



Population, Labour Force and Employment

Population size, growth rate, and its composition play an important role in the social and economic development of a country. Demographic statistics of a country is essential for drafting the plans, frame work of economic policies and judging the growth and development.

Pakistan is among those developing countries where population growth is fairly high. At present it is the sixth most populous country in the world with projected population of 188 million. According to World Population Data Sheet 2013, Pakistan with population of 363 million in 2050 is expected to retain the same position (i.e. sixth position). The population growth rate in Pakistan is 1.95 percent which is higher than average growth rate of South Asian countries. The major cause behind higher growth rate is high fertility rate. Although, over time various governments have been trying to tackle the issues of high population growth rate through introducing different programmes like Family Welfare Centers (FWC), Reproductive Health Services Centers (RHS-A), Regional Training Institutes and Mobile Services Unit. However, these programmes could not achieve the desired results mainly due to low literacy level particularly among women in rural areas, cultural and religious constraints, and lack of skills in promoting family planning. It is worth mentioning that female education has a significant effect on fertility.

Women having higher education have a fewer children as compared to women with less education.

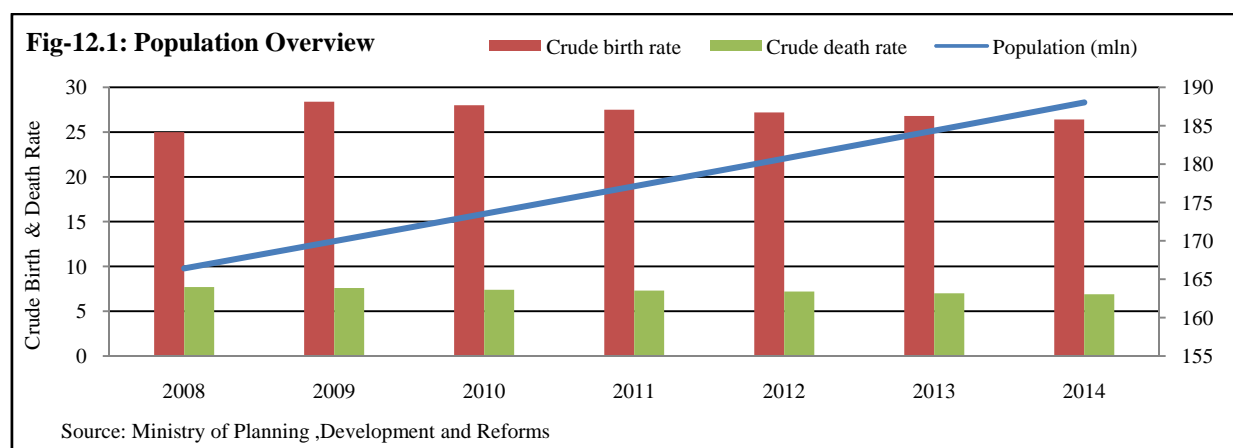
Therefore, each year the number of inhabitants is increasing whereas the resources available in the country are limited due to which demographic imbalance is increasing. But this demographic imbalance can be improved with the help of youth population of the country. Pakistan is one of the world's largest youth bulge country with 48 percent population aged 15-49 and 56 percent (age 15-64) is in productive age group. This young and dynamic population is considered an omen of prosperity. They can contribute for the economy and society with their education and skill. With proper education and training and balanced health facilities, they can prove to be an asset of the country and can be a source of future prosperity and development of the country.

Demography is the study of the growth, change and structure of the human population. The demographic indicators, therefore, are comprised of the collection of information that summarizes the historical evolution of different changes related with population. Major demographic indicators are changes in the size, structure, and population composition and population growth. Changes in the size and structure of population are due to changes in the birth rate, death rate and the net migration.

Table 12.1: Selected Demographic Indicators

	2012	2013	2014
Total Population (Million)	180.71	184.35	188.02
Urban Population (Million)	67.55	69.87	72.50
Rural Population (Million)	113.16	114.48	115.52
Total Fertility Rate (TFR)	3.4	3.3	3.2
Crude Birth Rate (Per thousand)	27.2	26.8	26.4
Crude Death Rate (Per thousand)	7.2	7.0	6.90
Population Growth Rate (Percent)	2.0	1.97	1.95
Life Expectancy (Year)			
- Females	66.1	66.5	66.9
- Males	64.3	64.6	64.9

Source: Ministry of Planning ,Development and Reforms (Population Projections for the Year 2007-2030)



Crude Birth Rate: Crude Birth Rate (CBR) is the annual number of live births per one thousand persons. CBR of more than 30 per thousand is considered high and a rate of less than 18 per thousand is considered low. The global CBR in 2013 was 20 per thousand, while the CBR in Pakistan has been marginally improved from 26.8 percent in 2013 to 26.4 percent in 2014.

Crude Death Rate: Crude Death Rate (CDR) is defined as total death per one thousand persons in a year. CDR of less than ten per thousand is considered as low while above twenty per thousand is considered as high. The global CDR was 8 persons per one thousand in mid 2013. However, improvements in health services and expansion in medical facilities in Pakistan have led to decline in CDR from 7.0 percent in 2013 to 6.9 percent in 2014. These rates are often referred as crude rates because they do not take into account population age structure.

Life Expectancy

Life expectancy is the number of years a person would be expected to live, starting from birth and it measures quantity rather than quality of life. Globally it is observed that high life expectancy is associated with high income per capita, improved nutrition, better hygiene, access to safe drinking water, effective birth control and immunization and other better medical facilities. Life expectancy in women is higher than men. Currently, the global life expectancy for both male and female is 70 years. However, while considering it gender wise, the life expectancy for males is 68 years and for females is 73 years- a difference of five years. In Pakistan, the average life expectancy has improved from 64.6 in 2013 to 64.9 in 2014 for males and for females it has improved from 66.5 in 2013 to 66.9 in 2014.

Population Growth

Population growth rate is another important indicator used to describe the change in population and play a focal point in the economic development of a country. Rapid population growth can generate food security problem, environment problem and urban congestion and it is the major factor behind the international migration. In Pakistan population growth rate has shown improvement and it decreased from 2.0 percent in 2012 to 1.97 percent in 2013 and 1.95 percent in 2014.

Table: 12.2 Percentage of Population 2012-13

Age Group	Male	Female	Total
0-4	6.87	6.53	13.37
5-9	7.75	6.92	14.68
10-14	6.75	6.04	12.79
15-19	6.08	5.30	11.39
20-24	4.57	4.66	9.23
25-29	3.28	3.80	7.08
30-34	2.77	3.16	5.93
35-39	2.68	2.85	5.53
40-44	2.36	2.38	4.75
45-49	2.19	2.12	4.31
50-54	1.76	1.55	3.31
55-59	1.38	1.16	2.54
60-64	1.07	0.82	1.89
65 and above	1.84	1.36	3.20
Total	51.35	48.65	100

Source: Pakistan Labour force survey 2012-13

Age Composition of population

Age composition of population refers to distribution of population by age and sex. The data on population by age and sex is vital for demographers, health administrators and other policy makers etc. for planning and execution of various health development programmes. The organization of population by rural/urban, sex and marital status and age unveils the features of population composition and provides disaggregated data for target oriented analysis.

