



SOCIAL DEVELOPMENT IN PAKISTAN

ANNUAL REVIEW 2007-08



Women at Work

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ANNUAL REVIEW 2007-08



**SOCIAL POLICY AND
DEVELOPMENT CENTRE
KARACHI**

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FOREWORD

Growth of Pakistan's economy has been decelerated in recent years. In particular, the manufacturing sector has confronted a number of internal as well as external challenges that caused negative growth during 2008-09. Though, the impact of a weakened economy on employment opportunities, in general, has been rather limited, apparently, its impact on women during the present economic crisis has been disproportionately more intense leading to their social isolation, psychological trauma, reduced level of nutrition, school drop out of girls, and incidents of abandonment of children and suicides.

In Pakistan, traditionally participation of women in the labour force has remained low. The social paradigm of the country continues to play a very important part in preventing female participation in the workforce. The existing paradigmatic structure determined by the feudalistic mindset discourages women's empowerment including employment and considers it a socially reprehensible phenomenon. The slight increase noticed in female employment ratios is due to the expansion of the informal sector, spread of education, urban living, and the growth of a number of civil society organisations working for female development programmes.

Female participation in economic activities in the agricultural sector in rural areas has always been supplementary to male participation, and limited to short term work available at the time of sowing and harvesting. In urban areas, on the other hand female participation has been limited to a lower cadre work force, both in offices and factories. Gender discrimination still persists and male employees of offices and factories would hesitate to accept a female as their superior, and rarely as the chief executive. This makes it absolutely necessary to work for promoting women's employment and for the improvement and eventual replacement of the social paradigm of the country. The focus, therefore, needs to be on comprehensively addressing the multifaceted challenges confronted in mainstreaming female labour force participation.

Annual Review of Social Development in Pakistan 2007-08 deals with the subject of women at work and presents objective and in-depth analyses of the various aspects of women's employment in the country. Chapter 1 traces the trends of female labour force participation and employment during the last four decades and examines whether women have gradually integrated into the labour market or do they continue to perform low-paid residual jobs. Chapter 2 looks into various aspects of women entrepreneurship and highlights the challenges faced by women entrepreneurs, while Chapter 3 deals with access to microcredit for women and brings forward the existing potential of microcredit for improving women's employment.

Considering the various forms of gender discrimination in the labour market, Chapter 4 explores the gender discrimination in access to paid work, examines occupational segregation and quantifies gender wage gap. Chapter 5 provides evidence of widespread prevalence of sexual harassment against women in the workplace while Chapter 6 discusses gender aspects of labour laws, identifies legislative gaps, and proposes the required changes in the law. Chapter 7 focuses on the nature of the impact of the current economic crisis on women, while Chapter 8 identifies measures needed to promote women's employment in Pakistan.

The report has made a number of recommendations for improving the working conditions needed to encourage female participation including access to credit, tax benefits, labour law reforms, social protection and other gender specific labour policies. We earnestly hope that the suggestions made in the report would be taken very seriously by policy makers to promote the process of economic empowerment of women.



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LIST OF ACRONYMS

AASH	Alliance Against Sexual Harassment in the Workplace
AKRSP	Aga Khan Rural Support Programme
BISP	Benazir Income Support Programme
CEO	Chief Executive Officer
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CNIC	Computerised National Identity Card
DFID	Department for International Development
ECHP	European Community Household Panel
EOBI	Employees' Old-Age Benefit Institution
EPZs	Export Processing Zones
FBS	Federal Bureau of Statistics
GDP	Gross Domestic Product
GEM	Gender Empowerment Measure
GLP	Gross loan portfolio
GNP	Gross National Product
GoP	Government of Pakistan
HIES	Household Income and Expenditure Survey
ID	Index of Dissimilarity
ILO	International Labour Organization
IT	Information Technology
KILM	Key Indicators of the Labour Market
LFP	Labour Force Participation
LFS	Labour Force Survey
LMIS	Labor Market Information System
MF	Microfinance
MFB	Microfinance Bank
MFI	Microfinance Institution
MM	Marginal Matching
MSDP	Micro-finance Sector Development Programme
NGO	Non Governmental Organization
NRSP	National Rural Support Programme
OECD	Organization for Economic Co-operation and Development
ORDI	Ordinal Status Inequality
PIHS	Pakistan Integrated Household Survey

PMN	Pakistan Microfinance Network
PPAF	Pakistan Poverty Alleviation Fund
ROSCAs	Rotating Saving and Credit Association
RSP	Rural Support Programme
SBP	State Bank of Pakistan
SMEs	Small and Medium Enterprises
SMMEs	Small, Medium and Micro Enterprises
SPDC	Social Policy and Development Centre
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Organization
UNGA	United Nations General Assembly

EXECUTIVE SUMMARY

*Though young women
are opting for higher
education, it is not
followed by their entry
into the labour force.*

EXECUTIVE SUMMARY

Women's complete integration into the economy is a desirable goal both for equity and efficiency reasons. The equity aspect implies that labour market participation of women will improve their relative position within the economy. It will also increase overall economic efficiency and enhance the development potential of the country. Pakistan is in the midst of a demographic transition, whereby the proportion of young (productive) population is increasing, which in turn can impact positively on economic growth. To take full advantage of this population dividend, Pakistan has to productively engage not only its male youth but also the female population which constitute almost half of its population. International comparisons indicate that Pakistan has lost out particularly in terms of export competitiveness due to low rates of female participation especially in industrial activities. There is evidence of the 'discouraged worker effect' in countries like Pakistan, Egypt and Iran, where high female unemployment rates are accompanied by low labour force participation rates. This effect arises when high unemployment rates lead to withdrawal of workers from the labour force. The size of the effect is likely to be larger if there is a perception that unemployment is due more to gender discrimination in access to the labour market than due to the general economic conditions.

EXTENT AND NATURE OF FEMALE LABOUR FORCE PARTICIPATION AND EMPLOYMENT

In Pakistan, the overall labour force participation rate remains low, ranging around 50 percent, with a gradual increase in recent years. Interestingly, though the labour force participation rate for men has declined over the last four decades to 82 percent currently, it has increased for women from a very low level of 9 percent in 1971-72 to almost 22 percent in 2007-08. This trend indicates that the overall gender gap in labour force participation rates is declining in Pakistan. However, it continues to remain very low, with over 78 percent of women of productive age out of the labour force. In terms of numbers, the ratio of male to female workers is currently about 4:1.

While there is a remarkable lack of variability in the growth rate of male employment, there are large fluctuations in the growth rate in female employment. During periods of buoyancy in the labour market, as during the current decade, there has been rapid growth in employment of women. The unemployment rate for female workers has fallen from 15.7 percent in 1999-2000 to 8.6 percent in 2007-08, although it still remains high in relation to the unemployment rate for males at 4 percent. As opposed to this, in depressed labour market conditions, there is a slow

growth or even a decline in female employment, as, for example, in the early 70s. The main conclusion is that women contribute to fast growth and are also its beneficiaries in Pakistan.

Turning the focus to the structure of female employment, almost 74 percent of female workers in Pakistan are engaged in agriculture, mainly in activities related to livestock. Among those women who work in the urban areas, over 28 percent are associated with textile, wearing apparel and leather industries, 20 percent in social and related community services, 16 percent in agriculture, livestock and hunting, and 13 percent in household services. Overall, the share of female employment in the formal sector of the economy is low, at only about 7 percent, and declining. There is a similar pattern of decline in the informal sector. Clearly, the transition of the female labour force from traditional agricultural activities first to the informal sector and eventually to the formal sector in urban areas of Pakistan is not taking place.

Another striking conclusion is related to the fundamental problem in the Pakistani context of the weak link between education and employment. While women are entering higher educational institutions in large numbers this is not being followed by subsequent entry into the labour force. This is partly a reflection of changing socio-cultural values which have evolved to the point where there is no limitation to women being highly educated, but there continues to be restrictions on labour force participation. The limited entry of highly educated females into employment highlights potentially strong gender discrimination in the labour market.

A discussion of female labour force participation cannot be completed without emphasizing two important issues. The first is the extent to which the increase in labour force participation is overstated due to the inclusion of 'unpaid family workers' and the second, the degree to which the extent of participation is understated due to the exclusion of women employed in marginal activities. The rapid increase in labour force participation of females during the current decade from 16 to 22 percent appears to be largely due to increase in unpaid family workers. Exclusion of this category actually indicates that the female labour force participation may have fallen in recent years. On the other hand, the labour force participation rate almost doubles with the inclusion of women engaged in subsistence activities. Compared to men, therefore, women are more involved in unpaid family work, or in unpaid or low paid or marginal economic activities. Overall, the analysis shows that 47 percent of working women are employed in 'marginal' economic activities and another 31 percent are engaged in unpaid family work. Only 22 percent receive significant remuneration for the work they do, with the majority employed in the informal sector.

To conclude, women at work in Pakistan have largely been unable to convert employment into a means of social and economic empowerment. The majority of the female labour force remains engaged in residual and

low paid work. Improvement in education levels have not yet translated into greater integration into the economy because of the prevailing socio-cultural values which restrict female employment, and due to gender discrimination in the labour market.

WOMEN AS ENTREPRENEURS

In Pakistan, is there an incipient tendency for women to emerge as entrepreneurs, albeit in small enterprises? Our conclusion is that there is a virtual absence of female corporate leaders in the country. In the broader category of female employers, including those who own small-scale enterprises, the Labour Force Survey of 2007-08 indicates that their number in Pakistan is about 5000, as compared to over 400,000 male employers. Though this figure is small, these are 'nascent' enterprises which can be targeted for support to expand the base of female entrepreneurship in the country.

These female entrepreneurs are mainly involved in small enterprises. The majority of them are engaged in traditional sectors such as boutiques, parlors, and bakeries, along with apparel, handicrafts, jewellery and other micro and small businesses. Women in urban areas are in a better position to develop businesses due to easier access to opportunity and information. Interestingly, female employers are inclined to employ a substantially larger proportion of female workers. This may be a reflection of the fact that women entrepreneurs are inclined to choose economic activities, like garments, that are generally more female labour-intensive. It is also likely that female employers are more comfortable in working with female employees. Therefore, the development of women entrepreneurs is likely to improve employment prospects for female workers.

What are some of the constraints faced by female entrepreneurs? Amongst the perceived and the real barriers confronting women in setting-up their enterprises, the absence of easy access to the various credit schemes continues to be of major importance. International studies show that familial and social conditioning of women in many developing countries inhibits the confidence, independence and mobility of women. It results in poor access to information, credit, technology, and markets, which prevent women from either starting a business or from growing beyond a particular level. Besides, restricted access to formal education, employment, training opportunities, social services and labour market discrimination are other important constraints restricting the emergence of women entrepreneurs.

ACCESS TO MICROCREDIT FOR FEMALE EMPLOYMENT

Access to credit can be used as a key instrument in equalizing employment opportunities, addressing gender discrimination in the labour market, poverty, and finally ensuring women's empowerment. What are the barriers and challenges women face in accessing

microcredit? According to Pakistan Microfinance Network (PMN), ten million people need microfinance services in Pakistan but the current outreach is about one million. In the rural areas people need microfinance services mostly for agriculture, livestock, and non-farm activities while in urban areas microfinance clients are mainly vendors, small traders, cottage industry workers, and wage earners. Women, in particular, are confronted with a number of barriers in accessing microcredit services including the lack of public services for skills and human resource development; high social intermediation costs, particularly because of limitations to mobility; inadequate social preparation adversely affecting the sustainability of microfinance operations' difficulty in the delivery of financial services to poor women because of low population density and lack of communications, particularly in the rural areas of some provinces.

What is the current lending environment and range of microfinance institutions in Pakistan?

The microfinance sector in Pakistan is small. Institutions which provide microfinance in the formal sector either provide only microfinance services to individual lenders or to NGOs. Presently, there are more than 50 NGOs that provide microcredit to the poor in Pakistan. There is also a network of seven specialized microfinance banks. Microfinance in Pakistan has shown some growth from a small base, in terms of its expansion and outreach. The asset base has increased from Rs 7.8 billion in 2003 to Rs 22.9 billion in 2007. Gross loan portfolio has increased from Rs 2.6 billion to Rs 12.7 billion over the same period.

Unfortunately, a large number of poor, particularly women, are still unable to access loans from formal services and rely on informal mechanisms like ROSCAs, money lenders, shopkeepers, family and friends, while others with better access and awareness opt for non-government organizations, microfinance providers and commercial banks. The proportion of female borrowers has remained almost unchanged over the last five years with greater concentration, over 80 percent, borrowing from the unregulated sector. This is largely due to a difference in lending models as the unregulated sector mainly follows a group based lending model, and women group formation is more common.

As far as the overall environment for the sector is concerned, both the government and the donor community have started playing an important supporting role. Since the year 2000, there have been a number of interventions emerging from the Microfinance Sector Development Programme like recognition of microfinance as a separate sector, introduction of the Microfinance Ordinance, integration of microfinance into a policy document like the 'Poverty Reduction Strategy Paper' (PRSP), setting up of the Khushhali Bank, and establishment of Microfinance Support Division at the SBP. Besides, the role of donors has also been significant, largely through financing of private and public sector initiatives like Kashf, Pakistan Poverty Alleviation Fund (PPAF) and Khushhali Bank.

In conclusion, it can be said that microcredit remains underdeveloped in Pakistan despite the significant potential which exists in this sector. Government policy will need to focus on providing incentives and mainstreaming the microfinance institutions to promote the overall goal of poverty reduction and women's empowerment.

GENDER DISCRIMINATION IN THE LABOUR MARKET

Labour market discrimination by gender can be classified into three categories: (1) gender discrimination in access to paid work, (2) occupational gender inequalities, and (3) gender wage gap for similar work. International and national experience highlights the presence of different forms of gender discrimination. Our analysis shows that access to paid jobs is higher at all levels of education for males as compared to females. The low rate of participation of female workers in remunerative jobs is an indication of the substantial loss of human capital due to the absence of adequate paid employment opportunities. However, gender differentials in access to paid jobs have narrowed considerably between 1996-97 and 2007-08. This is a positive development.

Why do gender differentials in access to paid jobs exist, especially at higher levels of education? There are three possible explanations for this: (1) vertical segmentation in the labour market, (2) different reservation wages for men and women, and (3) residual jobs for women. The argument of vertical segmentation suggests that the labour market in Pakistan creates greater job opportunities for women in elementary occupations, which require low skills and less education, while for men it creates greater job opportunities in sectors which require high skills and higher level of education. The reservation wage argument states that a woman with graduate and post graduate level of education might have higher reservation wage - the lowest wage rate at which a worker would be willing to accept a particular type of job - as compared to men with the same level of education. The residual job argument implies that in the presence of discrimination in the labour market, women are restricted to low paid jobs while men have access to well paid jobs.

In order to analyze the extent of vertical segmentation in the labour market, the occupational categories are grouped into three broad categories. These include elementary, mid-level and high-level occupations. Results show that 77 percent of total employed women are working in elementary occupations, followed by 20 percent in mid-level and less than 3 percent in high-level occupations. A substantially higher share of men, 18 percent, are employed in high-level occupations. This confirms that in Pakistan, vertical gender segmentation exists in the labour market. It appears that over time higher GDP growth has, in fact, been accompanied by greater vertical gender segmentation in the labour market.

Turning next to the gender-wage gap, although there is a persistent gap between the wages of males and females at each level of education

and age category, it declines as the level of education increases and narrows substantially at the graduate level. This decreasing gender wage differential is in marked contrast to what is commonly observed in other transitional and developed economies, referred to as a 'glass-ceiling' effect. Given the prevailing nature of male to female earnings ratio, it can be inferred that there is an absence of a glass ceiling effect in Pakistan.

Results show that the gender wage gap in the discriminatory environment in Pakistan is more than 33 percent, which means that men are getting 33 percent higher wages as compared to women other things being equal. Therefore, there is evidence of a significant gender wage gap in Pakistan.

What explains the Gender Pay Gap? An attempt is made to quantify, separately, the access effect due to vertical segmentation in the labour market and the wage effect in the absence of vertical segmentation. Results show that wage effect explains 77 percent of wage gap while access effect is 23 percent.

Overall, the analysis illustrates that women are highly disadvantaged in accessing paid jobs in Pakistan. Although, this disadvantage has marginally declined over time, it is still very high. This is attributed not only to less human capital among women as compared to men, but also to unobservable factors which may be referred to as discriminatory factors.

WORKPLACE VIOLENCE AND SEXUAL HARASSMENT

The women of Pakistan continue to be discriminated socially and legally with many constitutional provisions constantly challenged and violated. Discouraged from filing any litigation for their rights they continue to be suppressed, exposed to derogatory remarks, and subjected to various forms of violence both at home and in the workplace. According to a survey undertaken by SPDC, out of a sample of 310 female workers, 26 percent confronted different forms of verbal violence such as threats, physical abuse, exposure to dangerous materials, and were forced to lift heavy objects in their work. Threatening or teasing is considered more an act of violence rather than sexual harassment by the respondents. Of the total respondents, 40 percent reported that they encountered harassment while 36 percent said that they knew of cases where either their friend or colleague experienced sexual harassment. Moreover, the incidence is higher in the private sector where job insecurity has made workers more vulnerable. The fear of dishonor and embarrassment usually prevents most of the female workers from taking any action against the perpetrator and they either quietly resign or inform their colleague. One interesting finding of the survey was that educated women were more inclined to lodge complaints without any fear.

Sexual harassment globally is addressed as an issue of gender discrimination and a form of violence against women. The various legislations enacted are inclusive of specific laws against sexual harassment, drawn from both civil and criminal law. At the international

level there are declarations like the United Nations Declaration on Violence Against Women, the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the UN Declaration of Human Rights, the Beijing Declaration etc. The Beijing Declaration (1995) brought into focus violence against women and the Platform for Action adopted included provisions on sexual harassment at the workplace. Pakistan is a signatory to these international agreements. However, there continue to exist major gaps both in legislation and in implementation. Overall, given the widespread prevalence of sexual harassment and violence against women in the workplace, it is necessary to comprehensively address the legislative gap existing in a number of civil provisions, criminal codes, anti-discriminatory laws, labour laws, and the tort law. The Code of Conduct accompanying the proposed Bill on Protection Against Harassment at the Workplace focuses on the two common categories of harassment namely quid pro quo and hostile work environment. The Bill needs to be passed by the National Assembly on a priority basis.

GENDER ASPECTS OF LABOUR LAWS

This chapter looks at the development of international labour standards and their impact on the strengthening, promotion and consolidation of the concept of social justice which results in equitable socio-economic progress. As mentioned earlier, Pakistan is either a signatory or has ratified various international conventions and declarations committing itself to improve gender inequalities and inequities. In order to ensure a conducive social environment, domestic legislation has to be made at par with its international commitments. Unfortunately, there exist no constitutional provisions which make these international commitments binding upon the judiciary. The absence of essential pre-requisites continues to impair any serious and sustained efforts required for the development of society and women's empowerment. The existing legislation is limited in its extent to specific workers, whereas, the conventions are broader in their application than the existing domestic legislation. The socio-cultural environment is also not conducive for their implementation, a condition that requires urgent remedial measures to address the issues of inequities.

The report contains details of laws prevailing in Pakistan along with impediments to their implementation. The situation for women is complicated due to their socio-economic status. Complicated legal procedures compounded by gender biases of judiciary and law enforcing agencies, delays, high cost of court expenses, and corruption of the judiciary makes it extremely difficult for women to access social justice.

The government needs to establish 'Legal Aid Committees' in industrial areas, which employ female lawyers. These can help create awareness among workers regarding their rights and entitlements and litigate on their behalf, thus making access to justice a reality for women. The Legal Aid Committees can function under the supervision and control of the Zila Ombudsman / administrator.

IMPACT OF CURRENT ECONOMIC CRISIS ON WOMEN

This chapter has a contemporary focus relating to the impact on women of the economic crisis that the country has experienced since 2007-08. The objective is to investigate whether women have emerged as more resilient when confronting the crisis or whether they are among the most affected by the deterioration in economic conditions.

