unemployment burden in the country but will also increase remittances and thereby help to improve the economy of Pakistan. In this regard, MoUs have been signed with several labour importing countries like Malaysia, Kuwait, and Qatar. The number of emigrants was 0.43 million in 2008 which increased to 0.46 million in 2011, as shown in Table 12.18

Table 12.17: Number of Pakistani workers registered for overseas employment through Bureau of Emigration & Overseas Employment during the period 2008-2011

| S.# | Countries | 2008 | 2009 | 2010 | 2011 |
|-----|--------------|--------|--------|--------|--------|
| 1 | UAE | 221765 | 140889 | 113312 | 156353 |
| | Kuwait | 6250 | 1542 | 153 | 173 |
| 3 | Malaysia | 1756 | 2435 | 3287 | 2092 |
| 4 | Oman | 37441 | 34089 | 37878 | 53525 |
| 5 | Qatar | 10171 | 4061 | 3039 | 5121 |
| 6 | Saudi Arabia | 138283 | 201816 | 189888 | 222247 |
| 7 | UK | 756 | 556 | 430 | 308 |

Source: Bureau of Emigration and Overseas Employment

Saudi Arabia being a Muslim state is attractive for millions of Pakistani workers seeking jobs abroad. Due to this fact Saudi Arabia has become the largest market for Pakistani workers in the world besides the Gulf States such as United Arab

Emirate (UAE), Oman and Kuwait. The number of emigrants in Saudi Arabia has increased from 0.14 million in 2008 to 0.22 million in 2011. Presently Pakistan is exporting skilled, semi-skilled and unskilled labour. Table 12.18 presents labour export statistics during the 2008-2011 period.

Table 12.18: Workers Registered For Overseas Employment

| Year | Highly Qualified | Highly Skilled | Skilled | Semi-Skilled | Un-Skilled | Total |
|--------------|------------------|----------------|---------------|--------------|---------------|----------------|
| 2008 | 9713 | 33173 | 177791 | 4209 | 205428 | 430314 |
| 2009 | 4954 | 3260 | 182657 | 2465 | 210192 | 403528 |
| 2010 | 7081 | 31650 | 165726 | 5181 | 153266 | 362904 |
| 2011 | 6974 | 3018 | 171672 | 73247 | 201982 | 456893 |
| Total | 28722 | 71101 | 697846 | 85102 | 770868 | 1653639 |

Source: Bureau of Emigration and Overseas Employment

Conclusion

Historically, high population growth rate has been a major factor in Pakistan's overall economic development. The government is committed to allocating funds and developing innovative policy measures to address the issue of managing population growth and the labour force. Improvements in health facilities and promotion of population welfare activities through the Ministry

of Population Welfare have contributed to a significant decline in the crude birth and fertility rates, thereby leading to a reduction in the average growth rate of the population. This has been accompanied by an increased labor participation rate. Despite these improvements Pakistan is still lagging behind neighboring countries. Therefore, it is imperative to put further efforts for development of better human resources.