Age composition of population is important for several reasons. The estimates of proportion of children and older persons is important for the provision of national expenditures on schools, childcare, immunization and reproductive health services vis-a vis expenditure on old age social security systems and health care for chronic and degenerative diseases. Table 12.2 presents the age structure of the population of 2012-13.

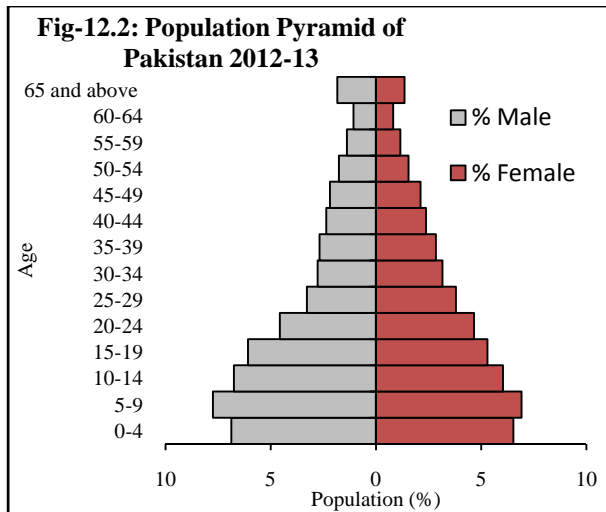


Table 12.2 shows that 41 percent population is in the age group of 0-14 and this group is economically unproductive and need food, clothing, education and medical care. They depend upon working population for their necessities.

Adult population is considered as wealth of a nation in terms of human resource. This Table shows that

56 percent population is in the age group of 15-64. This productive age population is the main source to ensure accelerated economic growth. Policy makers may take advantage of this growing working class in reducing dependency burden in the future. For making the strategies to reduce poverty level and tapping their potential into productive economic activities, policy makers may focus on the provision of livelihood earning skills through short term vocational training aimed at provision of employable skills.

Population by Marital Status

Marital status is defined as the personal status of each individual in relation to the marriage laws or customs of the country. Population distribution by marital status is the percentage distribution of the population in a given age group by the different marital status categories. Following Table 12.3 shows the percentage of married population in different age brackets. The lowest age bracket is 10-19 in this age bracket around 7 percent people are married, which means that average marriage age in Pakistan has increased. The rate of women and men who have never married shows the decreasing trend with the increasing age. According to Pakistan Labour Force survey 2012-13, 94 percent of the population of the age bracket 35-39 is married. The most phenomenal increase in married population may be seen in the age bracket 20-29 where percentage of married population has increased 73 percent. This is the most fertile age of population growth. The changes in marriage patterns have a direct impact on fertility and population growth rate.

Table 12.3: Percentage of Population by Marital Status 2012-13

Age group	Total	Never married	Married	Widow/widower	Divorced
total (10 year and above)	100	44.40	51.52	3.81	0.26
10-14	100	99.86	0.13	0.01	-
15-19	100	93.49	6.49	-	0.02
20-24	100	62.67	37.08	0.11	0.15
25-29	100	25.83	73.49	0.33	0.34
30-34	100	8.62	90.20	0.72	0.47
35-39	100	3.36	94.68	1.45	0.52
40-44	100	1.61	95.35	2.60	0.45
45-49	100	1.10	93.54	4.79	0.57
50-54	100	0.97	89.58	9.01	0.44
55-59	100	0.87	84.9	13.85	0.39
60-64	100	0.97	77.87	20.71	0.45
65 and over	100	0.89	60.74	37.92	0.44

Source: Pakistan Labour Force Survey 2012-13

Regional Demographics

Pakistan belongs to Asian continent which is the home of 60 percent of global population. Rapid demographic changes have been witnessed in this region. China and India account for more than

half of Asia's total population. In absolute terms China has shown significant improvement in controlling fertility rate through successful government policies. Its total fertility rate has declined from 5.5 in 1970 to 1.5 children per

woman. On the other hand in case of India, though the fertility rate is still higher than China, however it has shown good performance by lowering its fertility rate from 5.5 in 1970 to 2.4 in 2014. In the light of current fertility rate, it is projected that India will pass China in population size in about 15 years, becoming the world's most populous country, with about 1.5 billion people. If compared these indicators with Pakistan, it is observed that Pakistan is lagging behind these two countries with fertility rate of 3.2 in 2014. Asia has experienced remarkable demographic changes, but the process, magnitude and

consequence of these changes have varied significantly. When observed by region, South Asia has led the change over the past six decades — the lowest fertility and mortality rates in the world have been recorded in some East Asian populations in recent years. The comparison of the data presented in Table 12.4 shows that Pakistan is lagging behind other neighboring countries in all the indicators discussed except Afghanistan.

As a result the population growth is relatively rapid and this rapid population growth makes it difficult for economies to create enough jobs to lift large numbers of people out of poverty.

Table 12.4: Family Planning Indicators of Regional Countries

Country	Total Fertility Rate	Contraceptive Prevalence Rate %	Population Growth Rate%	MMR(2010)
Afghanistan	5.4	21	2.2	460
Bangladesh	2.3	61	1.6	240
Bhutan	2.6	66	1.1	180
China	1.5	85	0.4	37
India	2.4	54	1.2	200
Maldives	2.3	35	0.1	60
Nepal	2.6	50	1.8	170
Pakistan	3.2	35	1.9	260
Sri Lanka	2.1	68	0.8	35

Source: CIA fact sheet 2014

Population Projections for the 10th Five Year People's Plan 2010-15

World Population Data sheet 2013

Population dynamics are important to promote the economic development and security in Pakistan. At present, Pakistan is the 6th most populous country in the world. However, population welfare programmes are playing important role to create awareness among people.