The present economic crisis manifested itself in the sharp increase in the rate of inflation in consumer prices, which peaked in 2008-09 at 21 percent, putting immense pressure on the budgets of low income households. Simultaneously, the growth rate of GDP plummeted to 2 percent in 2008-09. This has had adverse implications for growth in employment in the economy, especially in women-intensive sectors and exports. Power outages and an international recession have also contributed to the downturn. Given the increasing constraints on fiscal resources, there has been a large cut back in public sector allocations to the social sectors, which affected the employment of women in these services. There has also been a major decrease in real wages of unskilled workers in 2008-09.

The report traces the impact of these adverse developments on working women. Both higher inflation and unemployment culminating in a decline in real income of households have altered intra-family consumption patterns with less food available for women and girls. The fall in real income has led to school dropout 'particularly of girls'. In some cases, young girls after dropping out from school, are being forced to work as low paid child workers in homes or informal industrial units. Women are also increasingly working long hours with inadequate monetary compensation. A fear of unemployment may also force working women to accept victimization by employers. Due to an increase in transport fares, the mobility of women has become largely restricted to their own neighborhoods.

The tragic dimensions of the current crisis include acts of suicide by women, killing or abandonment of children, escalating crime and conversion of working women into sex workers. Overall, the report presents evidence from case studies of a strong adverse impact of the economic crisis on women, and makes a case for effective implementation of social protection programmes, especially focused on women.

STRATEGY FOR PROMOTING WOMEN AT WORK

Strategies to promote women at work need to focus on implementation of policies that facilitate women's entry in various economic activities as well as reforms that protect the existing female workforce and improve their working conditions. Key elements of a strategy for promoting employment of women are described below.

Growth and Revival of the Economy

These include: policies for boosting agricultural growth, especially in livestock and other female labour-intensive activities; industrial revival policies, in particular, enabling the growth of exports where women play an important role; and enhanced public expenditure priorities for social sectors like education and health with a high share of female employment.

Access to Credit

Mainstreaming of microcredit and streamlining of banking practices to facilitate access to credit for women and the poor are presented in the report. Also, MFIs need to provide advisory and information services to female clients in addition to microcredit. This includes a wide range of support services such as collection and dissemination of women-centric data and counseling and advice on credit management, legal issues etc.

Tax Reforms

Fiscal policies can be used to provide incentives for women's labour market participation. This could include enhanced tax incentives for female employees and smaller contributions by employees for EOBI payments for females, with the difference being contributed to by the government.

Labour Law Reforms

There is a need to bring domestic labour legislation at par with commitments made under international labour laws/conventions. Constitutional provisions thus need to be enacted for implementation of ILO conventions that have been ratified by the government. Other recommendations include proper enforcement of labour laws, setting-up 'Legal Aid Committees' in industrial estates/areas, recommendation of equal wages for men and women. The enhancement in the scope of the Industrial Relations Act must include agriculture and informal sectors. The report contains a number of recommendations which will also improve the workplace environment.

Gender-Specific Labour Policies

A number of recommendations are made to encourage women's employment, including flexible working hours and work arrangements, provision of child care facilities at factories and subsidised transport arrangements.

Human Resource Development Initiatives

To reduce the gender gap, human resource initiatives suggested include investing in higher education for women, a more efficient use/allocation of funds to areas which yield higher returns, and a higher share in scholarships and fellowships to female students along with vocational training.

Social Protection

The report also focuses on immediate improvement in the conditions of female employment through schemes like the employment guarantee scheme, paid internship opportunities and a school nutrition programme for girls, especially in the more remote districts of the country. The coverage of programmes like the BISP should also be expanded and emphasis placed on the application of objective and transparent criteria for identification of target households.

Gender-Disaggregated Statistics

Finally, the report argues for accurate enumeration of data related to female labour force participation and other gender disaggregated employment statistics.

10-9-09

Write in words -

8 = Eight

10 = Ten

Twenty = Twenty

Twenty



Views of a Leading Social Sector Personality



*Women can protect
integrity of their family and
country by receiving
education, working for
people, and living their life
respectably.*

Ghulam Sughra Solangi



VIEWS OF A LEADING SOCIAL SECTOR PERSONALITY

SPDC had the pleasure to interview Ms. Sughra Solangi, who is the founder and present head of Marvi Rural Development Organization (MRDO), a non-profit and non-governmental organization that works for the empowerment of rural women and children. Sughra is a woman of great strength, resilience, vision, determination, and commitment. Her mission has been to mobilize rural women in the struggle for women's rights. Her achievements have not only led to greater empowerment for rural women but also inculcated in them a sense of dignity, independence, and collective organization in a patriarchal society. Sughra has encountered numerous challenges in her quest, but has always used adversity to strengthen her resolve and commitment to work for women.

She founded the MRDO in 1994 with the aim of working for improving the position of women in rural Sindh. Its activities are aimed at innovative ways of bringing rural women in to the mainstream of development. The core areas in which the organization focuses its activities are: improvement of women's health, girls' education, developing the socio-economic status of women and children through microcredit and enterprise development, social mobilization and formation of community based organizations, capacity-building, and elimination of violence against women. The organization has contributed immensely in transforming the socio-economic milieu of rural Sindh.

Sughra Solangi is herself a native of the province, belonging to a small village Mohammad Arab Solangi located in Tehsil Kotdiji in District Khairpur. Although Sughra's father was a school teacher and her six brothers attended school, Sughra and her sister were denied this basic right because the feudal structure in her village did not permit girl's education. At the tender age of eleven, Sughra was engaged to her cousin whom she married a year later. While the sudden transformation from girlhood to womanhood was not easy, she resolved to make the best of her situation. Though no fault of her own she was divorced only a few years after her marriage. By then, she had two children and no means with which to support them. This was a very trying period for Sughra who found no support from her family. Her despair reached the point where she even attempted to commit suicide along with her children. However, Sughra, who is a woman of great strength, found courage in her faith and resolved to deal with the adversity directly. She said "I was determined to study because the reason my husband had divorced me was because I was not educated and beautiful. I wanted to study because no other girl in this village was educated and there was no one who could become a teacher and teach other girls. I realized that this problem has come on me today and that tomorrow it may fall on someone else. So this will continue and I was determined not to let this happen."

Sughra convinced school children in her village to teach her, and in this way began her education while her sister learnt sewing to support her

children. She completed Matriculation in 1987 and went on to receive a BA from Shah Abdul Latif University in 2001, and a Masters in Sociology from the University of Khairpur. Additionally, she obtained a Masters in Education in 2003. Her personal tragedy had made Sughra value the importance of education and she was determined that more girls and women from her village would be educated. For this reason, she resolved to become a teacher. Sughra's journey to promote female education was not an easy one. In 1998, she was appointed as a teacher in the village primary school but families were not willing to send girls to school. Sughra took it upon herself to visit each home to convince reluctant families to send their daughters to school. Unknowingly she had already begun the work of mobilizing women in her village. Her persistence was rewarded in time; today, there are over 200 girls studying in the village school alongside boys in a co-education system.

Sughra is of the view that education has made "a world of difference" to herself and for other women in the village. She strongly states the importance of education in creating awareness and in giving her strength to stand firm and courage to struggle for her rights. Sughra believes that "an uneducated woman will not be able to speak up in front of anyone especially in a male-dominated environment. She will not be able to fight for her rights. Education makes her aware of what her rights are and how to fight for them." Education, said Sughra, was what had brought change in her life.

Sughra desired this type of a change in the lives of other women in the village. She wanted more women to be able to protect themselves from the kind of adversity that had befallen her. It was Sughra's noble intentions and indomitable spirit that became a driving force for her work. The concept of a community based organization developed from her work at the school. Sughra was cognizant of the meager resources at the disposal of most households and was keen not to burden families who send their girls to school. She wanted to empower women financially and it was this idea that initiated the microcredit project which led to the establishment of MRDO.

Sughra's idea was simplistic but effective. She managed to convince other women in her village who she had regular contact with to begin saving a small amount on a daily basis. After a few months of saving Rs.10 each, a total of Rs.800 was collected which was given to one of the women who would sell essential household items to the rest of the village. The process started with only 25 women initially who would collect in a "kachehri" on Sundays or after school to share their problems and discuss their concerns with each other. Eventually this took on the form of a self-help system where the money that was saved was given to one woman for enterprise development thus contributing to her financial independence. Many women were now able to start small businesses such as running their own shops. Some managed to improve their financial situation even more substantially. For instance, women from the village engaged in rose cultivation managed to earn as much as Rs. 900-1,000 per day by selling these flowers in other districts like Nawabshah. This improvement in women's economic circumstance also had a positive influence on enrolment of girls in the school.

By this time, Sughra's work in the community was gradually becoming that of an NGO. Although lack of awareness about formal

organizational procedures meant that she did not realize this herself. She is candid about her "lack of capacity and awareness" at the time. But what she lacked in formal training, she more than made up for in her determination to work for women's empowerment. During this time, Sughra met NGORC former Director Sadiqa Salahuddin who visited the village and became a kind of mentor for Sughra. It was due to her guidance that Sughra realized that they were already doing the work of an NGO. With better awareness about training and procedures, what was till then a community based organization was registered and Marvi came into existence in 1994. This opened up new avenues for Sughra to expand the scope of her work to benefit more women. Donors such as the ILO began to enter and Sughra's work proceeded in earnest. Sughra estimated that in 1994, there were only 200 women in the village who were registered members of Marvi while to date approximately 10,000 women have benefited from the organization's activities in one way or another.

Sughra's journey has been long and painful but also rewarding. She feels that a lot has changed since she began her work in 1993. Women in the village, including herself, are now more independent and economic empowerment has added to their respect and dignity in the community. Sughra feels that "she is not alone as other women are always ready to rally behind her." In turn she supports those who come to her with problems. Even men, she said, prefer to come to her with their issues instead of going to the village landlord. In what is largely a male-dominated society, this is a moral victory for Sughra and others like her.

Not all segments of the society however have been kind to the elevation of Sughra's status in the community. From time to time, she has had to encounter political resistance and even threats from the feudal establishment in her village who accuse her of harboring political ambitions. Rather than finding affront in these accusations, Sughra has dealt with all such challenges with equanimity and integrity and used it to enhance political consciousness among the rural women. She made it clear that she had no ambitions to rival them in elections as her work was to strive for women's rights and for women-focused development. This assuaged the insecurity of the political establishment who adopted a less resistant stance towards her work.

Sughra is positive about the changes occurring at present for women development. She credits the work of others in the field of microcredit and also approves of government policies such as the devolution system, which in her view was beneficial for women because it gave them representation in the district government as counselors and nazims. In this respect she is appreciative of the support of the district's former Nazima, but feels that at the provincial and federal level there is less accessibility for common people to have their concerns heard. Among other government initiatives, Sughra feels that social safety nets such as the BISP and Bait-ul-Maal have been particularly favourable for women by improving their situation economically. She remains hopeful that in future more will be done to help the poor, especially women.

Sughra believes that a more integrated approach to women's development is needed such that "all the NGOs come together to form a network". In this way she feels that "they can become a pressure group on the government and on public representatives sitting in assemblies."

While she appreciates the initiatives undertaken by other civil society organizations for highlighting women's problems through lectures and seminars, she feels that they are not always result-oriented. Sughra stresses that "nothing productive emerges from idle talk, unless you get your feet wet in the pond you will have no idea how deep it is." She believes that many women's issues get glossed over and are not highlighted in the media either. It is important for such problems to be addressed practically with the involvement of those who know what the reality is and then these issues can be discussed effectively.

Through the efforts of MRDO, she already observes a visible difference in society. With the provision of microcredit, rural women are more economically independent than before, many running their own businesses and less dependent on their male counterparts. Also, women and girls now have greater say in matters related to marriage, ownership of assets and household earnings. Early marriages, selling of girls etc. have also decreased. Sughra said that while the improvement began some years ago, the process is slow. Even so, she remains positive: "Where I used to see a lot of problems at first I don't see them now. Where a girl wasn't allowed to study before and now she does and is in service, then that's your victory."

Sughra credits these achievements not just to Marvi but to the women who she says "worked hard and gathered courage while we only showed them the way." She rightly observes that it is not easy to "do battle at home" and lauds the courage of those women who "battled at home, motivated their husbands, and fought for their rights." For other women, Sughra had the following message: "You can protect the integrity of your house and your country by receiving a good education, by working for people, and by living your life respectfully. If you do that then no one will raise a finger on you and no woman will be dishonored." Sughra Solangi is a unique woman, with a vision for improving the lives of women, by giving them a voice and courage to stand up for their rights, and for justice.



EXTENT AND NATURE OF FEMALE LABOUR FORCE PARTICIPATION AND EMPLOYMENT

1

*Working women
in Pakistan have largely
been unable to convert
employment into a
means of social and
economic empowerment,
since the bulk of them
remain engaged in
residual and
low paid work.*



EXTENT AND NATURE OF FEMALE LABOUR FORCE PARTICIPATION AND EMPLOYMENT

Economic growth and development of nations largely depends on the size and human capital of its labour force. It is widely known that in developing countries, like Pakistan, a large part of the adult female population is considered either out of the labour force or unemployed or working as unpaid or domestic workers. It is generally argued that the absence of women from the labour force or their participation in unpaid and low paid work is one of the main reasons for their lack of economic empowerment and poor status in society. Policies to advance gender equality in the labour market demands true knowledge of the extent and nature of female labour participation based on gender-disaggregated labour statistics.

The objective of the chapter is to study whether during the last four decades women have gradually integrated into the labour market of Pakistan through access to productive and remunerative jobs, or do they continue to perform unpaid or low paid marginal economic activities. The analyses presented in the chapter would help in formulating the proposals for gender-sensitive employment policies.

The chapter is organized as follows: section 2 looks into the efficiency and equality grounds for greater participation of women in the labour force; section 3 helps in identifying the long term trends of female labour force participation; section 4 looks into the changing characteristics of the female labour force; section 5 quantifies the level and nature of female employment; section 6 examines the education-employment nexus that exists for women in the Pakistani context, and explores whether rising level of education is accompanied by higher labour force participation; section 7 highlights the issues related to female labour participation, such as unpaid family work and employment in marginal economic activities.

THE CASE FOR FEMALE PARTICIPATION IN THE LABOUR FORCE

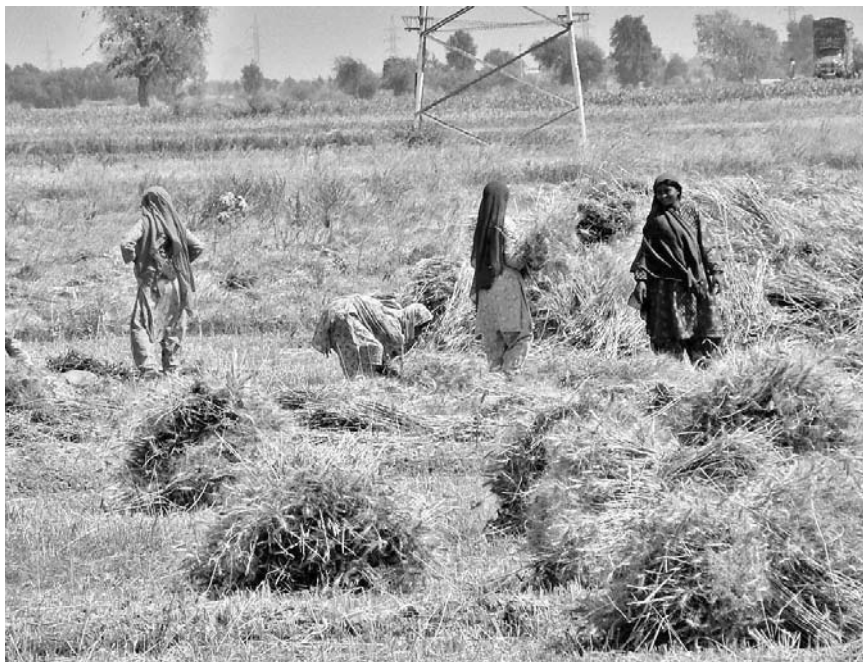
Women's complete integration into the economy is a desirable goal both for equity and efficiency reasons. The equity aspect implies that labour market participation of women will improve their relative economic position. It will also increase overall economic efficiency and enhance the development potential of the country. As such, gender-oriented labour market policies, programmes and initiatives need to be developed to improve the situation and promote labour market participation of women.

A body of recent theoretical and empirical literature demonstrates that higher female labour force participation translates into faster economic growth. Countries with low participation rates of females

neglect a large portion of their human resource, suggesting that they have not maximized their full potential for economic success. Gender equality, therefore, serves as an important factor in promoting and sustaining economic and social development.

Elson (1997) findings projected the impact of increased participation of women in the labour force on economic growth. She pointed out that giving the same level of agricultural inputs and education to women farmers as men could increase the yields obtained by women farmers by more than 20 percent in Kenya. Everything else being equal, countries in which the ratio of female-to-male enrolment in primary or secondary education is less than 0.75 can expect levels of GNP that are roughly 25 percent lower than countries in which there is less gender disparity in education. According to her, addressing gender inequality in the labour market in Latin America would help increase women's wages by about 50 percent and national output by 5 percent. Other benefits indicated are: a positive impact on household investments such as, nutrition, health and education of children if extra income goes to mothers rather than to fathers; and an increase in the school enrolment of children with their mother's educational level. Blackden et al (2006) argue that even for the self-employed female in agricultural and non-agricultural sectors, unequal access to critical inputs, technologies and resources reduces their average productivity, which, in turn, reduces economic growth.

A significant body of literature has also examined the impact of increase in female labour force participation on economic growth, specifically, by focusing on the role of gender inequality in education as a determinant of income or economic growth. According to economic theory, human capital is an essential factor of production and enters in the production function with a positive coefficient. Education is considered as one of the important sources of human capital. Lower levels of female and



male education, therefore, translates into lower human capital which in turn has a direct impact on production and economic growth. The literature produced, therefore, indicated a negative link between gender inequality in education and economic growth.

According to the World Bank (2001) and Knowles et al (2002), the marginal return to educating a girl is higher than that of educating a boy. This difference contributes to higher labour productivity and could boost the overall economic performance. Dollar and Gatti (1999) explaining the negative connotation of gender inequality argue that gender gaps in education reduces the pool of talent from which employers can draw upon, thereby reducing the average ability of the workforce. Thus, it harms the economic performance by excluding highly talented women and taking less talented men instead. Ayset (2002) arguing on similar lines finds a strong positive effect of education on female labour force participation in Turkey. However, unemployment has a 'discouraging effect' on female labour force participation. Claudia (1994) says that poorly educated women usually get employment in manual work which carries a social stigma.

Hill and King (1995), Galor and David (1996), World Bank (2001), Lagerlöf (2003), and King, Klasen, and Porter (2008) also extensively discusses the impact of female education on fertility and on the human capital of next generation in narrowing the gender gap in education and in promoting economic growth and development. Klasen (2002) discusses (both) direct and indirect negative influence/s of gender inequality in education on growth. For example, gender inequality in education reduces the average level of human capital which has a direct negative impact on growth, while the inequality both in education and employment affects population growth and investment and thus creates an indirect negative impact on growth. According to Ruth et al (2008), "the size and competitiveness of an economy are determined partly by how many girls complete their education with marketable skills and are





afforded economic opportunities that are not constrained by gender-based discrimination. The age structure of the population is shaped by the decline in fertility that accompanies girls' secondary schooling and better opportunities for economic engagement. Together, a larger and more productive workforce, combined with fewer dependents per worker, can under favorable conditions result in the demographic dividends of greater national savings and increased economic growth". Klasen and Lamanna (2008), focusing on the linkage that exists in the gender gaps in education and employment, suggest its sizeable negative impact on labour force participation and hence on economic growth, an impact that is more pronounced in the Middle East and North Africa (MENA) and in South Asia.

Esteve-Volart (2000) also provide support for the view that sex discrimination in education and employment can have negative implications on the level and growth of per capita GDP. According to him, in Sub-Saharan African and Middle Eastern countries increasing the female to male primary schooling ratio leads to higher per capita GDP. Moreover, gender discrimination in access to managerial positions distorts the allocation of talent. This not only lowers the average talent of managers but also brings a decline in per capita GDP.

Besides other factors, the future economic growth of developing countries, therefore, depends on how well the policy-makers take advantage of the productive age of both male and female population. Faster economic growth can only occur with a more competitive labour force and lower dependency ratios. Increased female education helps in reducing fertility that lead to fewer dependents per worker while girls' secondary schooling and gender equality more broadly have been identified as pro-growth strategies. Providing girls with education and economic-based opportunities thus helps transform families, communities and ultimately the country.

Investing in women's education is not a question of allocating more funds. It is rather using some of the funds, which are already available, in a manner that ensures higher returns and higher impact on growth.

LEVEL OF FEMALE LABOUR FORCE PARTICIPATION

International comparisons

Table 1.1 reflects Pakistan's female labour force participation rate in comparison with selected 16 other developing countries (based on the ILO data on the Key Indicators of the Labour Market). It helps in looking at the negative impact of the exclusion of educated females from economic activities. In spite of marginal improvement, Pakistan lags far behind and continues to take the bottom position.

The female participation rate is particularly high in East Asia with China over 70 per cent, Thailand over 65 per cent, Korea 49 percent, and Philippines 50 percent. The phenomenal export performance of some of these economies is attributed to increased female participation in economic activities, such as, the presence and a substantive increase in the number of female workers in textiles exports (especially garments) in countries like China and Thailand and the expanded inflow of remittances in countries like the Philippines.

Country	1980	1985	1990	1995	2000	2005	2007
China	70.8	71.8	73.2	73.5	72.7	71.0	70.6
Viet Nam	73.6	74.0	74.0	74.0	70.3	69.7	69.3
Thailand	76.0	76.0	75.6	66.9	66.6	66.7	65.7
Bangladesh	57.9	60.3	62.0	56.6	54.8	56.7	57.2
Singapore	44.7	44.9	50.7	49.8	52.3	53.5	53.6
Philippines	50.2	48.0	47.4	49.1	48.6	49.7	49.8
Indonesia	43.9	43.4	50.3	49.5	50.2	49.8	49.6
Korea, Republic of	43.3	42.5	47.0	48.5	48.8	49.9	49.3
Malaysia	41.1	41.3	42.9	42.5	44.3	44.2	44.7
Kuwait	20.5	28.7	33.8	39.9	42.8	42.8	43.1
Sri Lanka	39.7	37.5	45.5	37.3	38.4	40.8	42.8
Qatar	21.1	27.3	29.8	33.1	35.2	40.5	41.4
India	34.5	34.7	35.1	35.4	34.3	34.2	34.2
Iran, Islamic Republic of	20.4	20.6	21.5	25.7	28.3	30.7	31.8
Lebanon	19.5	21.1	22.3	23.1	23.9	24.5	24.8
Egypt	15.1	20.8	23.8	20.8	21.1	23.3	23.8
Pakistan	8.5	9.1	11.2	12.6	16.1	19.3	20.8

Source: ILO, Key Indicators of Labour Market (KILM)

Among Muslim countries also, Pakistan lags behind with countries such as Indonesia, Malaysia and Bangladesh showing continuous progress. The improvement is clearly more than twice that of Pakistan. India and Sri Lanka also show significant improvement with participation rates of over 34 percent and 43 percent respectively.

The comparison clearly indicates that Pakistan is far behind, particularly in export competitiveness - a major reason attributed to the dismal presence in the international market is the low rates of female participation, especially in industrial activities. The data also indicates the presence of a strong 'discouraged workers effect' in the case of Pakistan, an effect that is particularly visible when the high unemployment rates lead to withdrawal of workers from the labour force. The size of the effect is likely to be larger if there is a perception that unemployment is due more to gender discrimination in access to the labour market.

Table 1.2 clearly brings forward the evidence of the 'discouraged worker effect' in countries like Pakistan, Egypt and Iran, where high female unemployment rates are accompanied by low labour force participation rates.

Long-term trends

The analyses of long-term trends in female labour force participation are based on Labour Force Survey (LFS) data carried out periodically by the Federal Bureau of Statistics (FBS). The chapter presents key labour market indicators for the period 1972-73 to 2007-08, based on FBS published data. In addition, wherever possible, estimates are derived from micro data sets from 1990-91 onwards.

Table 1.2 **Unemployment rate for females**
(%)

Country	1991	1997	2004	2007
Thailand	3.50	0.90	1.38	1.06
Korea, Republic of	1.99	2.30	3.36	2.63
Viet Nam	-	2.54	2.43	-
Malaysia	-	2.80	-	3.43
Singapore	1.82	2.60	6.20	4.33
Philippines	10.50	8.46	11.67	5.97
Bangladesh	-	-	3.32	7.03
Pakistan	16.33	17.06	12.95	8.38
Sri Lanka	-	16.14	13.55	9.02
Indonesia	2.99	6.11	12.89	10.76
Iran, Islamic Republic of	24.44	-	17.80	15.72
Egypt	21.30	19.80	24.44	-
India	-	3.91	5.28	-

Source: ILO, KILM

According to LFS, "currently active population or labour force comprises all persons ten years of age and above who fulfill the requirements for inclusion among employed or unemployed during the reference period i.e. one week preceding the date of interview." Contrary to the interpretation of LFS, it is important that population in the age group 10-14 years be considered as child labour as per the international labour laws (see Box 1.1). We, therefore, have excluded this age group from the labour force and consider labour force as "population comprising of all persons 15 years of age and above who fulfill the requirement for inclusion among employed or unemployed", which is in line with the definition of the labour force recommended by the ILO.

The Labour Force Participation Rate (LFP) is the ratio of labour force (employed and unemployed but seeking work) to the population of respective age cohort. It is therefore, a key determinant of the currently active population or an indicator of the magnitude of the supply of labour in the economy and a crucial component of long term economic growth.

In Pakistan, the overall labour force participation rate remained roughly in the range of 49 percent to 51 percent during 1971-72 to 2003-04. However, it increased to 52.5 percent in 2007-08 (see Chart 1.1) implying that of the total population, aged 15 years and above, 52.5 percent is economically active or part of the labour force whereas 47.5 percent is economically inactive or out of the labour force.

Gender-wise, the labour force participation rate of men declined from 88.5 percent in 1971-72 to 86.6 percent in 1990-91 and remained between 82 percent and 83 percent in the 1990s and in the current decade. As opposed to this, the labour force participation rate of women increased from a very low level of 9 percent in 1971-72 to 21.7 percent in 2007-08. Apparently, this indicates that the overall gender gap in labour force participation rates is declining in Pakistan. However, it is still depressing as out of the total female population (15 years and above) 78.3 percent are out of the labour force as compared to 17.6 percent in the case of males.

Box 1.1 Female child labour in Pakistan

Children under the age of 15 years are considered as child labour if they are performing any kind of economic activity. Existence of child labour is a crucial issue that needs to be examined. Labour force survey reports data on child labour in the age group 10-14 years. In Pakistan, 3.8 million children under this age group are unlawfully employed in different kind of economic activities of which 2.5 million are boys and 1.3 million are girls. Among others, poverty is considered a prime cause of child labour. The parents of child labourers are often unemployed, underemployed, or are desperate for securing an additional source of income to meet their basic needs.

Participation rate of children in the labour force is growing since 1990-91 where participation rate of boys is higher than that of girls. While participation rate of boys increased sharply in the 1990, for girls it increased sharply in the 2000s (see Table 1). As far as the unemployment rate is concerned, it declined considerably among girls compared to that among boys in the 2000s (see Table 2). This implies that compared to girls, the existence of unemployment is higher in boys. Girls who entered the labour force in the 2000s largely attained some kind of employment indicating that there is a demand for girl child labour. Usually, child labour occurs in agriculture, domestic service, factory production and backstreet workshops where the girls are engaged in work such as, child caring, house cleaning, kitchen helpers, etc.

By including participation rates of child labour in the participation rate of adult labour, the overall participation rate in Pakistan declined for both male and female. The decline in male participation rate is higher than that of females which is due to greater participation rate of boys in the child labour force compared to that of girls.

TABLE 1
LABOUR FORCE PARTICIPATION RATE OF CHILD LABOUR

(%)

Years	Female Labour			Male Labour		
	Child (10-14 years)	Adult (15+ years)	Total (10+ years)	Child (10-14 years)	Adult (15+ years)	Total (10+ years)
1990-91	5.0	13.9	12.8	10.1	83.6	71.3
1994-95	4.1	12.7	11.4	8.9	82.2	69.1
1998-99	7.4	15.8	13.9	18.0	82.9	70.5
2001-02	6.3	16.2	14.4	17.2	82.7	70.3
2003-04	6.7	18.0	15.9	18.5	82.7	70.6
2007-08	9.7	21.7	19.6	17.1	82.4	69.5

Source: Labour Force Survey (various issues)

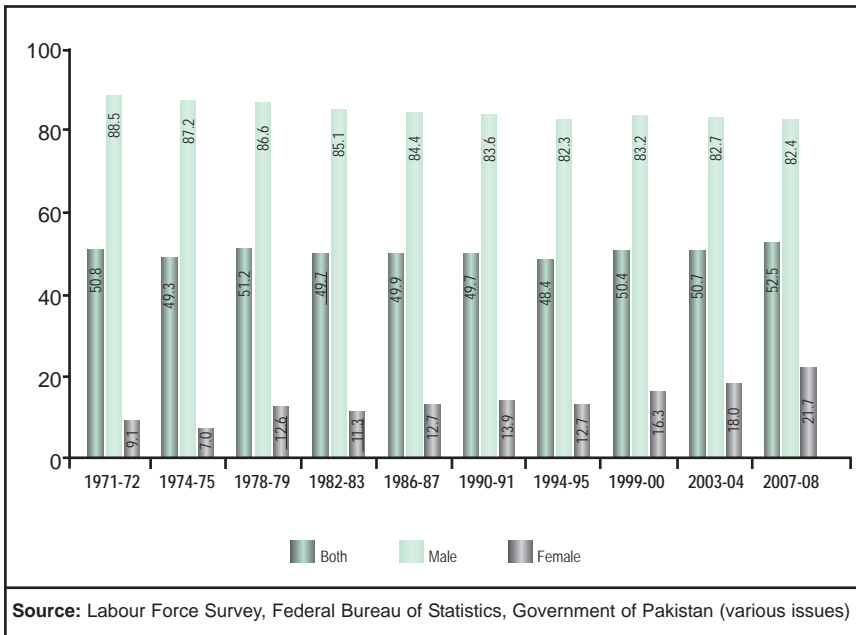
TABLE 2
UNEMPLOYMENT RATE OF CHILD LABOUR

(%)

Years	Female labour			Male labour		
	Child (10-14 years)	Adult (15+ years)	Total (10+ years)	Child (10-14 years)	Adult (15+ years)	Total (10+ years)
1990-91	14.2	16.8	16.7	8.7	4.5	4.3
1994-95	9.7	13.7	14.0	11.6	4.1	3.6
1998-99	16.6	15.0	14.9	8.3	4.2	4.0
2001-02	17.7	16.5	16.3	16.1	6.7	6.2
2003-04	10.4	12.8	12.9	13.6	6.6	6.2
2007-08	6.8	8.5	8.7	10.0	4.3	4.0

Source: Labour Force Survey (various issues)

Chart 1.1 Labour force participation rate (%)



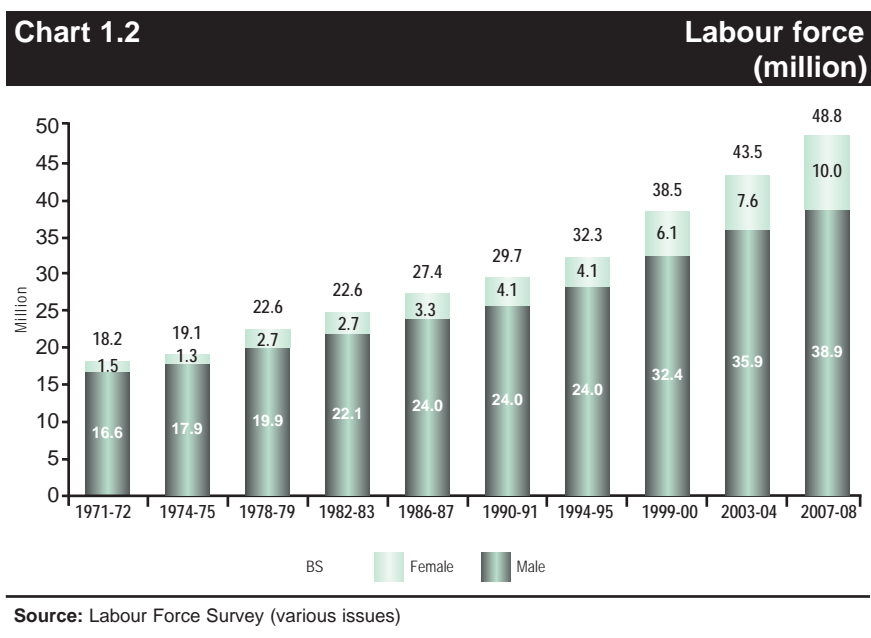
The decline in male participation rate may be attributed to two major reasons: the gradual withdrawal of population in the young age cohort (counted as economically active) from the labour force, due to the increased enrolment at different levels of education (schools, colleges and universities); and the increase in labour migration between the mid-1970s to the mid-1980s which inhibited the growth of domestic labour force.



The long-term trends noticed in female LFP depict slow progress in the 1970's, virtual stagnation in the 1980's, modest improvement in the 1990's, and substantive progress in the current decade.

There seems to be little correlation between the change in female LFP and the rate of economic growth, with the exception of the current decade. Econometric analysis of determinants of female LFP reveals the importance of overseas labour migration (creating more space for employment of females at home) and of rising levels of education of women (see Appendix A.1).

In terms of numbers, the total labour force of Pakistan aged 15 years and above was 18.2 million in 1971-72 of which 1.5 million were women and 16.7 million were men. In 2007-08 the labour force increased to 48.8 million of which 10 million are women and 38.9 million are men (Chart 1.2). This indicates that currently the ratio of male to female workers is about 4:1.



As far as the growth in the labour force is concerned, the total labour force in Pakistan grew at an average rate of 2.8 percent per annum from 1971-72 to 2007-08. The labour force consisting of men increased at an annual average rate of 2.4 percent as against the 5.4 percent in case of women (from an initially very low base). Period-wise statistics indicate that the highest growth of 4.2 percent per annum in the labour force took place during 1975-79 followed by 3.5 percent per annum during 1995 to 2000 (Table 1.3). The 1970's and 1980's experienced fluctuations not only in the per annum increment in the labour force but also in its growth rate. However, since the mid-1990's, the labour force in Pakistan has been increasing with a declining growth rate. During 1995 to 2000, the increment in the labour force was 1.23 million persons per annum with an average annual growth of 3.5 percent, whereas during 2004-08 the increment in the labour force was 1.35 million persons per annum with an

Table 1.3 Rate of increase in labour force

Period	Average annual increment (million)			Average cumulative growth rate (%)		
	Both	Male	Female	Both	Male	Female
1972-75	0.325	0.413	-0.085	1.76	2.43	-5.83
1975-79	0.854	0.511	0.341	4.19	2.74	19.76
1979-83	0.552	0.540	0.009	2.36	2.61	0.35
1986-87	0.652	0.491	0.162	2.53	2.16	5.53
1987-91	0.577	0.403	0.179	2.04	1.64	4.98
1991-95	0.666	0.645	0.018	2.17	2.42	0.43
1995-00	1.230	0.839	0.391	3.54	2.81	8.06
2000-04	1.240	0.861	0.381	3.08	2.56	5.75
2004-08	1.346	0.750	0.593	2.96	2.03	7.02
1972-08	-	-	-	2.79	2.39	5.32

Source: Labour Force Survey (various issues)

average annual growth of 3 percent. The high growth rate in the labour force in relation to the population growth rate (of about 2 percent) is the product of the 'demographic transition' whereby the share of young population (15 to 24 years) is rising rapidly.

The gender distribution of new entrants into the labour force is also experiencing a change. In the first four years of the current decade, approximately 31 percent of the entrants were females, which during the last four years have risen to 44 percent. The continuation of this trend would help ensure an increase in female labour force participation.

CHARACTERISTICS OF FEMALE LABOUR FORCE

The characteristics of female labour force of Pakistan have been characterized in terms of rural-urban and inter-provincial distributions respectively.



Rural-urban labour force

Female LFP rates are substantially high in the rural areas of Pakistan, across all provinces, as shown in Table 1.4. Over the last four decades, LFP rates in rural areas have shown a much faster increase as compared to that in urban areas. The conclusion drawn is that women remain largely confined to agricultural activities and have not succeeded substantially in entering the formal sector in the cities. The data also indicates a gradual substitution in the rural labour force of men by women, primarily, as a consequence of migration by men to urban areas.

Inter-provincial labour force

Table 1.4 also indicates the relatively high rates of female LFP in Punjab as compared to other provinces of the country. The higher rural LFP rate in Punjab is attributed to the dominance of agricultural activities in the province, where women contribute not only to sowing and harvesting operations (like cotton and fruit picking) but also to management of livestock and inputs into cottage industry.

The province of Punjab has a relatively high female LFP when compared to a relatively urbanized province like Sindh, with higher levels

Table 1.4 Labour force participation rates by province, urban and rural (%)

Years	Total			Rural			Urban		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
PUNJAB									
1990-91	50.83	83.55	16.95	52.24	85.14	18.88	47.33	79.76	12.02
1994-95	49.90	82.56	15.73	51.78	84.49	17.91	45.19	77.79	10.14
1999-00	52.96	84.71	20.15	55.06	86.48	23.06	48.32	80.89	13.58
2003-04	54.17	83.81	24.37	57.31	85.79	29.30	47.97	80.01	14.29
2007-08	53.81	82.49	25.24	57.57	84.01	31.75	46.44	79.61	12.12
SINDH									
1990-91	48.51	83.66	8.76	51.23	87.95	10.41	45.95	79.70	7.17
1994-95	46.98	82.72	6.19	49.47	86.91	6.21	44.13	77.87	6.17
1999-00	46.52	80.71	8.25	51.10	86.55	11.74	42.05	75.05	4.81
2003-04	46.87	82.14	7.74	49.72	87.67	8.52	44.45	77.53	7.06
2007-08	52.51	83.84	16.59	61.53	90.36	28.28	44.51	78.04	6.29
NWFP									
1990-91	46.40	82.90	9.93	47.22	84.18	10.72	42.29	76.75	5.88
1994-95	43.19	78.59	10.13	43.67	79.47	10.98	40.56	74.06	5.09
1999-00	45.97	80.53	13.47	46.65	81.69	14.43	42.74	75.30	8.61
2003-04	44.05	79.20	11.68	44.42	79.97	12.31	42.33	75.73	8.55
2007-08	47.27	78.80	18.35	48.15	79.21	20.40	43.22	77.06	8.35
BALUCHISTAN									
1990-91	48.74	87.19	6.57	49.48	88.52	6.75	44.45	79.51	5.57
1994-95	48.41	85.36	7.91	49.28	86.95	8.59	44.18	77.90	4.42
1999-00	46.16	83.24	5.15	46.99	85.00	4.97	42.16	74.72	6.01
2003-04	47.67	82.29	8.88	49.50	85.60	9.45	42.24	72.65	7.16
2007-08	50.71	83.15	10.87	52.95	85.64	12.34	44.06	75.60	6.59

Source: Labour Force Survey (various issues)

of female literacy, especially in Karachi. Perhaps, the social and cultural barriers impeding women's participation in work have been addressed more effectively in Punjab than in the other provinces of Pakistan.

LEVEL AND NATURE OF EMPLOYMENT

Level of employment

According to the standard definition, the "employed" comprise all persons fifteen years of age and over who worked at least one hour during the reference period, and were either "paid employed" or "self-employed" or "unpaid family helper". Therefore, a relatively liberal definition of employment is used in Pakistan.