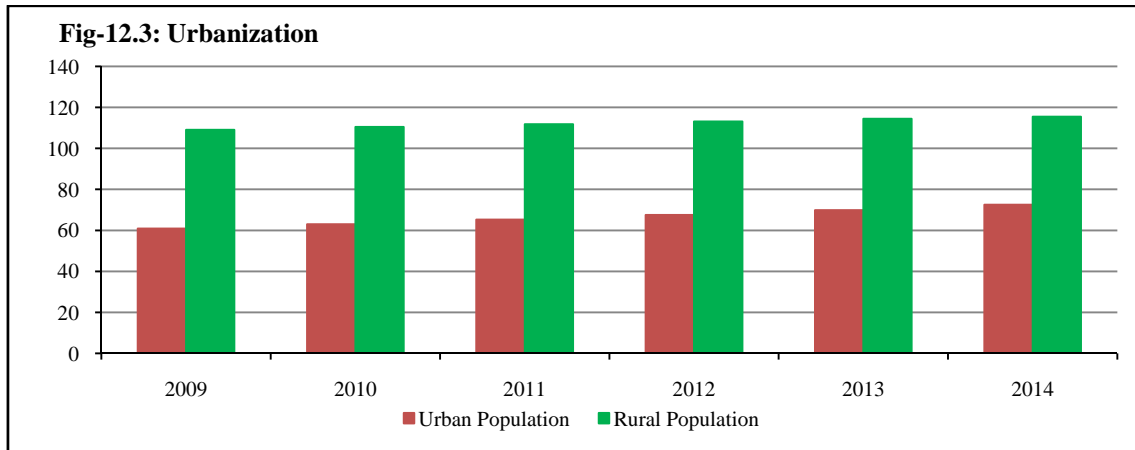
Reduction in population growth is one of the top priorities of the government to balance between country's resources and population. In this context, Family Planning Programs contribute significantly as there is negative correlation between the Total Fertility Rate (TFR) and the Contraceptive Prevalence Rate (CPR). The decline in the TFR could be more substantial if there is greater use of contraceptives in the country. Contraceptive prevalence rate has increased from 30 percent in 2013 to 35 percent in 2014. The increase in contraceptive prevalence rate in Pakistan is caused by increase in female literacy, awareness through media and easy access to contraceptive techniques and tools.

Urbanization

Urbanization is one of the serious global problems. As development takes place from agricultural to an

industrial sector, large-scale migration of rural residents to towns and cities takes place. During this process, the growth rate of urban areas is typically increasing and the pace of overall population increase. Table 12.4 presents the details of urban and rural population.

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 to make a better future for their children. Moreover, the lack of basic facilities in rural areas like; electricity, sanitation, safe drinking water, health care and schooling are some of the reasons for rapid urbanization. The population in rural areas decreased from 62.1 percent in 2013 to 61.4 percent in 2014 whereas the population in urban areas increased from 69.87 million (37.9 percent) in 2013 to 72.5 million (38.56) percent in 2014. Urbanization is not simply the growth of populations living within legal-administrative boundaries of towns and cities. It also transforms both urban and rural lifestyles. The annual population growth in urban areas is expected to increase further in coming years which may cause socio economic problems in future.



Millennium Development Goals

MDGs were set up in the United Nations conferences in 2000 where represented commitments were made by all the countries to reduce poverty and hunger and disease, greater survival prospects for mothers and their infants, better educated children, equal opportunities for women, and a healthier environment. Accordingly eight Millennium Development Goals with 48 indicators provided a framework of time-bound targets. There are eight MDGs and these are to be achieved by 2015

- i) Eradication of extreme poverty and hunger
- ii) Achievement of universal primary education
- iii) Promotion of gender equality and women's empowerment
- iv) Reduce child mortality
- v) Improve maternal health
- vi) Combat HIV/AIDS, malaria, tuberculosis and polio
- vii) Promotion of environmental sustainability
- viii) Develop a global partnership for development.

Pakistan has adopted 16 targets and 41 indicators against which progress towards achieving the eight goals of the MDGs is measured. Time series data is available only for 33 indicators due to resource constraints and low expenditure in these sectors. Pakistan is on track to achieve the targets against 11 indicators whereas its progress on 22 indicators is off track. The goals particularly relevant to population welfare are goal 3, 4 and 5 which are discussed below.

Promotion of Gender Equality and Women's Empowerment

Education is the most important factor which paves

the way to development process in all areas of life and in turn leads to gender equality and women empowerment. The first indicator under MDG 3 therefore aims to eliminate gender disparity in primary and secondary education by 2005 and in all levels of education by 2015.

Gender parity is at the core of the MDGs. Pakistan has improved slightly in gender parity in primary education, secondary education and youth literacy but still progress on these indicators is off track. Gender parity in education for primary has improved from 0.82 percent in 2001-02 to 0.89 percent in 2012-13, in secondary education the increase is from 0.75 percent in 2001-02 to 0.89 percent in 2012-13. Youth literacy Gender Parity Index (GPI) has increased from 0.65 percent in 2001-02 to 0.82 percent in 2012-13.

The second important indicator of goal 3 is share of Women in Wage Employment in the Non-Agricultural Sector, which is defined as the share of female workers in the non-agricultural sector expressed as a percentage of total employment in the sector. This indicates the degree to which labour markets are open to women in industry and service sectors, which affects not only equal employment opportunity for women but also economic efficiency through flexibility in the labour market and reflect economic factors in social empowerment of women.

The empowerment and sovereignty of women and the improvement of their political, social, economic and health status is vital for the achievement of sustainable development of any country. Women participation in economic development and decision making process is well recognized in Pakistan and the government has shown considerable improvement in empowering women in both economy and decision making. In Pakistan, the share of women in non-agricultural wage employment has been set at 14 percent. This share of women

employment has consistently increased from 8.07 percent in 1990-91 to 10.12 in the year 2012-13 but it is still behind in achieving this target.

Historically, in Pakistan women did not have meaningful representation in the country's legislative forums. The situation greatly improved with the passage of time as their representation rose from 0.9 percent and 1.0 percent in 1990-91 and 18 percent (60 seats reserved for women out of 342 seats) and 17 percent in 2011-12 in both the National Assembly and Senate, respectively. Moreover, women Parliamentarians have contributed through large number of resolutions raised and passed, and questions asked in the Parliament.

Reducing Child Mortality and Maternal Mortality

Infancy and childhood periods of human life are often threatened by major potential risks to survival due to a number of reasons. In Pakistan, a number of interlinked elements like poverty, malnutrition, mother's health, medical care etc significantly affects the rates of Under-five mortality, infant mortality and maternal mortality.

Pakistan has set the objective of reducing the under-five child mortality (U5MR) by two thirds. Under-five mortality fell from 117 deaths in 1990/91 to 89 deaths per 1,000 live births in 2012/13; and the infant mortality rate during this period reduced from 102 to 67.5 deaths per 1,000 live births.

While looking at MDG 5 regarding improvement in maternal mortality in Pakistan it can be said that the government is putting serious efforts to achieve this target. By 2015, Pakistan planned to reduce the maternal mortality rate (MMR) by three-quarters and ensure universal access to reproductive health. MMR has been almost halved (down from 490 in 1990 to 260 in 2010 per 100,000 live births), and the

use of contraceptive has almost tripled (up to 35.4 percent) in 2012-13. The proportion of births attended by Skilled Birth Attendants (SBAs) directly impact on the maternal mortality rate. The share of deliveries attended by skilled personnel has gone up to 52 percent in 2012-13 from 24 percent in 2001-02. The total fertility rate at 3.2 percent remains considerably higher than the target of 2.1 percent. The situation demands immediate attention and consistent efforts to improve this rate further.

Employment

Employment is the key mechanism through which the benefits of the growth can be distributed to the poor segment of the society. Access to decent work is thereby vital in the process towards reduction in poverty and income inequality. Provision of employment opportunities depends upon available resources, technological base, advancement, and institutional strategies. Similarly, human resource, skills, and technical competency determine the outcome of employment which contributes in achieving sustained economic growth.

Pakistan is the 10th largest country in the world according to the size of the labour force. Employment-Unemployment Statistics of the country is an important input for policy and planning purposes. The latest statistics shows that the total labour force has increased from 50.0 million in 2005-06 to 59.7 million in 2012-13. It shows that more than 9 million people joined the labour force during this period. On the other side, the number of employed labour force increased from 46.95 million to 56.0 million during this period. This means that all the increase in labour force could not be adjusted in employment sector and therefore unemployed people increased from 3.10 million to 3.73 million during the same period. The details of labour force and employment status is presented in the following Table.12.5

Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2012-13
Labour Force	50.05	50.33	51.78	53.72	56.33	57.24	59.74
Employed	46.95	47.65	49.09	50.79	53.21	53.84	56.01
Unemployed	3.10	2.68	2.69	2.93	3.12	3.40	3.73

Source: Pakistan Bureau of Statistics (Labour Force Survey 2012-13)

The country has the blessing of demographic dividend. The population between the age of 15-49 are filled with tremendous and towering ambitions. It will be a great wastage of human resources if these youth are not given an opportunity to exercise their talent. The increase in unemployment shows that the potential of youth was not fully utilized in Pakistan in the past. Unemployment is a multi-

dimensional and complex issue which starts a vicious cycle of associated problems like involvement of youth in bank and household burglaries, social insecurity, lawlessness, use of drugs, etc. Therefore it is the government's responsibility to provide the youth proper facilities in getting abreast with the knowledge of the modern era. To minimize the problem of unemployment and

to utilize the national work force for the betterment of the country, the present government has launched a number of youth promotion and youth investment schemes. Involvement of the youth in these schemes would bring quicker and better results in terms of change in lifestyle and socio-economic development of the country.

Labour Force Participation

The labour force participation rate is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work. It provides an indication of the relative size of the

supply of labour available to be engaged in the production of goods and services. The breakdown of the labour force by sex and age group gives a profile of the distribution of the economically active population within a country.

The labour force participation rate is calculated by expressing the number of persons in the labour force as a percentage of the working-age population. The labour force is the sum of the number of persons employed and unemployed. The working-age population is the population above a certain age-ideally aged 15 and older-prescribed for the measurement of economic indicators.

Table-12.6: Crude and Refined Participation Rates

(%)

Indicators	2009-10	2010-11	2012-13	Indicators	2009-10	2010-11	2012-13
Crude Activity (Participation) Rates (%)				Refined Activity (Participation) Rates (%)			
Pakistan				Pakistan			
Total	33.0	32.8	32.9	Total	45.9	45.7	45.7
Male	49.5	49.3	49.3	Male	68.8	68.7	68.9
Female	15.5	15.6	15.6	Female	21.5	21.7	21.5
Augmented				Augmented			
Total	38.8	38.4	38.2	Total	53.9	53.5	53.1
Female	27.2	27.0	26.3	Female	37.9	37.4	36.4
Rural				Rural			
Total	34.5	34.3	34.2	Total	49.4	49.1	49.0
Male	49.0	48.6	48.5	Male	70.2	70.0	70.3
Female	19.3	19.4	19.3	Female	27.6	27.6	27.3
Augmented				Augmented			
Total	42.6	42.2	41.7	Total	61.0	60.4	59.7
Female	35.8	35.4	34.4	Female	51.2	50.3	48.7
Urban				Urban			
Total	30.0	30.0	30.2	Total	39.5	39.5	39.7
Male	50.6	50.6	50.7	Male	66.4	66.4	66.4
Female	7.8	8.1	8.2	Female	10.3	10.7	10.8
Augmented				Augmented			
Total	31.1	31.0	31.2	Total	41.0	40.8	41.0
Female	10.1	10.1	10.3	Female	13.3	13.3	13.6

Source: Pakistan Bureau of Statistics (Labour Force Survey 2012-13)

Age Specific Labour Force Participation Rate

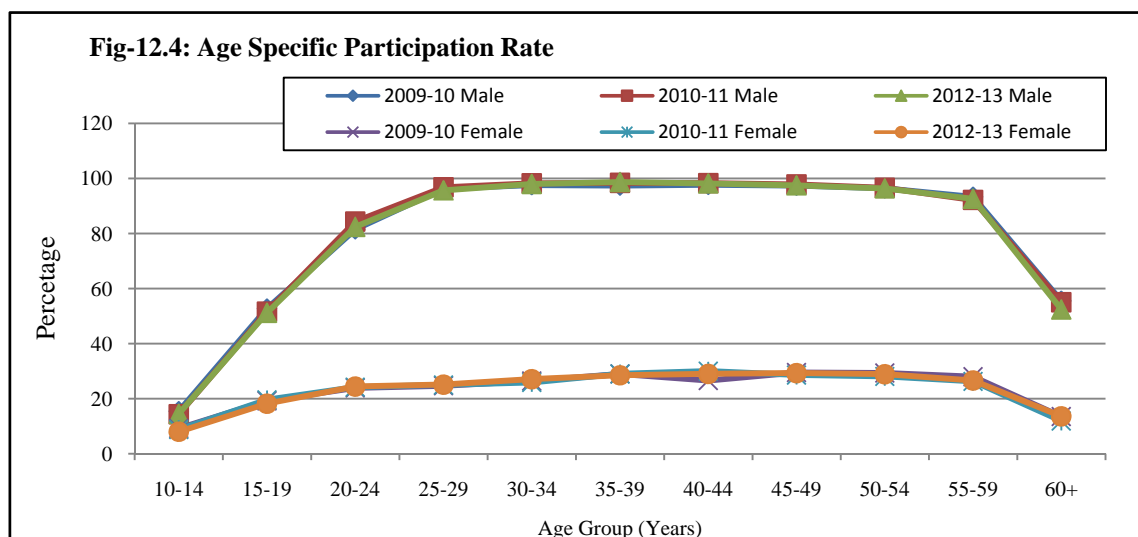
It is instructive to look at labour force participation rates for males and females by age group. Labour force activity among the young (15 to 24 years) reflects the availability of educational opportunities, while labour force activity among older workers (55 to 64 years or 65 years and over) gives an indication of the attitude towards retirement and the existence of social safety nets for the retired persons from the government job. Labour force participation is generally lower in females than males in each age

category. Male Labour force participation rate is touching to 100% in some age groups, whereas female Labour force participation rate is still lower than 30% in some groups. Sincere and committed efforts from government in terms of creating more opportunities for female can enhance female participation rate in economic activity. This reality is evident from developed economies, where the profile of female participation is increasingly becoming similar to that of men and the rates are also approaching to male levels.