Table 1.5 gives the magnitude of the employed labour force in Pakistan. The number of employed persons has increased from 17.8 million in 1971-72 to 46.4 million in 2007-08 with an annual growth rate of 2.7 percent. The number of employed males has increased from 16.3

Table 1.5 **Employed labour force and growth rate in employment**

Period	Employed labour force (million)			A C G R* (%)		
	Both	Male	Female	Both	Male	Female
1971-72	17.8	16.3	1.5	-	-	-
1974-75	18.9	17.6	1.3	1.90	2.53	-5.21
1978-79	21.9	19.4	2.5	3.77	2.50	17.57
1982-83	24.0	21.3	2.7	2.35	2.41	1.86
1986-87	26.7	23.3	3.3	2.68	2.26	5.57
1990-91	27.9	24.5	3.4	1.12	1.23	0.43
1994-95	30.7	27.2	3.5	2.44	2.59	1.39
1999-00	35.7	30.6	5.1	3.09	2.45	7.64
2003-04	40.2	33.6	6.6	3.02	2.36	6.58
2007-08	46.4	37.3	9.1	3.62	2.61	8.35
1972-08	-	-	-	2.69	2.33	5.11

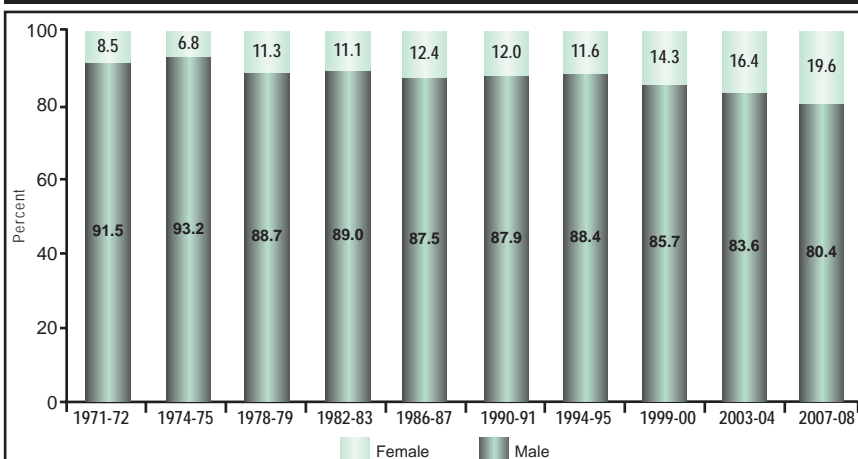
*ACGR = Average Cumulative Growth Rate

Source: Labour Force Survey (various issues)

million to 37.3 million, while employed females have increased from 1.5 million to 9.1 million. Chart 1.3 explains the share of male and females in the employed labour force of Pakistan. Almost 92 percent of the total employed persons were male and only 8 percent were female in 1971-72. Over the period, the share of women in employed labour force has increased and reached 20 percent in 2007-08.

Important conclusions emerge from the analyses of annual rates in employment in different periods (Table 1.5). There is a remarkable lack of variability in the growth rate of male employment that remained between two to three percent per annum in most periods, irrespective of the overall trends seen in the labour market while the growth rate in female employment experienced large fluctuations. The buoyancy in the labour market as seen in the 2000's benefits women employment while the depressed labour market conditions slows down or even brings a decline in female employment as seen during the 1970's.

Chart 1.3 Share of female and male in employed labour force (%)



Source: Labour Force Survey (various issues)

The key conclusions are: not only do women contribute to faster growth in Pakistan but they are also its beneficiaries; while the overall LFP of females is not sensitive to the stages of the business cycle, the unemployment rate is sensitive to them and so is the level of employment. Clearly, the precipitous fall in the GDP growth rate in 2008-09 may have limited employment opportunities for women (see Chapter 8), although this could be mitigated by the rapid growth in agriculture.

The female unemployment rate

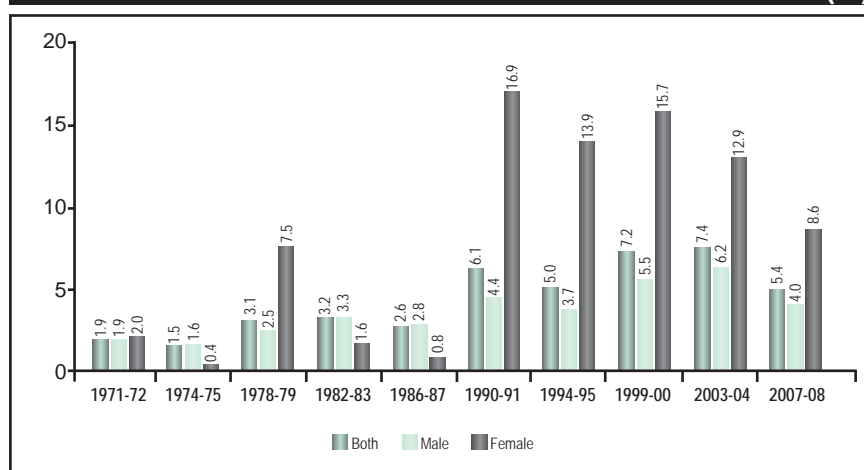
According to the standard definition, the "unemployed" comprise all persons fifteen years of age and over who during the reference period were: i) "Without work", i.e. were not in paid employment or self-employment; ii) "Currently available for work", i.e. were available for paid employment or self-employment; iii) "Seeking work", i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment; and iv) "Not currently available" for the reasons like illness, will take a job within a month, temporarily laid off, or an apprentice. The unemployment rate being the number of unemployed as a percentage of corresponding labour force measures the proportion of labour force that is not utilized. Table 1.6 presents the number of unemployed persons by gender. It shows that the magnitude of unemployed persons was less than 0.1 million in the 1970's and 1980's. The number increased to over 1.8 million in 1990-91 and to 3.2 million in 2003-04. The overall unemployment rate thus remained between 1.5 percent to slightly over 3 percent during the 1970's and the 1980's, prior to reaching 6 percent in 1990-91 and as high as 7.4 percent in 2003-04 (Chart 1.4).

A significant increase in the unemployment rate, particularly that of females, after 1990-91 occurred as a result of a change in definition. According to Majid (2000), "before 1990-91, the LFS recorded those persons as unemployed who were without work (i.e. were not in paid employment or self-employment) and were both currently available and seeking work during the reference period of one week. Those who may

Table 1.6 Unemployed labour force (thousand)

Year	Both	Male	Female
1971-72	350	320	30
1974-75	286	286	5
1978-79	695	496	199
1982-83	785	730	43
1986-87	717	676	27
1990-91	1,817	1,131	686
1994-95	1,624	1,036	572
1999-00	2,762	1,797	955
2003-04	3,221	2,228	983
2007-08	2,435	1,561	874

Source: Labour Force Survey (various issues)

Chart 1.4 Unemployment rate (%)

Source: Labour Force Survey (various issues)

have been available for work but for some reason were not seeking it (i.e. not taken specific steps to seek paid or self-employment) were not recorded as unemployed.... From 1990-91 onwards, the condition of being available for work was sufficient to be recorded as unemployed". The change in the definition and its interpretation increased the number of unemployed in 1990-91 and onwards which implies that comparisons of unemployment before and after 1990-91 are not legitimate.

Consistently remaining higher, the unemployment rate for females reached 15.7 percent in 1999-2000, as against 5.5 percent for males. This percentage however reduced to 8.6 percent amongst females in 2007-08 as against 4 percent amongst males.

Structure of employment

The various dimensions of female employment, including the nature of economic activity, sector, occupation and part-time work are highlighted in this section.

	1996-97	1999-00	2003-04	2007-08
FEMALE				
Agriculture	66.4	73.7	66.6	73.8
Formal	12.9	9.5	11.8	7.4
Informal	20.7	16.8	21.5	18.8
Total	100.0	100.0	100.0	100.0
MALE				
Agriculture	39.7	43.4	37.0	35.2
Formal	21.7	19.8	19.0	17.9
Informal	38.6	36.8	44.1	47.0
Total	100.0	100.0	100.0	100.0

Source: Labour Force Survey (various issues)

Employment by economic activity

The distribution of employment by area of economic activity is presented in Table 1.7. As indicated earlier, almost 74 percent of female workers are engaged in the agricultural sector as against 35 percent of male workers. The trend apparently is one of gradual substitution of males by females in agricultural occupations.

The most striking statistic is the extremely low share of female employment in the formal sector of the economy at only about 7 percent as compared to 18 percent for males. Furthermore, the share has declined by over 5 percentage points. There is a similar pattern of participation by females in the informal sector, both relatively low and declining. Clearly, the transition of the female labour force, from traditional agricultural activities to the informal sector, and eventually to the formal sector in urban areas of Pakistan, is not happening.



Table 1.8 **Distribution male and female employment by industrial division (%)**

Industrial division	1990-91	1994-95	1999-00	2003-04	2007-08
MALE					
Agriculture, forestry, hunting and fishing	43.9	43.1	43.4	37.0	35.2
Mining and quarrying	0.2	0.1	0.1	0.1	0.1
Manufacturing	12.0	10.5	12.0	13.6	13.5
Electricity, gas and water	1.0	1.0	0.8	0.8	0.9
Construction	7.6	8.2	6.9	7.2	8.0
Wholesale and retail trade & restaurants/hotels	14.9	16.3	15.5	17.7	18.3
Transport, storage and communications	6.1	5.8	6.0	7.0	7.0
Financing, insurance, real estate & business activities	1.0	0.9	1.0	1.3	1.8
Community, social and personal services	13.3	14.1	14.4	15.1	14.9
Activities not adequately defined	0.1	0.1	0.0	0.1	0.1
FEMALE					
Agriculture, forestry, hunting and fishing	65.7	66.4	73.6	66.5	73.8
Mining and quarrying	0.0	0.0	0.0	0.0	0.0
Manufacturing	12.6	9.2	8.0	14.6	11.9
Electricity, gas and water	0.1	0.0	0.1	0.1	0.0
Construction	1.2	1.2	0.3	0.3	0.3
Wholesale and retail trade & restaurants/hotels	3.2	3.0	2.5	1.8	1.9
Transport, storage and communication	0.5	1.0	0.2	0.1	0.2
Financing, insurance, real estate & business activities	0.2	0.2	0.2	0.1	0.2
Community, social and personal services	16.4	19.1	14.9	16.4	11.5
Activities not adequately defined	0.0	0.0	0.0	-0.2	0.0

Source: Labour Force Survey (various issues)

Employment by sector

The trend in distribution of employment by sector is given in Table 1.8. Female workers are concentrated mostly in agriculture, manufacturing, and community, social and personal services. Women have not been able to enter sectors such as, wholesale and retail trade, banking and insurance, and transportation and communications. These are the sectors where there is a large female presence in other countries.

Female employment in the manufacturing sector depicted an increase during the mid-1990s to the mid-2000s and then declined afterwards. It can be said that the recent slowdown of growth in the manufacturing sector has contributed to a decline in female employment, particularly in firms that are export-oriented (textiles, clothing, leather, and sports goods) where females are generally employed.

Table 1.9 Distribution of female employment by sub-industry division - 2007-08

Sub-Industry Division	Urban	Rural
Agriculture, livestock and hunting	16.4	83.2
Forestry and logging -	0.7	
Manufacture of food, beverage and tobacco	0.9	0.1
Manufacture of textile, wearing apparel and leather industries	28.3	6.6
Manufacture of chemicals and chemical petroleum, coal, rubber & plastic products	0.8	-
Manufacture of non-metallic mineral products except of petroleum and coal	0.8	0.7
Other manufacturing industries and handicrafts	0.5	1.0
Public administration and defence services	1.5	0.1
Social and related community services	28.4	3.9
Personal and household services	13.0	1.5
Others	9.5	2.0
Total	100.0	100.0

Source: Labour force Survey 2007-08

Table 1.9 gives the sub-industry division of the three sectors in which females are largely employed. Among those who work in the rural areas, the majority are associated with agriculture followed by textiles, wearing apparel, leather industries, and social and related community services.

According to a survey by the UNDP (2007-08), four types of economic groups exist in the rural areas of Punjab and Sindh, namely: only-agriculture, agriculture-cum-livestock (mixed), only-livestock and off-farm activities (employed/self employed). Of these groups, the rural economy is largely based on mixed agriculture and livestock farming where 60 percent of farmers belong to this group in both the provinces. In Punjab, only-agriculture and only-livestock groups constitute 13 percent and 7 percent respectively while the off-farm group constitute 20 percent. In Sindh, 32 percent are associated with only-agriculture and the remaining work as labour. Individuals who are involved in the mixed group are separated into either agriculture or livestock by allowing for the maximum time they spent on each activity.

As a result, the majority of the women (over 55 percent) are associated with livestock since the sector is well integrated into the family economy which efficiently utilizes family labour. Therefore, it is usually the women who take care of the animals and are involved in almost all aspects of animal health, maintenance, rearing and production. This is followed by crop farming (agriculture) where females are engaged in both the provinces. In this sector, women are mostly involved in agricultural support activities like, weeding, grass cutting, cotton picking, stick collection and separation of seeds from fiber and so on. In Punjab, women are also either self-employed, employees or are engaged in other off-farm activities like embroidery and tailoring, carpet making, teaching, or are health workers and government employees.

Table 1.10 Employment by occupational categories (%)

Occupation categories	1996-97		1999-00		2003-04		2007-08	
	Male	Female	Male	Female	Male	Female	Male	Female
Legislators, senior officials and managers	97.3	2.7	97.1	2.9	97.9	2.1	97.0	3.0
Professionals	76.4	23.6	85.2	14.8	84.1	15.9	89.6	10.4
Technicians and associate professionals	81.9	18.1	78.6	21.4	69.8	30.2	74.7	25.3
Clerks	98.7	1.3	98.3	1.7	97.6	2.4	97.8	2.2
Service workers and shop and market sales workers	92.5	7.5	98.4	1.6	97.5	2.5	97.6	2.4
Skilled agricultural and fishery workers	82.4	17.6	80.3	19.7	76.5	23.5	66.7	33.3
Craft & related trades workers	87.5	12.5	91.5	8.5	85.2	14.8	84.8	15.2
Plant & machine operators and assemblers	99.3	0.7	98.9	1.1	97.3	2.7	99.3	0.7
Elementary (unskilled) occupations	87.3	12.7	80.7	19.3	81.8	18.2	85.2	14.8

Source: Labour Force Survey (various issues)

Among those women who work in the urban areas, over 28 percent are associated with textile, wearing apparel and leather industries, 28 percent with social and related community services, 16 percent with agriculture, livestock and hunting and 13 percent with household services.

Employment by occupation

Table 1.10 explains the distribution of employment between gender by occupational categories, where each category continues to be dominated by males. In the category of professionals, which is associated with relatively high earnings, male dominance has increased over time. For instance, in 1996-97, of the total employment in this category, 76 percent were male and 24 percent were female while in 2007-08 this percentage changed to 90 percent and 10 percent. However, in categories like technicians and associate professionals and skilled agricultural and fishery workers, which are low-paid jobs, the process of feminization has taken place. Thus, occupational segregation tends to be one of the key determinants of differentials in male and female earnings in Pakistan (see Chapter 4).

Table 1.11 gives the percentage distribution of employed males and females by occupational categories. While agricultural occupations account for the single biggest grouping among both male and females, it is even more predominant for women than men. The proportion of employed females engaged in this sector increased from 48 percent in 1996-97 to 67 percent in 2007-08. However, in males, it was reduced from 39 percent in 1999-00 to 33 percent in 2007-08. The other significant categories for women are elementary unskilled occupations, crafts and related trade workers and technicians. A positive development is the significant decline in the share of elementary unskilled occupations.

Table 1.11 Distribution of employed males and females by occupational categories (%)

Occupational category	1996-97	1999-00	2003-04	2007-08
M A L E				
Legislators, senior officials and managers	10.0	13.0	14.2	16.2
Professionals	3.2	2.3	2.1	1.7
Technicians and associate professionals	2.7	4.0	4.3	5.2
Clerks	3.4	1.9	2.0	2.1
Service workers & shop & market sales workers	8.3	4.9	5.9	5.9
Skilled agricultural and fishery workers	33.9	39.2	33.5	32.6
Craft and related trades workers	9.7	15.8	16.3	16.3
Plant and machine operators and assemblers	5.7	4.0	4.7	5.2
Elementary (unskilled) occupations	22.9	14.9	17.0	14.8
Total	100.0	100.0	100.0	100.0
F E M A L E				
Legislators, senior officials and managers	1.9	2.4	1.5	2.0
Professionals	6.8	2.4	2.0	0.8
Technicians and associate professionals	4.2	6.6	9.4	7.2
Clerks	0.3	0.2	0.3	0.2
Service workers & shop & market sales workers	4.6	0.5	0.8	0.6
Skilled agricultural and fishery workers	49.7	57.4	52.1	66.6
Craft and related trades workers	9.5	8.8	14.3	11.9
Plant and machine operators and assemblers	0.3	0.3	0.6	0.2
Elementary (unskilled) occupations	22.8	21.4	19.2	10.5
Total	100.0	100.0	100.0	100.0

Source: Labour Force Survey (various issues)

Part-time versus full-time employment

There are large differences in the number of hours worked by males and females as shown in Table 1.12. A substantially higher proportion of women, over 40 percent, are engaged in part-time work (less than 35 hours a week) as compared to only 7 percent in the case of men.

Table 1.12 Number of hours worked by gender (%)

	Male	Female
< 14 hrs	1.3	5.9
15-24 hrs	2.1	15.6
25-34 hrs	4.1	19.1
35-39 hrs	10.1	28.6
40-41 hrs	5.5	4.6
42-48 hrs	28.7	17.2
49-55 hrs	14.1	4.0
56 hrs and more	34.0	4.7
Total	100.0	100.0

Source: Labour Force Survey (2007-08)

The responses to the LFS also indicate that for over 90 percent of women, part-time work is voluntary in character. In Pakistan, no visible decline in LFP of women at child-bearing age is noticed - which implies that women in Pakistan are compelled to undertake part-time work along with domestic work and child bearing, especially in rural areas. The pattern observed in developed countries of the temporary withdrawal from the labour force of women during child-bearing periods is generally not the case in Pakistan.

THE EDUCATION-EMPLOYMENT LINK

Table 1.13 indicates the education attainment of the labour force in Pakistan. Five categories of level of education reported here include: illiterate; below primary level (no formal education, kinder-garten, and nursery); primary level (primary and middle); matriculation level (matriculation and intermediate); and degree (graduate, post-graduate and professional).

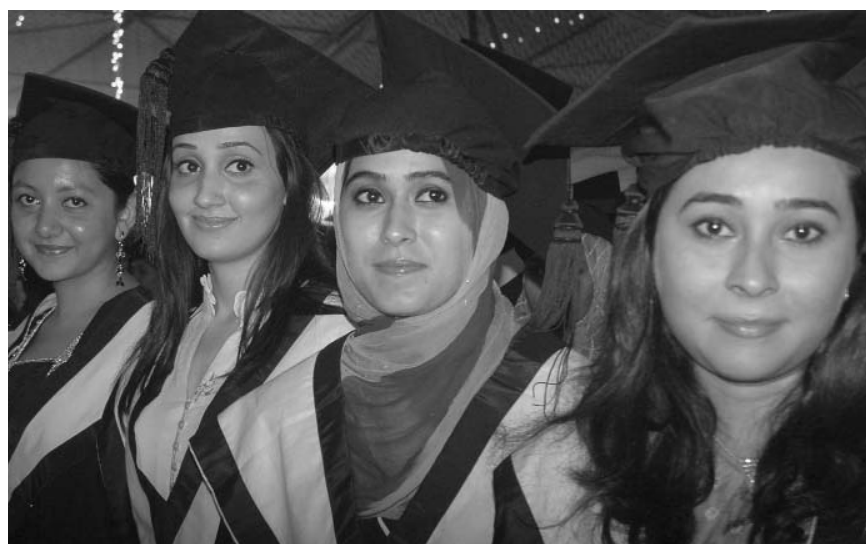
Table 1.13 Educational attainment of the LF (shares %)

Years	Both			Male			Female		
	1990-91	1999-00	2007-08	1990-91	1999-00	2007-08	1990-91	1999-00	2007-08
Illiterate	58.1	52.6	44.8	54.4	47.4	37.0	81.0	80.2	74.9
Below primary	5.3	2.6	3.0	5.7	2.9	3.4	2.7	1.0	1.6
Primary	13.2	14.2	15.6	14.5	16.0	17.5	5.0	5.0	8.2
Matriculation	20.4	25.9	30.3	22.2	28.8	35.4	9.0	10.4	10.8
Degree	3.1	4.6	6.3	3.3	4.9	6.8	2.3	3.4	4.5

Source: Labour Force Survey (various issues)

According to the table, progress was made in all the four categories (both) for males and females during 1990-91 to 2007-08. In spite of the improvement, the proportion of labour force with primary and above primary level education continued to be low at 52 percent in 2007-08. A meager 6 percent of the labour force has acquired education up to degree level.