Table-12.7: Age Specific Labour Force Participation Rate (%)

Age Groups	2009-10			2010-11			2012-13		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
10-14	12.6	15.4	9.2	11.8	14.3	8.8	11.4	14.5	8.0
15-19	37.1	52.7	19.2	36.4	51.6	19.6	35.8	51.2	18.2
20-24	54.7	81.5	23.9	53.8	84.3	24.2	53.1	82.4	24.4
25-29	58.0	96.3	24.7	58.9	96.8	25.0	57.8	95.7	25.1
30-34	59.1	97.6	26.4	59.5	98.2	25.9	60.2	98.0	27.1
35-39	62.2	97.4	29.0	62.5	98.4	29.0	62.5	98.7	28.5
40-44	62.4	97.7	26.6	64.2	98.3	30.0	63.5	98.2	29.0
45-49	65.0	97.4	29.5	64.8	97.8	28.6	64.0	97.5	29.3
50-54	64.7	96.4	29.3	63.5	96.6	28.1	64.7	96.4	28.9
55-59	62.6	93.3	28.0	61.5	92.2	26.3	62.5	92.6	26.6
60+	37.6	55.5	13.5	37.3	55.0	11.9	35.7	52.4	13.6

Source: Pakistan Bureau of Statistics (Labour Force Survey 2012-13)



Employment by Sectors

Pakistan has endowed a rich and vast natural resource base, covering various environmental and climatic zones; hence the country has great potential for producing all types of food commodities. Agriculture has an important direct and indirect role in generating economic growth. The importance of this sector is manifold as it feeds people, provides raw material for industry and is the base of our foreign trade. Almost 67.5 percent people are living in the rural areas and are directly involved in this sector. The number of labourers engaged in Agriculture accounts for 43.7 % of the total labour force. The total labour force working in the Agricultural sector has decreased from 45 percent in 2009-10 to 43.7 percent in 2012-13. The main reason of this change is due to technical transformation, labour is being replaced by

machines, thus limiting work opportunities in agricultural sector and this coupled with natural calamities in the form of droughts and floods have led reduction in the income levels and thereby has led to decline in its employment.

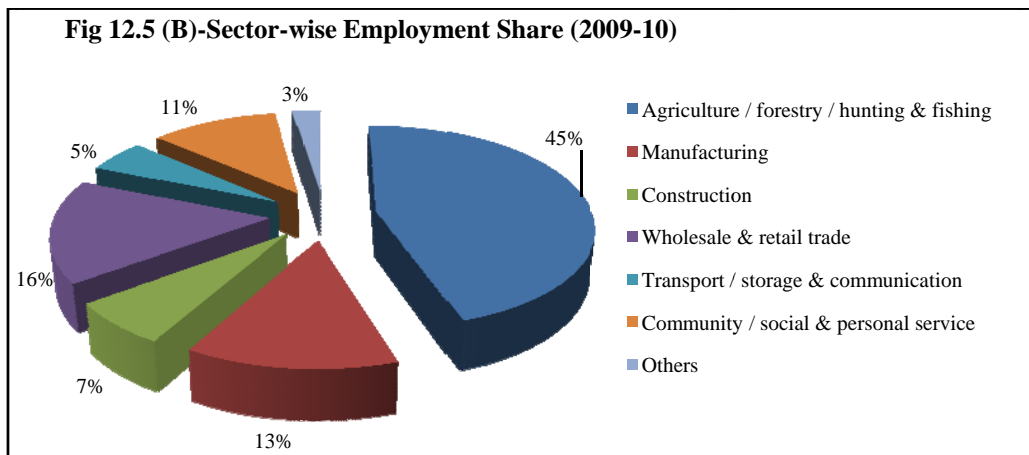
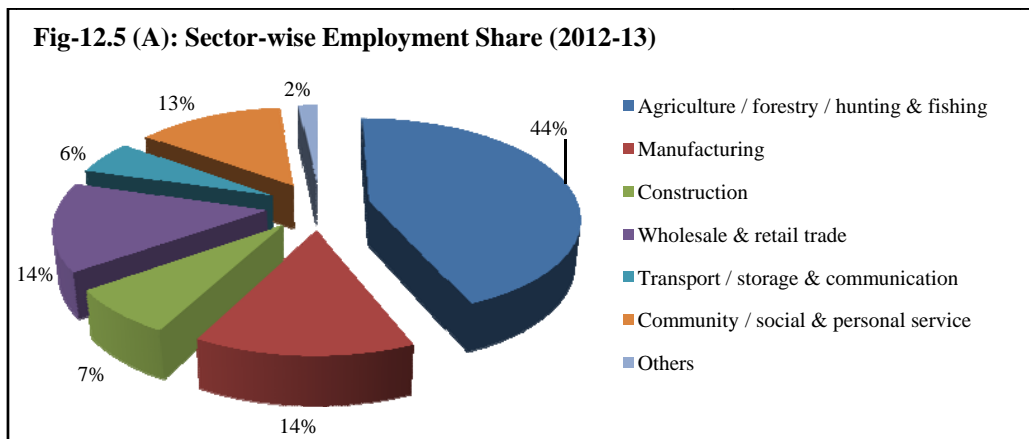
The manufacturing and construction sectors are also playing an imperative role in the provision of employment. In these sectors the total participation rate has increased while the female participation rate has declined in 2012-13 as compared to 2009-10. The wholesale and retail trade sectors do not provide better employment opportunities and therefore the share of employment has reduced during this period. The community/social and personal services sector comprises various subsectors; overall the share of employment has increased from 11.2 percent in 2009-10 to 13.3 percent in 2012-13.

Table-12.8: Employment Shares by Sectors (%)

Major Sectors.	2009-10			2010-11			2012-13		
	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
Agriculture/ forestry/ hunting & fishing	45.0	36.6	74.9	45.1	36.2	75.4	43.7	34.5	75.7
Manufacturing	13.2	13.9	11.0	13.7	14.5	10.9	14.1	15.0	10.7
Construction	6.7	8.5	0.3	7.0	8.9	0.2	7.4	9.5	0.2
Wholesale & retail trade	16.3	20.2	2.1	16.2	20.4	1.6	14.4	18.1	1.5
Transport/ storage & communication	5.2	6.6	0.3	5.1	6.6	0.1	5.5	7.0	0.2
Community/social & personal service	11.2	11.2	11.2	10.8	10.8	11.5	13.3	13.9	11.5
*Others	2.4	3.0	0.2	2.1	2.6	0.3	1.6	2.0	0.2

Source: Pakistan Bureau of Statistics(Labour Force Survey 2012-13)

Note: Labour Force Survey was not published in 2011-12



Formal and Informal Sector

The informal sector plays a momentous role in developing countries' economies including Pakistan. The role of the informal sector in solving the unemployment problem of less developed countries has become the focus of a conceptual and empirical debate in recent years. The importance of this sector necessitates that it should be used as a policy instrument for the solution of the most pressing

problems such as unemployment, poverty, income inequalities, etc. The importance of the informal sector can be measured by its contribution to national income and employment and its contribution to financial credit as compared to that of the formal sector.