Moreover, gender gaps in the level of educational attainment are also visible. The illiteracy level among the female labour force is higher (75 percent in 2007-08) compared to that of male labour force (37 percent in 2007-08). The proportions of below primary and primary education levels in the male labour force are twice the proportion in the female labour force.



The issue emerging demands a proper understanding of the existing dynamics. For instance, whether the lower educational endowment of the female labour force is a reflection of underlying low levels of educational attainment of the female population or a consequence of the LFP rate of educated females which still remains low?

The Education Census of 2005 gives the distribution by gender at different levels of education (see Table 1.14). A comparison can be made with the gender distribution of recent entrants to the labour force. The results are striking, particularly at the degree level, where females have made progress and are approaching one half of the total enrolment. In spite of the progress shown, their share in the labour force is only 19 percent.

Table 1.14 Share in enrolment and share in entrants to the labour force

	2005 enrolment (000)		Entrants to the labour force ^a	
	Total	Female share (%)	Total	Female share (%)
Illiterate	-	-	252	135
Primary	12433	43	303	23
Secondary*	8322	42	605	9
Degree	2502	48	159	19

*including middle level
^aannual entrants between 1999-2000 and 2007-08
Source: Education Census (2005)

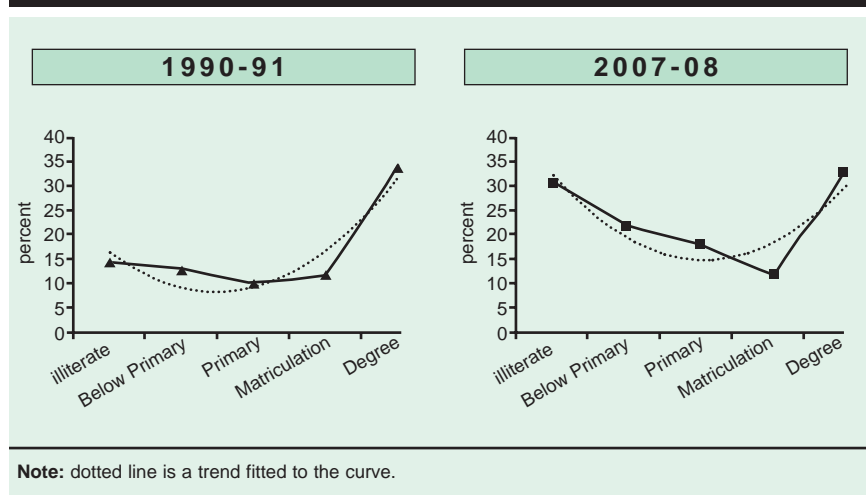
The findings, thus, have brought forward an extremely weak link that exists between education and employment in Pakistan. Although women are entering higher educational institutions in larger numbers, this does not ensure their subsequent entry into the labour force. Neither has this factor helped in addressing the restrictions on labour force participation and the gender discrimination that are prevalent in the labour market.

Table 1.15 is indicative of the fact that LFP rates of females remain low at all levels of education. Surprisingly, the female LFP rate actually falls as education level rises to matriculation. Though it continues to be higher (29 percent) at the degree level, it is low when compared to the male LFP rates, which is 90 percent. The fact that the female LFP curve with respect to education level is U-shaped, (see Chart 1.5) implies that

Table 1.15 Female labour force participation rates by level of educational attainment

Category	1990-91	1999-00	2007-08
Illiterate	14.42	18.37	26.79
Below primary	12.98	11.30	19.11
Primary	9.98	9.28	15.76
Matriculation	11.75	9.93	10.42
Degree	33.51	30.18	28.72

Source: SPDC estimates based on Labour Force Survey (various issues)

Chart 1.5 Female labour force participation rate by level of education

as education standards improve over time, there is the possibility of a negative outcome whereby the overall LFP could actually fall. This can only be addressed by ensuring an improvement in the LFP at all levels of education.

Table 1.15 shows that while the female LFP has been rising for illiterate individuals and women with primary level education, there is actually some decline in the LFP for women with matriculation and those holding a degree. Of the female population, 71 percent with a degree do not constitute a part of the labour force. The statistics are perhaps reflective of two hard-core realities. Those with no education or with some basic education are allowed to work due to intense poverty and inflation; and existing socio-cultural norms continues to strengthen gender discrimination and are a source of a massive wastage of the human capital available in the country.

In order to establish a link between educational attainment and female LFP rate, the increase in female LFP rate is decomposed into two effects: improvement in educational attainment and general emancipation (see Appendix A.2 for detail). General emancipation effect implies the increase in participation rate as a result of increase in labour demand. This is due to improvement in socio-economic factors where education, *per se*, does not have any concrete role. Educational attainment effect implies increase in participation rate as a result of increase in education among females. Table 1.16 shows that overall female LFP rate increased

Table 1.16 Decomposition of change in female LFP (percentage change)

Nature of Effect	During 1990-91 and 1999-00	During 1999-00 and 2007-08
Effect of educational attainment	-0.06	-0.55
Effect of general emancipation	2.35	6.06
Total	2.29	5.50

Source: SPDC Estimates based on data from Labour Force Survey

Table 1.17 Enrolment in higher technical education 2005

	Number Enrolled	% Female
<i>College/universities/ institutions</i>		
Medical	47277	41
Nursing	7296	73
Education	35226	75
Business, commerce and accounting	150737	15
Engineering	39686	15
IT	39172	22
Law	17830	23
Agriculture and veterinary	15853	20
Polytechnic/ vocational	477334	38
Other	8457	82
Total	838,868	34
Source: Education Census (2005)		

by 2.3 percentage points during 1990-91 and 1999-00, and 5.5 percentage points during 1999-00 and 2007-08 due to the effect of general emancipation. Higher educational attainment was actually responsible for a fall in overall LFP of females.

Table 1.17 presents a summary of data on enrolment by gender in higher technical education, obtained from the Education Census of 2005. According to the table, women dominate the enrolment in teaching and nursing. Significant inroads have also been made into the medical profession and in training at polytechnic and vocational training institutions. However, there is a small presence of female students in the fields of engineering, business, commerce, accounting, IT and law. In countries like India, women are increasingly participating in the fields of IT and business administration. These are also promising areas for future generations of female students in Pakistan, especially if employment expands in the formal corporate sector of the economy.

ISSUES IN FEMALE LABOUR FORCE PARTICIPATION

The earlier sections highlighted that though female LFP remains low in Pakistan, it did show a significant increase over time. This section focuses on two fundamental issues namely: the extent to which the increase in LFP is overstated due to inclusion of 'unpaid family helpers'; and the degree to which the LFP is understated due to the non-inclusion of women employed in marginal activities.

Unpaid family helpers

According to the LFS, the employed labour force is categorised by four types of employment status: employer, self-employed, employee, and unpaid family helper. Unpaid family helpers are engaged in production activities but do not receive remuneration for their services. In this sense, it is closely analogous to domestic work. Table 1.18 gives the share of unpaid family helpers in the female and male labour force respectively

Table 1.18 Share of unpaid family helpers in labour force (%)

	Male	Female	Total
1990-91	13.92	56.58	19.11
1994-95	15.13	59.87	20.28
1999-2000	14.46	48.96	19.85
2003-04	16.17	51.44	21.97
2007-08	16.98	63.15	26.12

Source: Labour Force Survey (various issues)

and demonstrates the dominance of this particular type of worker in the female category. The share of unpaid workers, although declined in the 1990s, shows a sharply rising trend during the current decade, especially in the case of females.

There have been complaints against the previous government of 'number fudging', particularly by overstating the number of unpaid family helpers, to show a faster growth in employment and a decline in unemployment rate. This provides a justification to analyze the trends in the labour market excluding unpaid family helpers and to determine the qualitative improvement in the state of the labour market.

Results of exclusion of unpaid family helpers are given in Tables 1.19 and 1.20. The rapid increase in LFP of females during the current

Table 1.19 Comparison of labour force participation rates (%)

Years	Including unpaid workers (PR1)			Excluding unpaid workers (PR2)			Percentage change		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
1990-91	49.70	83.63	13.93	40.78	72.49	7.34	-18.0	-13.3	-47.3
1994-95	48.30	82.18	12.65	38.99	70.19	6.15	-19.3	-14.6	-51.4
1999-00	50.45	83.27	16.27	41.29	71.91	9.40	-18.2	-13.6	-42.2
2003-04	50.74	82.74	17.97	40.39	70.16	9.93	-20.4	-15.2	-44.8
2007-08	52.48	82.40	21.74	39.49	68.95	9.21	-24.8	-16.3	-57.6

Source: SPDC estimates based on Labour Force Survey (various issues)

Table 1.20 Comparison of unemployment rates (%)

Years	Including unpaid workers (PR1)			Excluding unpaid workers (PR2)			Percentage change		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
1990-91	6.03	4.35	16.71	7.35	5.01	31.74	21.9	15.4	89.9
1994-95	4.94	3.61	14.00	6.12	4.23	28.83	23.9	17.1	105.9
1999-00	7.15	5.54	15.74	8.74	6.42	27.25	22.2	15.8	73.1
2003-04	7.33	6.17	12.87	9.21	7.27	23.31	25.6	18.0	81.0
2007-08	4.99	4.02	8.68	6.63	4.80	20.48	32.9	19.5	136.0

Source: SPDC estimates based on Labour Force Survey (various issues)



decade from 16 to 22 percent appears to be largely due to increase in unpaid family helpers. Exclusion of this category actually indicates that the female LFP may have fallen in recent years. Table 1.20 indicates that the unemployment rate in 2007-08, especially for females, increases significantly if family unpaid helpers are excluded. More importantly, the unemployment rate for females shows a big increase from less than 9 percent to over 20 percent. It is recommended that in future the LFS should give all estimates with and without unpaid family helpers.

Omitted labour force

Another important issue which is largely related to female labour force participation is the exclusion of particular categories of workers from the conventional labour force. The conventional definition of the labour force seldom includes persons engaged in subsistence activities. Compared to men, it is more likely that women are involved in unpaid care work, and in unpaid or low paid or marginalized economic activities. Often these economic activities of women are not recognized by society, their families and even by themselves and hence are excluded from the conventional labour force. In order to address this issue, LFS adds a set of probing questions which enquires about the time spent on various economic activities by the persons not included in the conventional labour force. Based on the responses LFS reports an augmented participation rate to supplement such economic activities in the conventional definition of labour force.

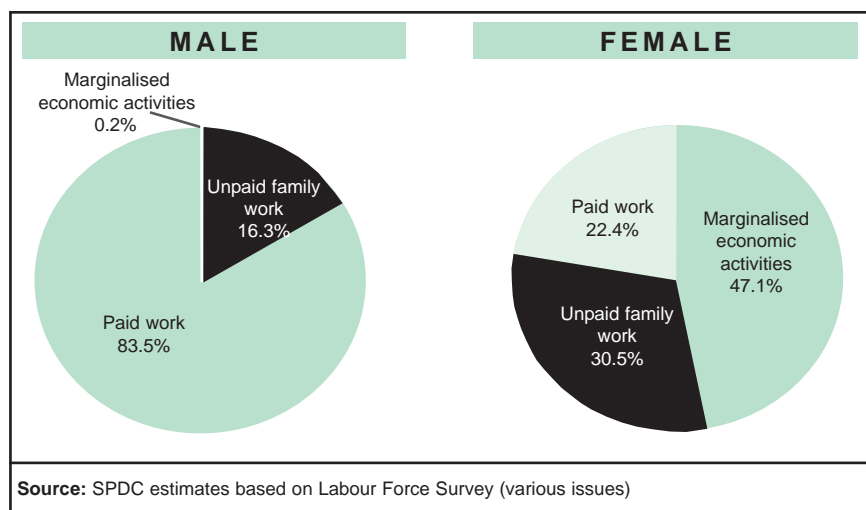
Table 1.21 reports both the conventional and augmented LFP rate in Pakistan. The LFP rate almost doubles to over 40 percent, with the increase greater in the case of women as compared to men. The presence of marginal economic activities is more in rural than in urban areas.

Table 1.21 Conventional and augmented LFP rates

Years	Conventional LFP rate (%)			Augmented LFP rate (%)			Difference (%age points)		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
2001-02	50.46	82.73	16.23	63.21	83.04	42.25	12.75	0.32	26.02
2003-04	50.74	82.74	17.97	63.68	82.89	44.00	12.93	0.15	26.02
2005-06	52.96	83.99	21.04	65.22	84.32	45.56	12.25	0.33	24.52
2007-08	52.48	82.40	21.74	62.11	82.51	41.12	9.63	0.11	19.38

Source: Labour Force Survey (various issues)

Thus, the overall composition of employed female indicates that 47 percent of the working women are employed in 'marginal' economic activities and another 31 percent are engaged in unpaid family work. Only 22 percent receive some remuneration for the work they do, with the majority employed in the informal sector. As opposed to this, almost 84 percent of men are engaged in paid work (see chart 1.6).

Chart 1.6 Distribution of female and male labour force

The overall conclusion is that women at work in Pakistan have largely been unable to convert employment into a means of social and economic empowerment. The bulk of the female labour force remains engaged in residual and low paid work. Improvement in education levels, unfortunately, has not opened new avenues for the women and neither has it helped integrating the educated females into the larger economy.



WOMEN AS ENTREPRENEURS

2

CHAPTER 2

*Women
entrepreneurs are
inclined to employ a
substantially larger
proportion of female
workers.*

SOCIAL DEVELOPMENT IN PAKISTAN, 2007-08

WOMEN AS ENTREPRENEURS

The previous chapter indicated that working women in Pakistan are mainly engaged in marginal economic activities and unpaid family work. This limits the scope for socio-economic empowerment of women through employment. At the other end of the spectrum are female entrepreneurs, who, despite lowest share in the labour force, have demonstrated leadership qualities and are role models for other women.

This chapter looks at various aspects of women entrepreneurs in Pakistan. It presents the distribution of entrepreneurs by gender and highlights causes of low women entrepreneurship from secondary sources. Unfortunately, no secondary data are available in Pakistan that would explain the characteristics of women entrepreneurs/women in business and the challenges faced by them. In order to fill this information gap, SPDC conducted a survey of women entrepreneurs which provided a detailed analyses on women entrepreneurs in Pakistan, particularly in the small medium and micro enterprise (SMME) sector. The key findings of this survey are presented in this chapter.

The chapter is organized as follows: Section 2 gives the distribution of entrepreneurs by gender; section 3 investigates through a literature review the barriers that hinder female entrepreneurship; section 4 quantifies the presence of women in the corporate sector in large-scale enterprises and, more broadly, as employers in enterprises of all sizes; section 5 discusses the findings of the SPDC survey by focusing on the characteristics of women entrepreneurs in the SMME sector, their gender preferences in employment and the challenges they confront.



DISTRIBUTION OF ENTREPRENEURS BY GENDER



An entrepreneur is defined as a person who is either an employer or self-employed. Table 2.1 gives the magnitude and proportion of male and female entrepreneurs in Pakistan. With low rates of overall female economic participation in the economy, females constitute seven and a half percent among the total self-employed and less than one percent among total employers. As a result, among total entrepreneurs, about 93 percent are men and over 7 percent are women.

Table 2.1 Distribution of entrepreneurs by gender (%)

Years	Employer			Self-employed			Entrepreneur		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
1990-91	100.0	98.1	1.9	100.0	95.5	4.5	100.0	95.6	4.4
1994-95	100.0	96.8	3.2	100.0	96.4	3.6	100.0	96.4	3.6
1999-00	100.0	97.8	2.2	100.0	94.5	5.5	100.0	94.5	5.5
2003-04	100.0	98.5	1.5	100.0	92.8	7.2	100.0	92.9	7.1
2007-08	100.0	99.4	0.6	100.0	92.4	7.6	100.0	92.6	7.4

Source: Labour Force Survey

WHY ARE WOMEN ENTREPRENEURS IN A MINORITY?

Various studies have shown that women's family responsibilities often restrict their success (both) in developed and developing countries. This prevents them from realizing their full potential as entrepreneurs and hence prevents their contribution to society. Seymour (2001) found that very few women devote their time to a business, if given the primary responsibility of looking after children, home and elders. Traditional gender roles and patriarchal attitudes make it more difficult for women to ignore their responsibilities within the family. The familial and social conditioning of women in many developing countries inhibits the confidence, independence and mobility of women. This results in poor access to information, credit, technology, the market, and prevents women from either starting a business or expanding a business beyond a particular level.

According to Vishwanathan (2001), women face barriers in accessing capital and mobilizing initial resources; they start businesses using less capital than men and are less likely to use bank loans as compared to men. An important perspective on women and credit comes from the literature that addresses access to credit 'as an instrument' that enables women to become self-employed and establish business/es. The literature available addresses two types of women i.e. women who are already in business and those who intend to be, which is often described as "nascent entrepreneurs". By definition, an entrepreneur implies control of one's life and decisions. This is why many societies have denied women such opportunities.



Carter (2000) suggests that the majority of research on women entrepreneurs focuses on four major constraints in relation to access to finance. These include: difficulty in raising start-up capital; incapability of meeting the guarantees required by lending institutions, insufficient finance available for ongoing businesses largely due to their inability to gain access to the formal and informal finance networks, and the issue of whether their relationships with bankers suffer due to perceived gender stereotypes and other types of discrimination.

Verheul and Thurik (2001) look at the difference between the experience of male and female entrepreneurs and conclude that female entrepreneurs are more likely to have less experience in financial management; they spend less time networking which may deprive them of access to important information concerning the acquisition of finance; they are more likely to work in the service sector, which is characterized by relatively small initial investments requiring a small amount of financial capital; and they are assumed to be more risk averse which implies a reliance on equity instead of bank loans.

According to Goheer (2003), among women entrepreneurs in Pakistan, gender related issues including discrimination impeding business start-up process were 30 percent. Of the challenges identified 28 percent were related to marketing and 26 percent were government related. The UNDP (1996) points to a strong 'inside/outside' dichotomy in Pakistan, where women are restricted from access to formal education, employment, training opportunities and social services. In the labour market, a low level of education along with socio-cultural norms continues to restrict female mobility. This limits employment opportunities and the ability of women to create a central role for themselves in the market as entrepreneurs or even as paid workers.

WOMEN IN THE CORPORATE SECTOR



For an overview of owners/chief executives of large-scale enterprises by gender, a data-base comprising balance sheet analysis of public limited companies, maintained by the State Bank of Pakistan, has been analysed. It provides the names of directors and chief executives of each company. This section identifies the gender distribution of the chairperson, CEOs and directors of 282 companies for the year 2005-06 presented in Table 2.2.

Out of the 282 companies, only 6 had female chairpersons and 4 had women CEOs. To some extent there is a greater presence of female directors with a share of about 23 percent in the total number of 1552. However, most of the female directors are in textile manufacturing units. This is attributed to the fact that the share of textiles in quoted companies is high because many of these companies are closely knitted. Most of the female directors are either wives, mothers, sisters, or daughters of the male principal shareholder, who is also frequently the chairperson or CEO. This implies a virtual absence of women as corporate leaders in Pakistan.

In the broader category of female employers, including those who own small-scale enterprises, the LFS of 2007-08 indicates that their number in Pakistan is about 5000, as compared to over 400,000 male employers. Though this number is small, these are 'nascent' enterprises which can be targeted for support to expand the base of female entrepreneurship in the country.

Table 2.2 Number of male and female chairpersons, CEOs and directors in non-financial public limited companies

	CEO		Chairman/ Person		President/ Vice		Director	
	Male	Female	Male	Female	Male	Female	Male	Female
Textile	112	0	107	4	1	0	718	168
Textile (other)	12	0	16	0	0	0	77	33
Tobacco sector	4	0	1	0	0	0	20	2
Jute sector	6	0	5	0	1	0	25	5
Vanspati & allied industries sector	9	0	3	0	0	0	37	12
Paper and board sector	10	0	5	0	0	0	46	8
Transport and communication	11	1	8	0	0	0	57	7
Fuel and energy sector	28	0	20	0	3	0	130	13
Cement industry	20	0	19	1	0	0	108	6
Chemical sector	34	0	26	0	5	0	168	5
Sugar industry	32	3	20	1	2	0	166	19
Total	278	4	230	6	12	0	1552	278

Source: SPDC estimates based on SBP, Balance Sheet Analysis of Joint Stock Companies (2001-06)



WOMEN IN SMALL, MEDIUM AND MICRO ENTERPRISE (SMME) SECTOR

According to SBP (2008), there are 3.2 million economic establishments in Pakistan. Of these, 44 percent are in rural areas and 56 percent in the urban centers. Almost all of the establishments fall under the definition of SMME since they employ 1 to 10 persons. About 97 percent of the establishments are individually owned of which 53 percent belong to wholesale, retail trade, restaurant, and hotel sectors. A further 20 percent are part of the manufacturing sector and 22 percent fall in community, social and personnel services sector. SMME sector's outstanding credit constitutes about 15 percent of total credit of the banking industry and the number of borrowers stood at less than 4 percent of the total borrowers of the banking industry. A major part of SME advances is utilized for working capital finance (73 percent) followed by trade finance (15 percent) and fixed investment (12 percent). The largest credit of the total SME finance was received by the manufacturing sector (41 percent) followed by commerce and trade (33 percent).