The informal sector generates the higher level of employment, 73.6 percent in 2012-13 as compared to formal sectors, and 26.4 percent in the same period.

Table-12.9: Formal and informal Sector-Distribution of Non-Agriculture Workers (%)

Sector	2009-10			2010-11			2012-13		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100
- Formal	26.7	26.7	26.9	26.2	25.9	28.9	26.4	26.2	28.3
- Informal	73.3	73.3	73.1	73.8	74.1	71.1	73.6	73.8	71.7
Rural	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100
- Formal	23.7	23.8	22.3	23.5	23.8	21.0	22.6	22.6	21.8
- Informal	76.3	76.2	77.7	76.5	76.2	79.0	77.4	77.4	78.22
Urban	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100
- Formal	29.6	29.4	31.6	28.8	27.6	36.9	30.1	29.6	34.9
- Informal	70.4	70.6	68.4	71.2	72.4	63.1	69.9	70.4	65.1

Source: Pakistan Bureau of Statistics.(Labour Force Survey 2012-13)

Note: Labour Force Survey was not published in 2011-12

Table 12.9 gives the details of employment levels in urban and rural formal and informal sectors for both male and female groups. The employment ratio in rural informal sector 77.4 percent is higher as compared to that in the urban areas 69.9 percent. The table further 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 68.4 percent in 2009-10 to 65.1 percent in 2012-13.

The formal sector, in absolute terms does not show any significant changes with respect to employment level during the 2010-13 periods. The total employment in this sector has reduced marginally from 26.7 percent to 26.4 percent. However, in

urban areas there was an increase from 29.6 percent to 30.1 percent during this period.

Unemployment

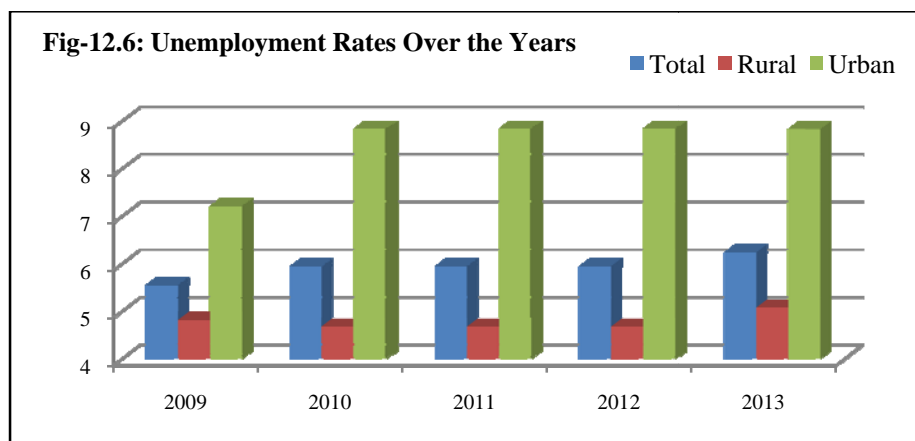
Unemployment is defined as the situation where people do not find jobs despite of their willingness to work within the current job market conditions. Unemployment rate identifies the number of people in percentage which are looking for any job and livelihood as compared to the entire labour force in the country. The issue of unemployment has become a leading global problem after the economic slowdown which affected almost the entire world.

Like other developing countries, problem of unemployment is one of the major problems being faced by the economy of Pakistan.

Table 12.10: Unemployment rate by area

Years	Unemployed labour force (in million)			Unemployment rate (%)		
	Total	Rural	Urban	Total	Rural	Urban
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
2012-13	3.73	2.09	1.64	6.2	5.1	8.8

Source: Pakistan Bureau of Statistics (Pakistan Labour Force Survey 2012-13)



The overall unemployment rate has increased from 5.6 percent in 2009-10 to 6.2 percent in 2012-13. However, it remained same in urban areas while increased in rural areas from 4.8 percent in 2009-10 to 5.1 percent in 2012-13.

It is obvious from Table 12.10 and figure 12.6 that in Pakistan unemployment rate is increasing in both rural and urban areas in absolute as well as in percentage terms. Rising level of unemployment in rural areas is mainly due to limited absorption capacity in Agriculture sector. Agriculture mechanization is major cause of reducing absorption capacity of this sector. Although industries are being

setup in some rural areas, however, employment generation opportunities due to these industries are not according to increasing labour force.

The unemployment rate in urban areas is even more than in rural areas. This high rate of unemployment is mainly due to two reasons, first is rural urban migration which is cause of increasing urban population whereas job opportunities are not increasing accordingly. Second is industrial development is not yet reached upto the position to address the issues of unemployment on account of dismal performance in the past.

Table-12.11: No. of Unemployed – Pakistan and Provinces

(Million)

Province /Area	Unemployment								
	2009-10			2010-11			2012-13		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Pakistan	3.12	1.91	1.21	3.4	2.22	1.18	3.73	2.49	1.24
Rural	1.89	1.12	0.77	1.85	1.14	0.71	2.09	1.32	0.77
Urban	1.23	0.79	0.44	1.55	1.08	0.47	1.64	1.17	0.47
Punjab	1.94	1.18	0.76	2.10	1.31	0.79	2.28	1.47	0.81
Rural	1.16	0.68	0.48	1.25	0.76	0.49	1.38	0.87	0.51
Urban	0.78	0.50	0.28	0.85	0.55	0.30	0.90	0.60	0.30
Sindh	0.57	0.35	0.22	0.70	0.54	0.16	0.77	0.57	0.20
Rural	0.24	0.12	0.12	0.15	0.10	0.05	0.21	0.12	0.09
Urban	0.33	0.23	0.10	0.55	0.44	0.11	0.56	0.45	0.11
Khyber Pakhtunkhwa	0.55	0.35	0.20	0.53	0.32	0.21	0.58	0.37	0.20
Rural	0.45	0.29	0.16	0.41	0.25	0.16	0.44	0.28	0.16
Urban	0.10	0.06	0.04	0.12	0.07	0.05	0.14	0.09	0.05
Balochistan	0.06	0.03	0.03	0.07	0.05	0.02	0.10	0.08	0.02
Rural	0.04	0.02	0.02	0.04	0.03	0.01	0.06	0.05	0.01
Urban	0.02	0.01	0.01	0.03	0.002	0.01	0.04	0.03	0.01

Source: Pakistan Bureau of Statistics Division (Pakistan Labour Force Survey 2012-13)

Province wise comparison of unemployment (Table 12.11) shows that the number of unemployed people increased in Punjab from 2.10 million in 2010 -11 to 2.28 million in 2012-13. The number of unemployed people increased in Punjab is more as compared to other provinces. The apparent reason of high unemployment in Punjab is highest population from

among all provinces. In case of Balochistan 0.10 million people are unemployed in 2012-13 an increase of almost 0.3 million people as compared to 2011-12. The main reasons of this increasing unemployment is bad infrastructure, law and order situation and lack of business and industrial activities.

Table; 12.11(ii) Province wise unemployment rate (%)

Unemployment Rate (%)	2010-11			2012-13		
	Total	Male	Female	Total	Male	Female
Provinces/Area						
Pakistan	6.0	5.1	8.9	6.2	5.4	9.0
Punjab	5.7	4.7	8.3	6.1	5.2	8.3
Sindh	5.2	4.8	7.2	5.0	4.4	8.2
Khyber Pakhtunkhwa	8.0	5.9	16.5	8.5	6.7	16.3
Balochasitan	2.9	2.5	7.9	4.0	3.6	7.0

Source: Pakistan Employment Trend, 2013(PBS).

Table 12.11(ii) shows that unemployment rate in Sindh decreased from 5.2 percent in 2011-12 to 5.0 percent in 2012-13. Whereas the rate in Punjab, Khyber Pakhtunkhwa (KPK) and Balochistan increased to 6.1 percent, 8.5 percent and 4.0 percent respectively as compared to the same period.

According to gender wise breakup, the table revealed female unemployment rate increased to 9.0 percent in 2012-13 as compared to 8.9 percent in 2010-11. While male unemployment ratio surge to 5.4 percent in said periods as compared to 5.1 percent

Province wise breakup shows that female unemployment rate in Sindh increased to 8.2 percent in 2012-13 from 7.2 percent in 2010-11, however, male unemployment rate in Sindh declined to 4.4 percent from 4.8 percent in comparison under review. During 2012-13 in Punjab, female unemployment rate remained stable to 8.3 percent while male unemployment rate increased to 5.2 percent from 4.7 percent in periods under review.

Interestingly, female unemployment rate in Balochistan decreased to 7.0 percent from 7.9 percent while male unemployment rate surged to 3.6 percent from 2.5 percent in said periods. Khyber Pakhtunkhwa's showed similar statistics to Balochistan as female unemployment rate in Khyber Pakhtunkhwa decreased to 16.3 percent from 16.5 while male unemployment rate increased to 6.7 percent in 2012-13 from 5.9 in 2010-11. The overall main causes of unemployment are rising population, law and order situation lack of technical education and shortage of skill training institutes. Youth is also facing many challenges but some of these are common in the overall labour market. However, government is well aware of these issues and focusing on long term investment in human capital through formal and informal education and strategically strengthening the links between education, skill development and the labour market would greatly benefit youth in the long term.

Employment Promotion Policies

The policy focus of government is to create employment opportunities and human resource development. Policy initiatives are being taken to provide demand driven vocational training along with credit for self-employment to lessen the volume of unemployment in the country. Supporting innovative entrepreneurship along with youth entrepreneurship would also be helpful to reduce the burden of unemployment in the economy.

Internship Program is helpful in decreasing pressure on the labour market. Facilitation to private sector for economic growth as well as for employment generation can also be considered a prudent policy to solve the problem of unemployment. Encouraging overseas employment can also be a useful tool to reduce the pressure on domestic labour market.

Facilitating the labour intensive sectors such as construction, small and cottage industry as well as personal and commercial services are helpful to improve employment opportunities in the country. These steps are helpful in order to increase the employment generation through employment expansion and employment activation policies. The main objectives of the employment promotion policies are as follows:

- ▶ Absorption of a large percentage of labour force in productive employment along with reduction in the size of the under employed and unemployed workforce.
- ▶ Creation of more and better job opportunities for men and women based on internal markets, cities and communities which are main source of fostering productivity, innovation, entrepreneurship and demand driven skills.
- ▶ Promotion of sectors which are labour intensive and have comparative trade advantage like agriculture, export industries (agro-based) small-scale manufacturing, SMEs, construction and social services.
- ▶ Creation of an efficient and well functioning labour market information system that may reduce skill shortages and job mismatch.
- ▶ Adjustment and enforcement of minimum wage level periodically.
- ▶ Provision of microfinance at large scale to promote small and micro enterprises and self-employment.
- ▶ Skill development based on Public-Private Partnership (PPP) to reap benefits of demographic dividend and enhancement in productivity for economic growth.

Government's Initiatives for Youth

Prime Minister of Pakistan has launched a Youth Development Program in September 2013 with the aim to provide various opportunities to the youth including skilled education, trainings, employment and scholarships so that they could contribute positively in their fields. Under this program, six schemes have been announced which include Interest Free Loans, Business Loans, Youth

Training, Youth Skill Development, Fee Reimbursement Scheme for Students from the Less Developed Areas and PM's Scheme for provision of Laptops Provision.

The details of employment generation schemes are given below:

1. **Interest Free Loan Scheme:** Micro finance facility aimed at helping the industry raising current access level of 2.5 million people to 5.0 million people will get benefit from this scheme. The government has approved Rs.3.5 billion for this scheme. The money would be distributed through Pakistan Poverty Alleviation Fund. Under this scheme each beneficiary will receive upto Rs.50, 000. The vulnerable rural and urban poverty ridden youth are eligible to get loans under this scheme.
2. **Business Loans Scheme:** This scheme will focus on unemployed youth, especially skilled trained looking for establishing new enterprises. These are generally interest free loans and are offered to all skilled youth interested in establishing themselves as entrepreneurs. This scheme is specifically for young entrepreneurs between the age group of 21 - 45 years, and is designed to provide subsidized financing for one hundred thousand (100,000) beneficiaries, through designated financial institutions, initially through National Bank of Pakistan and First Women Bank Ltd. The size of the loan will be upto Rs. 2.0 million. Small Business Loan will be disbursed to SME beneficiaries across Pakistan, Covering; Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan, Azad Jammu & Kashmir and Federally Administered Tribal Areas (FATA). It has a 50% quota for women and 5% quota for families of Shaheeds, Widows and Disabled persons.
3. **Youth Training Scheme:** Under this scheme, young individuals with 16 years of education from recognized institutions will be provided on job training/internships at private and public sector offices. It is aimed that professional development would equip them with abilities to get job opportunities in the country or abroad. An amount of Rs.4.0 billion has been allocated to the scheme for the financial year 2013-2014. A monthly stipend of Rs.10, 000 shall be paid to each selected applicant for a period of 12 months. 50,000 interns would be hired under this scheme.
4. **Youth Skill Development Scheme:** The youth skill development scheme is aimed at providing

vocational training to unemployed young individuals for acquiring productive skills for gainful employment. The programme is being executed by National Vocational & Technical Training Commission (NAVTTTC). The government has allocated Rs.800 million for this programme. The duration of programme is 4 to 6 months .The selected trainees will be given monthly stipend of Rs.2,000 and Rs. 3000 for FATA trainees. Under this programme 25,000 unemployed youth will be provided skill development training in demand driven trades. The training will be provided in 348 public and private sectors Technical and Vocational Training Institutes, across the country.