Although published data provides a glimpse of women entrepreneurship, detailed information on women-owned businesses in Pakistan is limited. In order to fill this information gap, SPDC conducted a survey of 1166 women entrepreneurs in the SMME sector in five cities of Pakistan (Karachi, Lahore, Islamabad, Rawalpindi and Sialkot).¹ The findings of the survey describe the characteristics of enterprises with female employers/owners, various challenges and barriers that women face in setting up and managing their enterprises, and the impact of obtaining loans on women borrowers. The results are presented in this section.

Characteristics of female-owned enterprises

According to the SPDC survey, 57 percent of women entrepreneurs have micro enterprises, 13 percent have small enterprises, and 3 percent medium enterprises while 27 percent are single owners. The survey largely covered those women who were established and settled in their businesses as 48 percent of them started their business 5 years ago, and 20 percent 3-5 years ago at the time the interview was conducted. The survey findings revealed that 89 percent of women entrepreneurs started a new business where they relied largely on their own resources. For example, 61 percent initiated their business from personal savings and 32 percent from (both) personal savings and credit. Among these 71 percent hold a personal bank account and 33 percent hold a separate business account. The findings indicated that 51 percent of the women entrepreneurs had rented premises, 45 percent owned their business premises and the remaining worked from home, a public place or donated (gifted) premises. Over 50 percent are university graduates or post-graduates which indicates that education plays a vital role for a woman to initiate an enterprise.

Women entrepreneurs in Pakistan are engaged in economic activities such as health care, beauty and fitness related activities (30 percent), textile sector (24 percent), education (11 percent), shop and general store (7 percent), hospital/clinic/medical store (5 percent), and handicrafts and other micro businesses (23 percent). Of these women, 86 percent cater primarily to the local market (within the same district). Women in urban



areas are in a better position to develop businesses due to easier access to opportunities and information. This fact makes the issues of female entrepreneurship relevant to their social status. For example, in cities, highly educated women belonging to the upper-class are more capable of starting their own small and medium businesses since they have the capital and the knowledge to do so. Currently about 25 percent of enrolment in degree programs of business schools is female.

Growth in business

Information about profit and assets of any entrepreneur is often difficult to obtain due to multiple reasons. For instance, it is not easy to get an exact value of assets as they are largely based on market conditions and depreciation of the assets. Similarly, people feel reluctant to reveal the exact amount of their profit. The SPDC survey, therefore, investigated this information in relative terms to understand perception of women entrepreneurs about the growth of their business either in terms of profit or assets. In terms of profit, 69 percent of the women felt that their business achieved a normal growth while 23 percent experienced phenomenal growth. In case of assets growth, 61 percent of respondents experienced normal growth in their assets accumulation.

Women entrepreneurs stated that their professional experience, education and training helped them remain in their businesses. For instance, 21 percent claimed the main reason they remained in business was their professional experience, 18 percent cited education and training, and 17 percent said that good advice was the main reason to stay in business.

Gender preferences of male and female employers in employment

In order to conduct a comparative analysis, SPDC also conducted a survey of male entrepreneurs in Pakistan. One of the significant findings relates to the difference in employment structure by gender of female versus male owned enterprises, as shown in Table 2.3. Female

Table 2.3 Distribution of employment by gender in female and male owned enterprises (%)

	Male Employer	Female Employer
Male workers	72.3	40.6
Female workers	27.7	59.4
Total	100.0	100.0

Source: SPDC, Market Assessment Study for First Women Bank Limited (2008-09)

employers are inclined to employ a substantially larger proportion of female workers. This may be a reflection of the fact that women entrepreneurs are inclined to choose economic activities, like garments, that are generally more female labour-intensive. It is also likely that female employers are more comfortable working with female employees. Therefore, development of women entrepreneurs is likely to improve employment prospects for female workers.

Impact of obtaining loans on women borrowers

It is generally believed that access to credit increases the income of borrowers if utilized correctly. It is evident from the survey that the impact of taking loans has a positive effect on the earning of the majority of working women, female entrepreneurs and self-employed women. This increase in income is reflected in other indicators of empowerment including a greater role of women in household decisions as well as an improved standard of living.

Table 2.4 shows that 85 percent of women, who took loans from financial institutions claimed that that they experienced an increase in their income. In Islamabad 93 percent of women reported an increase in income as compared to 50 percent of women in Karachi. In all three districts of Punjab, loans contributed positively to over 90 percent in the earnings of women borrowers. This finding is consistent with other regional studies that showed Punjab performed much better than other parts of the country in economic growth and gender equality.

Table 2.4 Impact of loans on income by districts (%)

Cities	Positive Impact	No Impact
Karachi	50.4	49.6
Lahore	93.7	6.3
Islamabad	92.9	7.1
Rawalpindi	93.3	6.7
Sialkot	94.5	5.5
Total	84.9	16.1

Source: SPDC, Market Assessment Study for First Women Bank Limited (2008-09)

Table 2.5 indicates the impact of loans on household necessities such as food, clothing and footwear, medical treatment, education, and household activities.

Table 2.5 **Impact of loan (%)**

Impact	Food	Clothing and Footwear	Medical Treatment	Education	Recreation and Travel	Household Tasks
Substantial	29.40	24.30	19.80	29.80	16.60	19.60
To an extent	51.10	56.10	58.70	50.90	54.60	53.50
No change	19.20	19.20	21.20	18.90	28.60	25.80
Negative impact	0.30	0.40	0.30	0.40	0.30	1.10

Source: SPDC, Market Assessment Study for First Women Bank Limited (2008-09)

Considering the impact on food, 51 percent of the women found a slight increase in their food budget as a result of taking loans, 29 percent reported a substantive increase while for 19 percent there was no change in their food budget. Only less than 1 percent reported that taking loans actually created a negative impact on their food budget. As for the change in clothing and footwear, 56 percent of the women expressed an increase in their spendings on clothing and footwear after obtaining loans. A further 24 percent acknowledged a substantial increase in their budget while 19 percent reported absolutely no change at all. Only less than one percent reported taking loans put a negative impact on their clothing and footwear budget.

With respect to change in spending on medical treatment as a result of taking loans, 59 percent of women borrowers reported considerable increase in their budget, 20 percent reported a substantial increase whereas 21 percent said that their was no change in their budget for medical treatment at all. 51 percent women indicated a slight increase in their own or children's education after obtaining a loan. Another 30 percent reported a substantial increase while 19 percent reported no change at all.

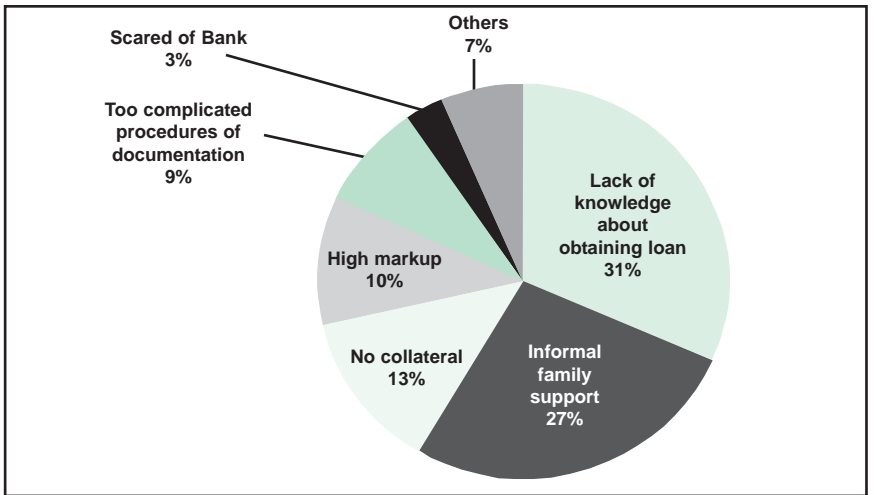
Regarding recreation activities or travelling, 55 percent reported a slight increase in their budget, 17 percent reported a substantial increase while 29 percent said there was no change. In household tasks, 54 percent of women's household tasks increased slightly as a result of taking loans, for 20 percent they changed a great deal, and for 26 percent they remained unchanged.

Challenges faced by women entrepreneurs

Access to credit

Among the women entrepreneurs, 97 percent reported a shortage in the availability of capital and/or finances for their business particularly in the initial stage, like the premises, raw material and money for investment. However, of these, 63 percent approached financing institution for loans when confronted with financial problems. Among the remaining 37 percent who never approached financial institutions, 31 percent reported that they did not have sufficient knowledge about the bank and the banking system and therefore took loans from family and friends. Furthermore, 13 percent did not have any collateral, 10 percent complained of higher mark-up, and 9 percent claimed that the procedures of documentation were too complicated while 27 percent had family support (Chart 2.1).

Chart 2.1 Distribution of women entrepreneurs responding to reasons for not approaching a bank



Source: SPDC, Market Assessment Study for First Women Bank Limited (2008-09)

Lack of collateral is the most crucial concern faced by women entrepreneurs, which restricts their access to credit. A large number of them reported having very few or no assets to use as collateral in order to acquire a loan. This is one of the major difficulties when applying for a loan. Moreover, most of the women are refused finances from the formal financial sector because of the unavailability of collateral and their inability to develop a viable business plan.

Nevertheless, 82 percent of the women entrepreneurs were interested in taking loans from financial institutions to expand their businesses. A higher percentage of women entrepreneurs (31 and 25 percent respectively) indicated the demand for business loans (demand finances and business loans for women) and working capital (running finances) followed by microcredit and other types of loans. A significant



effort at improving access to institutional credit by existing and potential women entrepreneurs is the establishment of the First Women Bank Ltd (See Box 2.1). The majority of potential women borrowers indicated FWBL as their first preference for business loans. The main reason for choosing FWBL is its women friendly environment compared to other banks, followed by cooperative staff and good quality service.

Box 2.1 First Women Bank Limited Pakistan (FWBL)

The First Women Bank Limited (FWBL) was established in 1989 to ensure active participation of women in all spheres of national life, particularly in the socio-economic activities. Prior to the establishment of the bank, there existed no precedence globally of a commercial bank being managed by women with women being the main beneficiaries. The bank, therefore, is a unique Commercial Bank and a development financial institution (DFI) catering to the special needs of women at all levels of economic activity and enabling their active participation in the economy. According to the Bank's charter, the main objective is "to undertake the conduct of all forms of business of Banking Company in a manner designed to meet the special needs of women, and to encourage and assist them in the promotion and running of trade and industry and practice of professions."

FWBL offers a number of women-friendly loan schemes with a reasonable interest rate to help women entrepreneurs and self-employed women. In contrast to tedious conditionalities followed by the other banks, FWBL in pursuance of its gender-sensitive policy has devised a strategy particularly soft on women with no collateral. The Bank offers loans based on personal guarantees where the illiterate women can benefit from the financing schemes by providing photo identification and a thumbprint.

The gender-sensitive policies of the Bank have helped in alleviating not only poverty, but has also helped in inculcating such social norms and practices that would help boost the dignity and self-esteem of women, particularly those approaching from the lowest rung of the society.

FWBL Credit Policy

The Bank's unique credit policy promotes asset ownership for women, customized to their specific economic needs by financing their business entity where:

- women have 50 percent shareholding, or a
- woman is the Managing Director, or
- women employees constitute 50 percent or more.

This unique credit policy has been directly contributing towards women's economic empowerment by providing them opportunities for earning and establishing their own business entities. The gradual increase in financial independence has positively impacted women asset ownership and their role in decision-making (see section 4.6). In addition, an increase in per party credit limit from Rs20.1 million in 2001 to Rs211.8 million in 2007 for the borrowers also provides increased opportunities for women entrepreneurs.

FWBL Products

Microfinancing

A pioneer in microfinance, the Bank follows a three-pronged strategy to establish a niche for itself in the banking sector. The strategy identified focuses on: (a) extending microcredit to urban and rural women and (b) offering wide-ranging support services; and (c) research, documentation and compilation of women-centric data. The Bank offers a microcredit facility that ranges from Rs5000 to Rs100000 which is the highest credit facility in the banking industry, while the mark-up rates are amongst the lowest. The policy has helped in retaining and elevating micro-borrowers to higher micro-credit ceilings.

SME Financing

The model of FWBL believes that a "micro-borrower" of today is a potential "SME" and a "Corporate Client" of the future. Based on this, the Bank offers a variety of SME loans to women entrepreneurs, such as the funds for starting a business, providing working capital/export finance and medium-term loans to establish SME's and to purchase new equipment.

Business Loans for Women

FWBL extends loan facilities to business women for the establishment of new business or for the development of existing business and for working capital. Women may obtain loans ranging from Rs100,000 to Rs 2.0 million without collateral.

Salary Loans for Women

The Bank also provides loan to working women in terms of Salary Loan up to Rs. 500,000.



Among the problems stated by the respondents while approaching lenders include lack of technical expertise about the financial system, lack of support from family, and access to lenders.

While dealing with lenders, majority of respondents mentioned tedious paper work as a major problem in dealing with lenders. The other main problems stated by the respondents include the slow process of sanctioning loans, lack of understanding about legal aspects and repeated visits to the bank.

The survey findings show that 99 percent of women respondents who obtained either domestic/personal or business loans paid it back according to the agreed schedule.

Government regulations

Women entrepreneurs also reported problems due to government regulations. Among these 53 percent highlighted the imposition and paying of too many taxes as their main problem. Another 9 percent identified access to utility connections as their major problem, 5 percent have difficulties in getting registration of their company, and 4 percent in obtaining a work permit. A further 4 percent complained of gender bias in government regulations which do not support women entrepreneurs and 4 percent were policies of regulatory bodies. Finally, 3 percent women also highlighted bureaucratic procedures as impediments to running their businesses (Chart 2.2).

Institutional gaps

While highlighting the institutional gaps women entrepreneurs experience in managing their business/es, 21 percent reported having problems in managing finances in the early years and therefore suggested the need for technical training. Some 17 percent faced problems in marketing their

Chart 2.2 Distribution of women entrepreneurs responding to problems faced due to governmental regulations

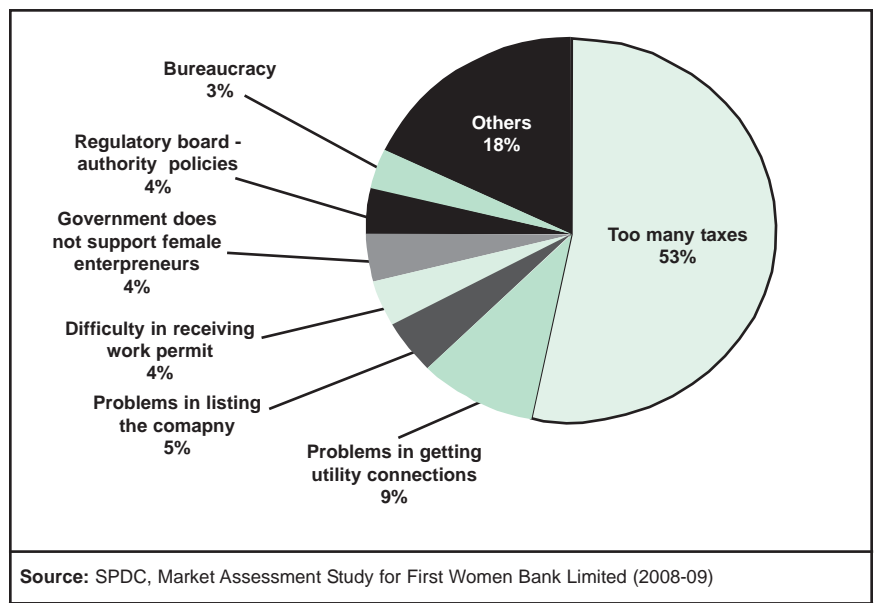
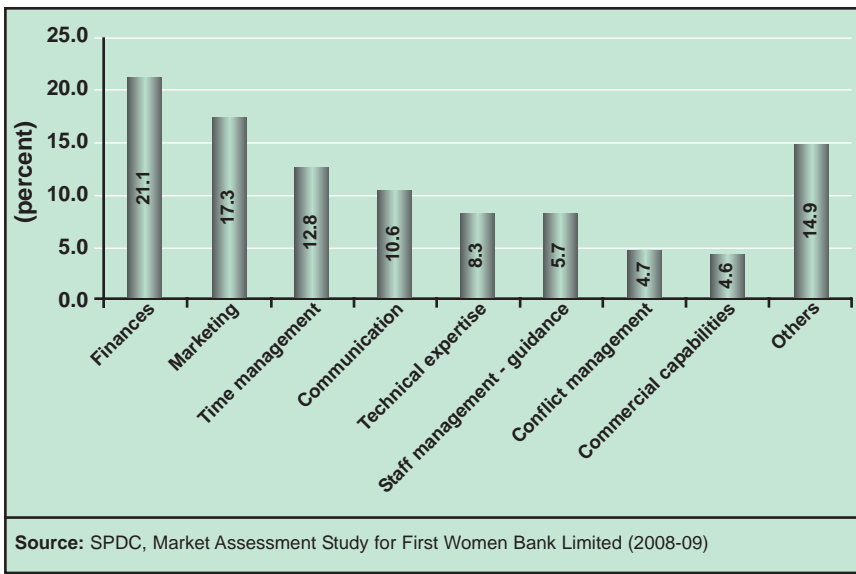


Chart 2.3 Distribution of women entrepreneurs responding to problems related to institutional gaps (%)



products which emphasizes the importance of training. A lack of training related to time management and communications were also identified by 13 percent and 11 percent of the respondents respectively (Chart 2.3).

NOTE:

¹ The survey was conducted to carry out 'Market Assessment Study for First Women Bank Limited (FWBL)' commissioned by the FWBL.



ACCESS TO MICROCREDIT FOR FEMALE EMPLOYMENT

3

Though microcredit has enormous potential for improving the employment prospects, especially for women, it continues to be underdeveloped in Pakistan.

ACCESS TO MICROCREDIT FOR FEMALE EMPLOYMENT

Access to credit can be used as a key instrument in equalizing employment opportunities, addressing gender discrimination in the labour market, addressing poverty, and eventually ensuring greater empowerment for women. It is globally accepted that access to finance is crucial for advancing gender equality and important for the well being of women as it helps them sustain their income, insure against any risk, and broadens their investment opportunities.

In addition, access to credit and control over finances gives women self-confidence, fulfillment, economic prosperity, and a voice in decision-making. Anecdotal evidence suggests that viable credit lending operations encourage women to become self-employed or even start a small enterprise. However, the role and effectiveness of credit that encourage women towards entering future employment as employers is largely based on the socioeconomic fabric of the country. The commitment of the State, along with the efforts of existing civil society, contributes towards creating an enabling atmosphere for women in economic activity. The aim of this chapter is to examine the issues of access to credit for women in Pakistan by answering the following two fundamental questions:

- What are the barriers and challenges for women in accessing microcredit?
- What is the current lending environment and range of microfinance institutions in Pakistan?





The chapter is organized as follows: section 2 identifies constraints in access to microcredit by women; section 3 describes the existing microfinance institutions in Pakistan; section 4 presents the progress of microfinance sector in Pakistan; and section 5 outlines the role that various stakeholders (can) play in promoting microcredit for women.

CONSTRAINTS IN ACCESS TO MICROCREDIT BY WOMEN

A review of the literature categorizes microfinance and microcredit as components of a development strategy for the uplift of impoverished citizens of developing countries, with women as a specific target group. For instance, the Grameen Bank of Bangladesh was considered a pioneer and a successful model which continues to receive considerable attention in the research-based and practitioner field of microfinance.