5. **Provision of Laptop Scheme:** This scheme is an attempt to enhance the scope of research and quality education in the country and increase the access to information technology. All Masters Doctoral students and 50 percent under-graduate students will get the laptop. A total of 100,000 students from across Pakistan will be benefited from this scheme. An amount of Rs. 4.0 billion has been allocated for this scheme.
6. **Fee Reimbursement Scheme for Students for the Less Developed Areas:** With the aim of encouraging pursuit of higher education, the scheme will provide scholarships for post graduate degrees students belonging to remote and under-privileged areas of the country. The average annual tuition fee to be financed under the scheme is Rs. 40,000. A total of 35,000 students will receive scholarships. An amount of Rs. 1.2 billion has been allocated for this scheme.

National Vocational & Technical Training Commission (NAVTTTC)

The government has accorded high priority to skill development, acknowledging supply of skilled labour force as a mandatory input in the growth process. Therefore, through an Act of Parliament National Vocational and Technical Training Commission (NAVTTTC) was created as an apex body and a National Regulatory Authority to address the challenges of Technical and Vocational Education and Training (TVET) in the country. From July 2013 to March 2014, NAVTTTC has trained 6677 under President Fanni Maharat Programme and Prime Ministers' Hunermand Pakistan Programme collectively and 2,687 trainees are under training.

Export of Manpower

International migration is a global phenomenon affecting nearly all the countries. Its role and impact is going to be much more significant in future given the increasing effects of global economic and demographic imbalances, globalization, and climate change. Resultantly, the dynamics of international migration and remittances have attracted the attention of policy makers around the world.

The vision of the government is to promote export of Pakistani manpower abroad, to elevate the living conditions of working class and secure the decent working conditions for them. The area of its activities encompasses the management of labour relations, social security, socio-economic up lift of working class and the export of Pakistani manpower abroad.

Overseas employees are one of the most important features in national economic development and the government has never neglected this aspect. The radical and revolutionary policies of the government are a vital proof of it. The vision of Ministry of Overseas Pakistanis & Human Resource Development is to provide better service to the Overseas Pakistanis, protecting their investments, securing emigration of right worker for the right job, promoting worker welfare by adopting workers friendly policies, social protection and decent working conditions Since 1971 up to March 2014 around 7.4 million overseas Pakistanis working /living around the globe. The main concentration of Overseas Pakistanis is in Middle East 49.2 percent, Europe 28.3 percent and America 16.2 percent.

Table 12.12: Number of Pakistani workers registered

S.NO	Countries	2009	2010	2011	2012	2013
1	UAE	140889	113312	156353	182630	273234
2	Bahrain	7087	5877	10641	10530	9600
3	Malaysia	2435	3287	2092	1309	2031
4	Oman	34089	37878	53525	69407	47794
5	Qatar	4061	3039	5121	7320	8119
6	Saudi Arabia	201816	189888	222247	358560	270502
7	UK	556	430	308	183	158

Source: Bureau of Emigration and Overseas Employment

Manpower export has dropped from 0.638 million in 2012 to 0.622 million in 2013. In 2013 UAE has hired almost 0.1 million more people as compared to the last year. However, the situation is different in Saudi Arabia, where the number of emigrants decreased from 0.3 million in 2012 to 0.2 million in 2013. The reason for this decrease is that Kingdom of Saudi Arabia has launched Nitaqat programme. The basic purpose of this programme is to give priority to the local citizens of Saudi Arabia and then the rest of jobs may be filled by the emigrants from other countries.

The government is considering a proposal to substantially boost foreign remittances and foreign exchange reserves. The Gulf region is to be

effectively tapped by exporting the maximum manpower. During financial year 2012-13, foreign exchange remittances from the Pakistani workers abroad amounted to US \$13,922 million, whereas during July-April 2013-14 it reached to US \$ 12,895 million against US \$11,570 million in the comparable period of financial year 2012-13.

However, the government is expecting good opportunities of manpower export during the event of Expo 2020 in Dubai. Moreover, massive new construction plans in Saudi Arabia will also provide opportunities for Pakistani man power. This will decrease not only unemployment rate in the country but also boost up the remittances.

Table 12.13: Workers Registered for Overseas Employment During the period 2009-2013 Province Wise

Year	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Azad Kashmir	N/Area	Tribal Area	Total
2009	2,01,261	30,779	1,14,633	4,480	31,329	507	20,539	4,03,528
2010	1,90,547	31,814	98,222	3,130	22,535	458	16,198	3,62,904
2011	2,28,707	40,171	1,30,119	5,262	33,133	732	18,769	4,56,893
2012	3,41,874	46,607	1,76,349	5,122	38,833	780	29,022	6,38,587
2013	3,33,121	55,608	1,50,418	9,293	40,038	1,190	33,046	6,22,714
Total	12,95,510	2,04,979	6,69,741	27,287	130,918	3,667	117,574	24,49,676

Source: Bureau of Emigration and Overseas Employment

The comparison among province shows that the manpower export is higher from Punjab as compared to other provinces. During 2009-2013 the highest number of workers went abroad for employments were from Punjab 3,33,121 followed by Khyber Pakhtunkhwa (KPK) 1,50,418. However, the situation is not encouraging in Sindh and Balochistan as compared to Punjab during this period.

Conclusion

Pakistan is the sixth most populous country of the world with 1.95 percent population growth rate. Rapid population growth can generate food security problem, environment problem and urban congestion. In Pakistan resources are limited and therefore rising population is putting more pressure on these scarce sources. However, government is

well aware of this problem and is making efforts to control the population growth rate through various population welfare programmes like Family Welfare Centre, Mobile Service Units and Training Centres. These Population welfare programmes are contributing significantly in controlling population growth rate, fertility rate, infant mortality rate and maternal mortality rate. Pakistan is undergoing a demographic transition as fertility rates decline and percentage of working age population is increases. This working age population can be a productive asset of the country if properly trained through skill development programmes. In this regard government has initiated many programmes for their skill development and also explores overseas employment opportunities which will not only reduce the unemployment burden in the economy but will also enhance remittances.