A New Zealand study by Walker (1996) explored the common success factors for providers of micro-enterprise finance, such as target customers, service design and delivery, financial management, institution building, supplier relationships, and support from government with a particular focus on marginalized women. More research on micro-enterprise finance centers on the viability and outreach (principles that are essential to the development of sustainable financial systems). A change in emphasis in the recent literature is the move away from discrete credit projects for women towards "institutional viability" and "systems development". This shift is to ensure the provision of a continuous supply of financial services towards the special needs of women. Multilateral development banks are embracing microcredit as an opportunity to move from the capital-intensive "development as charity" model to the potentially profitable "development as business" model. In spite of the paradigm shift, it is important to distinguish between the two types of micro-lenders, i.e. those whose aim is 'empowerment of the poor' and those for whom 'profit is the goal.'



The three paradigms that continue to provide the guidelines for any debate on microfinance and gender are: (a) the paradigm of financial sustainability; (b) the paradigm of poverty alleviation; and (c) the paradigm of empowerment.

Though there is an increasing visibility of microfinance programmes, a subtle shift has also appeared in the way microcredit is viewed. The contemporary discourse views microfinance as a uni-dimensional strategy both in relation to social change and economic growth. The studies undertaken have helped describe the key characteristics of effective microfinance programmes. For example, Orser and Foster (1994) conclude that an effective microfinance initiative should be characterized by simplicity, risk sharing, accessibility, active solicitation and participation, fair lending principles, interactive technology, and support from the government.

Estimates show that around 300,000 individuals, many of them women, have benefited from non-governmental disbursement of microfinance in Pakistan. A number of NGOs working in the microfinance sector in Pakistan have gained national and international recognition for their work and have formed a forum called the Pakistan Microfinance Network (PMN), where issues and ideas are discussed and exchanged. However, a number of barriers and challenges in accessing microfinance services particularly by the poor and marginalized including women have been identified in the Pakistani context.

According to PMN, ten million people need microfinance services in Pakistan but the current outreach is about one million. In the rural areas people need microfinance services mostly for agriculture, livestock, and non-farm activities while in urban areas microfinance clients are mostly vendors, small traders, cottage industry workers, and wage earners.

Women, in particular, are confronted with the following barriers in accessing microcredit services:

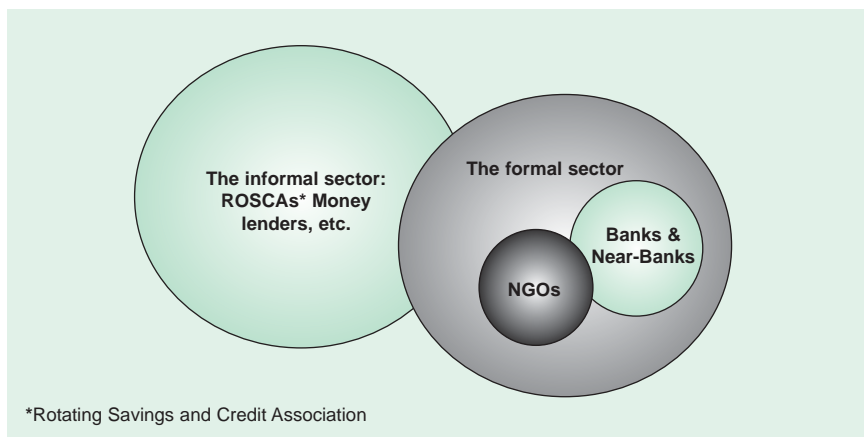
- Due to lack of public services for skills and human resource development of women, microfinance has less than intended impact.
- Social intermediation costs to enhance and influence more women to access microfinance are high, particularly because of limitations on mobility. Inadequate social preparation adversely affects the sustainability of microfinance operations.
- Delivery of financial services to poor women is difficult because of low population density, particularly in the rural areas of some provinces, and lack of communication.



MICROCREDIT INSTITUTIONS

A whole range of microfinance services is available through formal or informal mechanisms. The World Bank (2005a) defines 'formal' services as those in which the provider has a legal status (incorporated as a firm or as a recognized cooperative or charity) and 'informal' services as the rest. Within the formal sector a further distinction is made between broad spectrum intermediaries (such as banks) providing a range of depository, lending and payment services, and the rest, or specialized providers (see Chart 3.1).

Chart 3.1 Forms of institutional microcredit



The microfinance sector in Pakistan is small and the kind of institutions which provide microfinance in the formal sector are as follows: (i) formal, full service broad spectrum providers, MFIs which provide a number of formal sector financial services, and microfinance is one such activity - (the Bank of Khyber is such an MFI); (ii) full service microfinance specialists, which take on savings and provide microcredit and may be involved in other microfinance activities as well (such as the First Microfinance Bank and Tameer Bank); (iii) another category is restricted service microfinance broad spectrum institutions which provide some

Chart 3.2 Classification of microfinance services in Pakistan

FORMAL SECTOR	
<ul style="list-style-type: none"> • Full service-broad spectrum • Full service-MF specialists • Restricted service -MF broad spectrum • Restricted service-MF specialists- • Apex Insitutions 	<ul style="list-style-type: none"> • Bank of Khyber • First Microfinance Bank <ul style="list-style-type: none"> - National Rural Support Programme (NRSP) - Kashf Foundation • Pakistan Poverty Alleviation Fund (PPAF)
INFORMAL SECTOR	
<ul style="list-style-type: none"> • Community-based services • Moneylenders, stores family and friends 	<ul style="list-style-type: none"> • ROSCAs, Accumulating Savings and Credit Associations (ASCAs) • Commercial services
<p>Source: PSIA authors: Oxford Policy Management, Poverty and Social Impact Assessment: Pakistan Microfinance Policy, Oxford Policy Management, Oxford, May 2006</p>	

microfinance services along with other services (the NRSP, Thardeep and other RSPs fall in this category); (iv) the fourth category is restricted service microfinance specialists, which provide only some microfinance services, mainly credit, and no other services such as savings - (Kashf Foundation is described in Box 3.1); and (v) apex institutions - like PPAF - which lend onwards to NGOs that provide microfinance services specifically or along with other services. The classification of microfinance services in Pakistan is shown in Chart 3.2.

Presently, there are more than 50 NGOs that provide microcredit to the poor in Pakistan. There also exists a network of seven specialized microfinance banks including: Khushali Bank Limited, Rozgar Microfinance Bank Limited, Tameer Microfinance Bank Limited, Pak Oman Microfinance Bank Limited, First Microfinance Bank Limited, Network Microfinance Bank Limited and KASHF Microfinance Bank Limited (see ILO and SBP, 2009).

PROGRESS OF MICROFINANCE SECTOR IN PAKISTAN

Microfinance in Pakistan has shown significant growth in terms of its expansion and outreach. Its asset base has increased from Rs 7.8 billion in 2003 to Rs 22.9 billion in 2007. Gross loan portfolio (GLP) increased from Rs2.6 billion to Rs12.7 billion (4.8 times) over the same period. There exists a network of more than 1100 branches across the country with staff of over 9500 caters to the needs of around 1.3 million active borrowers (see Table 3.1).

Microfinance sector operations were highly concentrated with the NGOs and Rural Support Programmes (RSPs) till 2005. However, with the increasing number of microfinance banks (MFBs), the share of assets and GLP originating from banks increased considerably during 2003 to 2007 (see Charts 3.3 and 3.4). Similarly, the outreach of active borrowers of microfinance banks also showed considerable growth since 2006 as compared to the NGOs and RSPs (see chart 3.5).

Box 3.1**Microcredit by Kashf Foundation**

Case Study of Kashf Foundation is presented below. Kashf provide loans exclusively to women.

Kashf Foundation is a non-profit microfinance institution started in Lahore in 1996. It was founded after being inspired by the success of the Grameen Bank. Kashf started with the mission to 'provide quality and cost effective microfinance services to low income households especially women in order to enhance their economic role and decision making capacity'.

In September 2006, Kashf celebrated its 10th year anniversary with accomplishments such as being one of the first sustainable MFIs in Pakistan, providing loans to over 250,000 poor households with plans to reach 850,000 clients by 2010. Over the years Kashf has received many awards for its performance.

Kashf started with micro loans for women; however, with the changing needs of the market it has also started offering larger individual loans for micro entrepreneurs. In the past year Kashf has rapidly expanded its branch network and from 35 branches at the end of 2005, it has increased to 70 branches at the end of 2006, and are planning to open 50 more branches in 2007.

Kashf started its microfinance programme in Lahore, however, now it has expanded to Kasur, Gujranwala, Faisalabad, Karachi, Khushab and their surrounding areas. Most of these branches are for the General Loan category, though six have a specialized section for the Individual Loan category.

Kashf's group lending programme is a Grameen replication, adopting the classic Grameen Bank model with some adaptations. Kashf provides one basic loan, called the General Loan (GL), for 12 months at a flat interest rate of 20 percent per annum. **All members are women and each borrower belongs to a group of five borrowers, and together five of these groups form one centre.** Members repay their loans in bi-weekly centre meetings attended by Kashf loan officers. There is no collateral, therefore, the centre takes collective responsibility for loan repayment.

Kashf lends to married, divorced or widowed female clients. Divorced and widowed clients are encouraged in the Group lending approach so that they can earn for themselves by starting a business or by increasing their current business portfolio.

The purpose of the **General Loan (GL)** is to invest in income generating activities and can be used for an existing business or a new one. The loan size begins with Rs.10,000 and has a ceiling of Rs.25,000, the loan is repayable over 24 instalments in the course of 1 year at a service charge of 20 percent. Successive loan cycles entitle clients to an accretion in loan amounts of up to Rs.4,000 depending on their absorptive capacity.

The GL comprises about 87 percent of the product wise share. According to Kashf, this loan is utilized both by women who aspire to establish a small business for themselves or others who pass it on to their husbands/sons to diversify household income sources.

The **Emergency Loan (EL)** is a service that is available to existing Kashf clients, who are already availing a general loan. The Business Sarmaya loan is intended for the 'missing middle' of the market, i.e., both men and women with running businesses who demonstrate a financial need for working capital and/or fixed assets. Small entrepreneurs are provided with access to capital in addition to advisory support for their respective ongoing businesses that can include trade, production and services.

Savings is a completely voluntary product. It is a service that the customers can decide not to avail at all. Despite the fact that it is a voluntary act and there is no interest paid by Kashf on the amount saved, the amount of savings held by clients amounts to Rs.5.6 million with an average deposit size of Rs.53. The average deposit size has been falling, even though savings would be expected to cater for emergencies and investment for lifetime events.

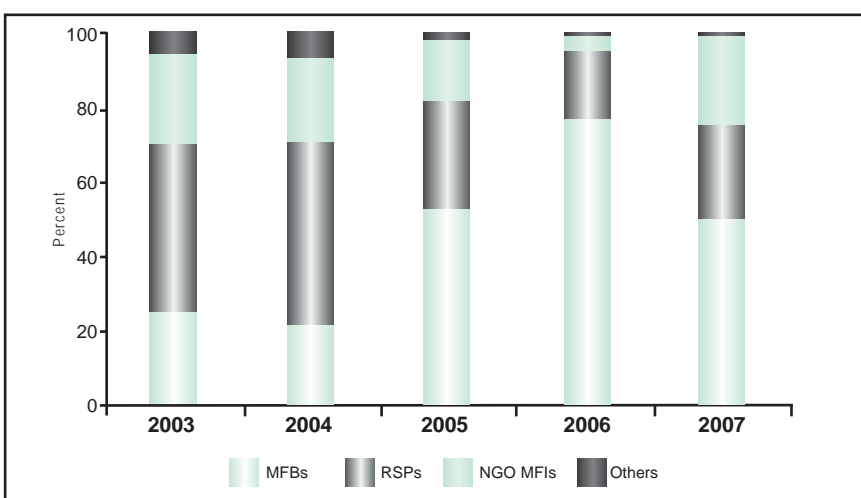
It is obligatory upon all Kashf clients to take insurance. Insurance charges are 1.5 percent of the loan amount (General Loan) and are taken up-front when the loan is disbursed. This insurance facility applies in case of accidental or natural death of the client. Its benefit includes the writing-off of the outstanding loan amount and the family receives Rs.7,500 to cover for funeral expenses.



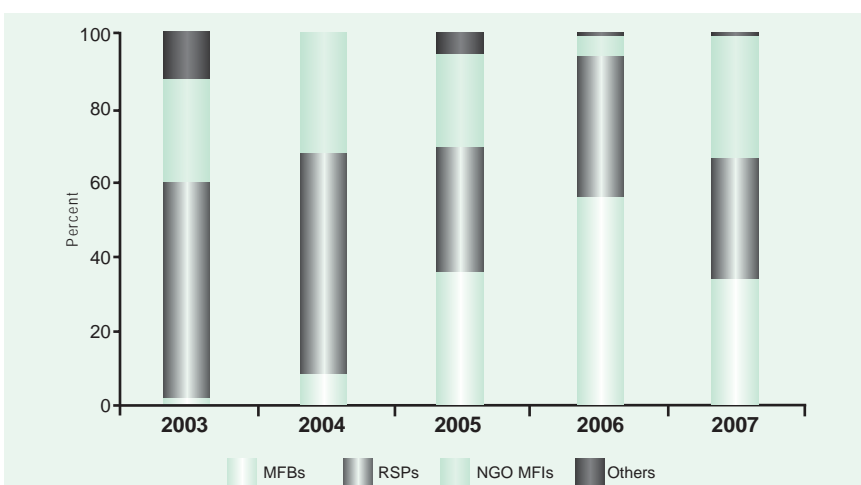
**Table 3.1 Progress of microfinance sector**

Indicator	2003	2004	2005	2006	2007
Total assets (Rs billion)	7.8	9.6	13.4	17.5	22.9
Offices	329	386	570	1,073	1,165
Number of active borrowers (000)	333	451	613	835	1,267
Number of active women borrowers (000)	165	199	273	434	640
Gross loan portfolio (Rs billion)	2.6	4	5.7	8.4	12.7
Total number of staff	2,367	2,948	4,296	7,342	9,529

Source: ILO and SBP 2009

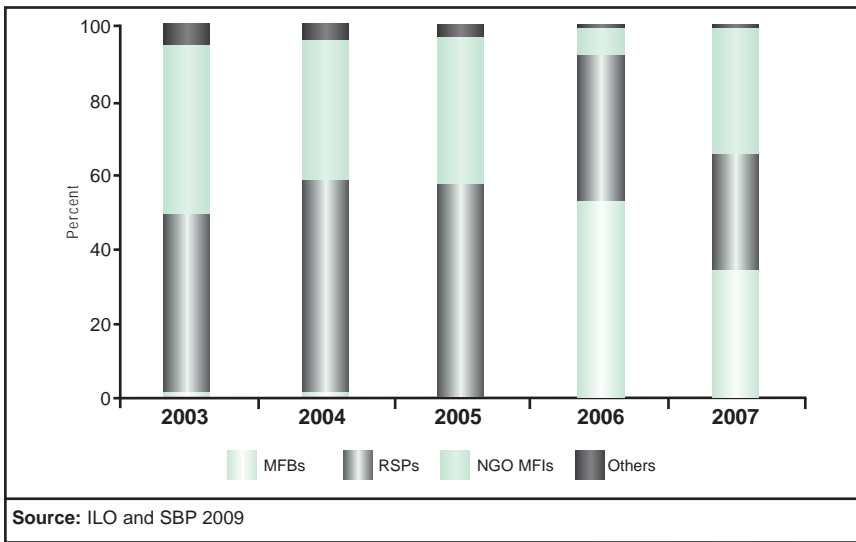
Chart 3.3 Total assets (share in total)

Source: ILO and SBP 2009

Chart 3.4 Gross loan portfolio (share in total)

Source: ILO and SBP 2009

Chart 3.5 Number of active borrowers
(share in total)



However, the combined share of NGOs and RSPs in total GLP and active borrowers continues to be higher than that of MFBs. Given this, the outreach is predominantly to rural areas since more than 65 percent of rural borrowers are still clients of NGOs and RSPs that mainly target rural areas.

Unfortunately, a large number of poor, particularly women, are unable to access loans from formal services and rely on informal mechanisms like ROSCAs, money lenders, shopkeepers, family and friends, while others with better access and awareness opt for non-government organizations, microfinance providers, and commercial banks.



Chart 3.6 Number of women borrowers (000)



Source: ILO and SBP 2009

According to ILO and SBP (2009), the share of female borrowers in total borrowers has almost remained unchanged over the last five years (2003 - 2007). The women borrowers, however, have increased significantly in absolute number with their concentration growing in the unregulated sector NGOs, RSPs, and others. More than 80 percent of the women borrowers are served by this sector (see Chart 3.6). This could be due to several factors including: a) age requirement of the unregulated sector is more than the regulated sector banks, b) difference in lending models as unregulated sector mainly follows group based lending model where women group formation is considered relatively easy, and c) ratio of female employees is higher for unregulated microfinance sector.



SUPPORT TO MICROFINANCE

The role of government

Since the year 2000, there have been a number of interventions emerging from the Microfinance Sector Development Programme (MSDP). The most important step being recognition of microfinance as a separate sector. Therefore, efforts have been made to build an environment in which existing and new players and institutions can move forward in extending microcredit. Given its importance, the Government of Pakistan (GoP) introduced the Microfinance Ordinance in 2001. Moreover, realizing that microfinance can be used as an effective tool for poverty alleviation, the government made it an integral part of the 'Poverty Reduction Strategy Paper (PRSP)'.

In order to implement the MSDP, the government emphasized on the need to develop sustainable MFIs that can help create social capital and include risk mitigation as an important instrument to protect against uncertainties. In view of its overall socio-economic developmental policies applied in various sectors, the government continues to encourage public-private partnerships. The most visible manifestation of this is setting up of the Khushhali Bank, Pakistan's first licensed MFI, which has taken the lead in retailing microfinance services across Pakistan. In addition, the government also encouraged the private sector to set up MFBs, with the result that three MFBs became operational during 2001-04. More recent applications for setting up MFBs have also been received by the SBP and are under process for licensing.

Along with the Ministry of Finance, the State Bank of Pakistan (SBP) has also played a key role in the evolution of microfinance policy in Pakistan since 1999. A Microfinance Support Division was established at the SBP in order to improve the environment in which the new and existing MFIs are to function. The SBP has adopted a regulatory regime of a 'facilitator, guide and problem solver' and encourages the provision of credit to small and medium entrepreneurs through a newly set up SME Bank; to small farmers through a restructured Zarai Taraqati Bank and Cooperative Banks; and to women entrepreneurs, individuals and small firms through the First Women's Bank. The SBP considers strategy to be the 'only durable basis through which the poor can benefit from the financial sector of the country'. Moreover, it also sees complementarities between microfinance and other elements of poverty alleviation, such as investment, infrastructure development, provision of social services and capacity building. The previous Governor of the State Bank, a female, argued that 'income generation by the poor cannot take place only through availability of credit if there is no infrastructure or markets for selling their produce' (see Box 3.2).

The role of donors

The MF sector in Pakistan has been supported by various multilateral and bilateral donors as a way towards poverty alleviation and gender empowerment. For example, the Lahore-based NGO, Kashf, has been supported by Department for International Development, UK (DFID) following a successful 2-year initial pilot phase, where DFID provided support of £3.2 million over 5 years period. Other donors like the World Bank have also been involved in supporting MF and poverty alleviation



Box 3.2 Initiatives to strengthen microfinance by State Bank of Pakistan

State Bank of Pakistan (SBP) has developed a policy framework that allows establishment of microfinance banks in the country under three different categories:

- Nationwide microfinance banks - minimum paid-up capital of Rs.500 million,
- Province wide microfinance banks - minimum paid-up capital of Rs.250 million, and
- District wide microfinance banks - minimum paid-up capital of Rs.100 million.

The prudential regulations have been designed cautiously to allow flexibility and innovation while ensuring effective regulatory and supervisory oversight. The SBP has also issued mobile banking guidelines to facilitate microfinance banks in their mobile banking operations and has ensured that microfinance banks put in place necessary systems to mitigate the risks inherent in mobile banking operations. Moreover, SBP has not only allowed the transformation of NGO-MFIs into microfinance banks, but has also allowed separate windows of commercial banks to extend microfinance along with wholesale financing of commercial banks for microfinance institutions.

SBP, in collaboration with international experts, has started working on Credit Information Bureau (CIB) for the microfinance banks. CIB is being developed in partnership with all microfinance institutions including banks, NGOs, and RSPs, having a central pool of information regarding borrowers' credibility. This would help in achieving more transparency in particular on the clients' side, whereas prudential regulations can enable transparency on the part of microfinance institutions.

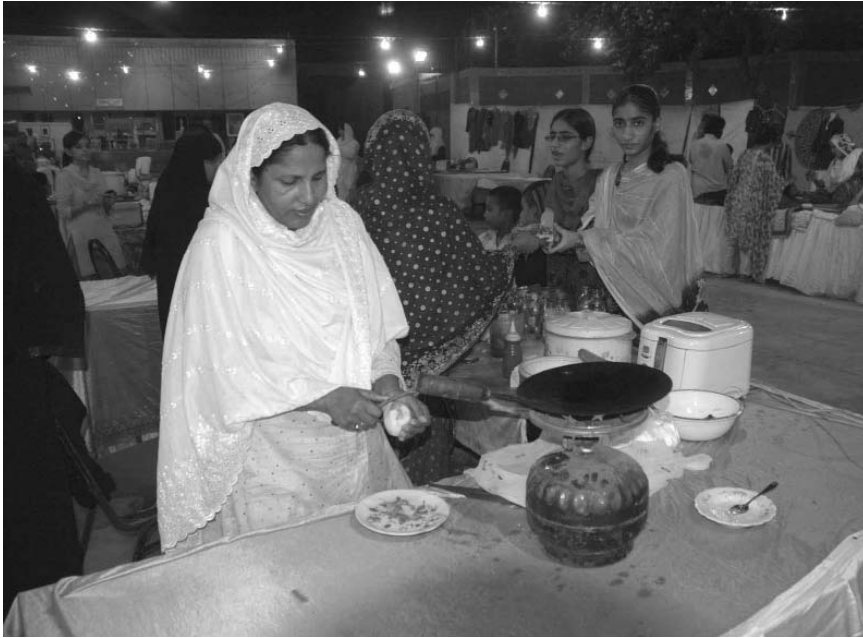
SBP has developed a national strategy to target 3 million microfinance clients by 2010 and 10 million by 2015. SBP has established Financial Inclusion Program worth £50 million in partnership with DFID to facilitate the growth of microfinance sector. SBP has also constituted a microfinance consultative group having representation from central bank, relevant government ministries, regulated microfinance institutions, NGOs-MFIs and donor agencies to work as an advisory body for SBP in microfinance policy formulation process. The group meets on quarterly basis to discuss microfinance policy issues and has been instrumental in developing trust between policy makers/regulators and practitioners enabling the central bank to develop sector friendly policies and regulations.

Recognizing the leading role played by the NGO sector, SBP has issued guidelines for NGOs interested in transforming into regulated microfinance institutions. The aim is to encourage NGOs to transform their microcredit operations, if operationally sustainable, into regulated microfinance banks and build sustainable funding base through raising public deposits. This move has led to the transformation of one of the largest NGO-MFI i.e. Kashf, into a microfinance bank.

Source: "Towards Achieving Social and Financial Sustainability: A Study on the Performance of Microfinance in Pakistan," ILO and SBP, 2009

programmes related to it. For example, the Pakistan Poverty Alleviation Fund (PPAF) was established as a not-for-profit private company and funded by the GoP and the World Bank. Half of the World Bank funds to PPAF are to be used for microcredit and enterprise development.

Similarly, Pakistan's first MF bank, Khushhali Bank is owned by three public sector banks, 11 private sector and two international banks. The



Khushhali Bank received access to a credit line of \$68 million from the Asian Development Bank. The First Microfinance Bank Limited was set up after the promulgation of the Microfinance Institutions Ordinance of 2001 and is sponsored by Aga Khan Rural Support Programme (AKRSP), the Aga Khan Fund for Economic Development, Geneva, and the International Finance Corporation.

In conclusion, though microcredit for improving employment prospects, especially for women, has enormous potential, it remains underdeveloped in Pakistan. Government policy needs to focus on incentives and mainstream the microfinance institutions to promote the overall goal of poverty reduction and empowerment of women.



GENDER DISCRIMINATION IN THE LABOUR MARKET

4

Women are highly disadvantaged in accessing paid jobs which is attributed to less human capital among them and other discriminatory factors.



GENDER DISCRIMINATION IN THE LABOUR MARKET

A major feature of Pakistan's economic development is the existence of a high level of gender inequality in almost all socioeconomic indicators. For instance, Pakistan ranks at 98 out of 108 countries, with respect to the Gender Empowerment Measure (GEM) with its value at 0.392 (Human Development Report, 2008). This GEM value is largely a reflection of very low estimated female-to-male earned income ratio which is a disappointing 0.3. One of the likely explanations for this gender gap in earned income is discrimination among women and men in the labour market. Moreover, this is also a reflection of differences in human capital asset of female and male workers due to underlying differences in their educational levels.

From an analytical point of view, labour market discrimination by gender can be classified into three categories: (1) gender discrimination in access to paid work, (2) occupational gender inequalities, and (3) gender wage gap for similar work. The chapter attempts to quantify the various types of gender discrimination that exists in the labour market, especially at higher-level occupations by using the micro-data sets from Labor Force Surveys (LFS) of 1996-97 and 2007-08.

The chapter is organized as follows: section 2 summarises the various theories that explain labour market discrimination; section 3 presents results of research conducted on gender discrimination internationally and in Pakistan; section 4 explores the gender differential in access to paid jobs; section 5 examines the evidence of occupational segregation by gender in the labour market; section 6 quantifies the gender wage gap and presents an estimate of the extent of this gap which can be attributed to various forms of discrimination. Section 7 concludes the chapter by providing policy recommendations.

THEORIES OF LABOUR MARKET DISCRIMINATION

Gender discrimination in the labour market is a complex subject and theories explaining this discrimination can be classified into two broad categories: feminist theories largely directed towards the "Devaluation Hypothesis" and neo-classical human capital theories leading towards "The Specialized Human Capital Hypothesis".

Feminist theories and the devaluation hypothesis

Feminist theories emphasize that women's disadvantaged position in the labour market is caused by, and is a reflection of patriarchy as well as the subordinate position of women in society and in the family. In other words, the role of gender stereotypes held by employers and societies at large affect differential occupational attainment of men and women. These theories predict that women gravitate towards occupations that are most consistent with their "female" characteristics e.g. caring and to nurture



(Anker 1998). Moreover, feminists argue that occupations classified as "female occupations" tend to receive substantially lower wages than male occupations. This wage penalty on female occupations is thought to be a form of sex discrimination. The assignment of lower wages to occupations performed mostly by women may also reflect a culture of discrimination against women's work. Feminists tend to believe that occupations with more female workers, on average, command lower wages than comparable occupations with more male participants. This theory is referred to as the Devaluation Hypothesis [Ruijter and Huffman (2003), Cohen and Huffman (2003), and Tam (1997)].

Neo-classical theories and the specialized human capital hypothesis

The emergence of non-competing groups in the labour market in the 1880s set the theme for occupational specialization while creating gender segmentation in the economic system. The Specialized Human Capital Hypothesis, based on two basic ideas of human capital theory, can be used to explain gender inequality in the labour market (Becker 1975). First, investment in any human capital is expensive and thus has to be compensated to ensure its adequate supply. Just as employers have to compensate for workers' investments in general human capital, they also have to compensate for workers' investments in specialized human capital. Second, the wage premium for specialized human capital depends on the supply and demand for that particular kind of specialized human capital. The supply and demand for a skill are contingent on a wide range of factors. The investment cost of a skill is often an important factor (Tam 1997).



EVIDENCE OF GENDER DISCRIMINATION

International

Tam (1997) examines the Devaluation and the Specialized Human Capital Hypotheses to explain the wage effects of occupational sex composition in the United States by using data from the Population Survey. His findings illustrate that differences in the length of specialized training across occupations and industries, together with a few demographic and human capital attributes, were able to completely explain most of the sex composition effects among women and men and whites and blacks. The central results are difficult to reconcile with the Devaluation Hypothesis but are consistent with the Specialized Human Capital Hypothesis. However, the issue turns to access to education and training opportunities for women.

Semyonov and Frank (1998) in their analysis of data on 56 countries show that measures of nominal segregation are not equivalent to measures of hierarchical inequality. They further argue that occupational segregation should not be equated with occupational inequality. Findings are illustrated by means of two summary indices - SEGR (nominal segregation) and ORDI (ordinal status inequality).

The Manpower Research and Statistics Department, Singapore (2000) conducted a study of occupational segregation to determine the change over time in extent to which women and men are employed in different occupations. Moreover, they examined the degree to which women have entered traditionally "male" occupations and vice versa. They also discussed causes for occupation segregation and computed two summary statistics to highlight gender disaggregation i.e. the Index of Dissimilarity (ID) and the Marginal Matching (MM) Index.

Blackburn, Brooks and Jarman (2005) discussed the effect of standardization on the measurement of segregation in 16 developed countries with different occupational sample sizes. They established an inverse relation between horizontal and vertical segregation illustrating that increases (decreases) in vertical segregation bring decreases (increases) in horizontal segregation.

Chzhen (2006) explores the role of labour market discrimination in determining occupational distributions of men and women in Europe. Using data from the eighth wave (2001) of the European Community Household Panel (ECHP), the paper documents the degree of occupational segregation in a sample of three Western European countries with different occupational sex segregation regimes namely, Denmark, Germany and the United Kingdom (UK). The result shows that labour market discrimination appears to play the largest role in Germany, though the overall degree of discrimination does not vary substantially across the three countries.

Since Becker's (1957) seminal paper on the economics of discrimination, studies on the magnitude and sources of the gender wage gap have proliferated (Bayard et al. 2003; Blau and Kahn 2000; Groshen 1991; OECD 2002). There is ample evidence of gender discrimination in a host of developed and developing countries. Newell and Reilly (2001) used the Oxaca-Blinder methodology to investigate the gender wage gap in former communist countries of Eastern Europe and the Soviet Union. They found that most of the earnings gap in a group of 16 countries was ascribed to the 'unexplained' component. Further, the study used the



Quintile Regression Analysis to demonstrate that in 15 countries, *ceteris paribus*, gender wage gap rises as we move up the wage distribution. Some other findings also confirmed that the gender gap increases across the wage distribution and accelerates in the upper tail of the distribution such as in European countries (see Albrecht et al, 2003). This acceleration in the wage gap at the upper tail is interpreted as 'a glass ceiling effect'.

Pereira and Martins (2000) used the Quintile Regression framework for an analysis on changes in returns to education at distinct points of the log wage distribution for 15 European countries. Their research based on Structure of Earnings Survey 2002, covering only the private sector, indicated a rather substantial wage gap between men and women. All in all, the gender wage gap in the 25 member states is almost 25 percent. The largest gap is found in the UK (30 percent) and the smallest in Slovenia (11 percent).



Some studies on developing economies, such as the Philippines and Vietnam, also used the semi-parametric technique of quintile regressions. These studies found a different pattern in the gender wage gap across the gender wage distribution. Sakellariou (2004) using the quantile regression find that the underpayment to women is much higher for lower earning jobs and continuously decreases as we progress to higher earning jobs. The author states that "this underpayment at the lowest income decile is more than twice the underpayment at the highest income decile". A similar pattern is confirmed for Vietnam by Pham and Reilly (2006).

Pakistan

The gender wage gap has also been extensively studied in Pakistan. Ashraf and Ashraf (1993) estimated this wage gap for Pakistan as a whole as well as for the four provinces. Using the Household Income and Expenditure Survey (HIES), they estimated respective Mincerian Wage



equations separately for males and females. Their results confirmed that the earning level rose monotonically with the level of educational attainment for both sexes at both points in time (1979 and 1986). They claimed that the wage gap stood at 63 percent in 1979 and declined to 3 percent in 1986. They found that the decline was broad-based and occurred in every province and across every industrial group.

Siddique et al (1998) also found evidence for gender discrimination. They used the standard (Oaxaca 1973) decomposition method to split the gender wage gap into two parts: one is due to difference in characteristics and the other is due to differences in return to these characteristics. The latter constitutes gender discrimination. They estimated that discrimination exists at 55 - 77 percent of the differential between male and female earnings.

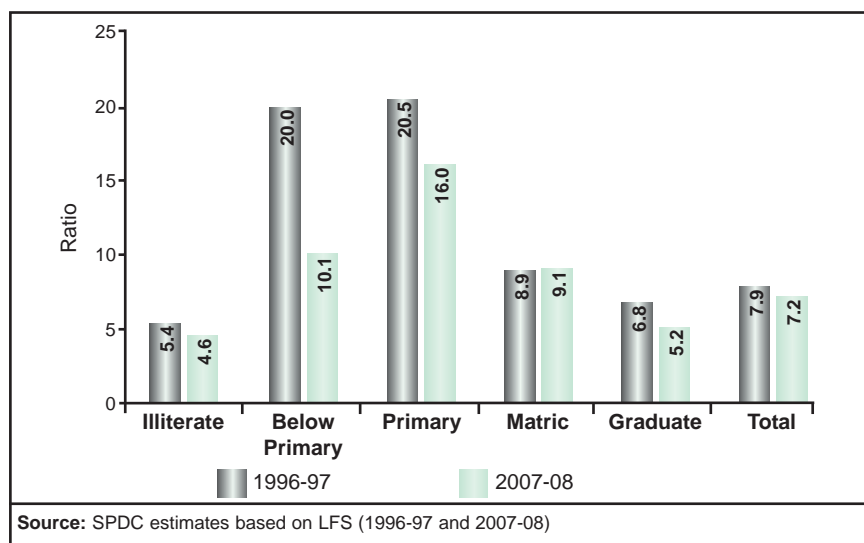
Nasir and Nazli (2000) used the Pakistan Integrated Household Survey (PIHS) for 1995-96 to estimate the Mincerian wage equation. They estimated a positive and significant gender coefficient (0.264) after controlling for regional (rural/urban) and provincial geographical attributes, and for educational attainment.

Siddique et al (2006) used the survey data of export-oriented industries located in Karachi, Faisalabad and Sialkot. Their results confirmed gender discrimination prevails in export -oriented industries. They further concluded that the impact of adjustment policies leading to liberalization and the resulting change in the labour market had a disproportionately larger negative impact on females.

The studies mentioned above provide an empirical support for gender discrimination in the labour market of Pakistan. These studies analyze the gender wage gap by comparing the mean male/female wage. Studies which compare the gender wage gap at different points along the wage distribution are not available for Pakistan except for Sabir and Aftab (2007). Their result confirmed significant gender differentials in wages after controlling for a range of human capital and job characteristics by using micro data from LFS 1996-97 and 2005-06. Their estimated results show a significant increase in the wage differential over the last nine years. Their estimated gender effects at different quintiles of the conditional wage distribution showed that the gender pay gap was larger in the low-paid jobs as compared to high-paid jobs.

GENDER DIFFERENTIAL IN ACCESS TO PAID JOBS

As discussed in Chapter 1, the labour market statistics show that a smaller proportion of women than men aged 15 years and above are employed and the unemployment rate among women is higher than among men, including both paid and unpaid labour force. This necessitates a proper and fuller undertaking of the various facets of gender discrimination in the labour market of Pakistan, namely: female access to paid job, vertical segmentation or occupational gender inequalities in paid employment, and gender wage gap. This section explores the extent to which workers in Pakistan, either male or female, are able to find paid jobs in the labour market. The remaining two are examined in the subsequent sections.

Chart 4.1 Male to female employment ratio in paid jobs

To look at the extent of access to paid jobs, two statistics were computed excluding non-wage earners from the labour force: (1) male to female ratio in paid employment and (2) male and female unemployment rate. Chart 4.1 shows male to female employment ratio in paid jobs by level of education. On the whole, for every employed woman there were almost eight employed men in 1996-97 and seven employed men in 2007-08. This ratio shows substantial variation when considered by levels of education. For instance, up to primary level, the ratio increases and afterwards it declines.

Table 4.1 provides a comparative picture of the unemployment rate in 1996-97 and 2007-08. It is interesting to note that the unemployment rate decreased in 2007-08 as compared to 1996-97 for women in all educational categories. The highest decrease occurred among women with below primary levels of education (29 percentage points) followed by women with primary levels of education (11 percentage points) and lastly the women who were illiterate (10 percentage points). The unemployment rate among graduate women was 15.5 percent in 1996-97 compared to 14.6 percent in 2007-08. This shows a marginal

Table 4.1 Differential in unemployment rate between males and females [excluding unpaid family helpers and non-wage earner] (%)

Education Level of Worker	1996-97			2007-08		
	Female	Male	Difference	Female	Male	Difference
Illiterate	44.08	8.69	35.39	33.69	9.15	24.54
Below Primary	45.63	8.44	37.18	16.64	11.80	4.84
Primary	44.13	10.93	33.20	33.34	9.75	23.59
Matric	29.38	13.71	15.67	27.55	11.07	16.48
Graduate	15.47	6.64	8.83	14.56	5.05	9.52
Total	39.22	10.19	29.03	29.51	9.45	20.06

Source: SPDC estimates based on LFS (1996-97 and 2007-08)



decrease of less than 1 percentage point. In the case of males, the unemployment rate is almost the same in both years with slight changes in almost all educational categories.

Two conclusions may be drawn from the above analysis:

- (i) Male to female employment ratio and sex disaggregated unemployment rate show that access to paid jobs is higher at all levels of education for males as compared to females. The low rate of participation of female workers in remunerative jobs is an indication of the substantial loss of human capital due to the absence of adequate paid employment opportunities;
- (ii) While gender differentials persist in access to paid jobs, they considerably narrowed between 1996-97 and 2007-08. This is a positive development which highlights the fact that during the last five years, the high rate of economic growth contributed to improving the employment prospects for women relatively.

Despite improvements, gender differentials continue to exist in access to paid jobs, especially at higher levels of education. There are three possible explanations for this: (1) vertical segmentation in the labour market; (2) different reservation wages for men and women; and (3) residual jobs for women.

The argument of vertical segmentation in the labour market explains that men and women are working in different occupations, which require different levels of educational attainment and skills. It is likely that during 1996-97 to 2007-08, the labour market in Pakistan created greater job opportunities for women in elementary occupations, which require



relatively lower skills and less education while for men it created greater job opportunities in sectors which require relatively higher skills and higher levels of education. As a consequence, there are higher chances for men with graduate or post-graduate levels of education of getting a paid job in higher level occupations as compared to women with the same level of education. The next section looks into the issue by presenting the distribution of paid women and men workers by three broad categories of occupations, namely elementary, mid-level and high level occupations with their associated levels of education.

The reservation wage is the lowest wage rate at which a worker would be willing to accept a particular type of job. The reservation wage argument explains that a woman with graduate and post graduate level of education might have a higher reservation wage as compared to men with the same level of education. This argument is based on the assumption that women's reservation wage depends on their marital status and family earnings. A woman belonging to a family with high income would have a higher reservation wage compared to a woman belonging to a family with low income. Moreover, if a man is getting a higher wage, then the reservation wage of his wife would be higher as compared to other women with the same level of education. In order to test this hypothesis, a proxy of family/husband income (total salary income - female earnings) were used in the logit model. The result showed a positive sign and a significant coefficient.

The residual job argument implies that in the presence of discrimination in the labour market, women are restricted to low paid jobs while men remain in high paid jobs. Since the high paid jobs require higher levels of education therefore, the probability of a man with a higher level of education getting a high paid job would be greater compared to a woman with the same level of education. In order to test this hypothesis the gender pay gap is reported in the subsequent section.

VERTICAL SEGMENTATION

In order to analyze the extent of vertical segmentation in the labour market, the occupational categories reported in LFS are grouped into three broad categories. These include elementary, mid-level and high-level occupations. This broad categorization is based on human capital characteristics and remuneration attached to different occupations in the labour market. For instance, high level occupations consist of legislators, senior officials, managers and professionals, who are well qualified and highly paid.

Table 4.2 shows the distribution of women and men by the three categories of occupations and the level of education in 2007-08. It shows that 77 percent of total employed women are working in elementary occupations, followed by 20 percent in mid-level and less than 3 percent in high-level occupations. In contrast, 47 percent of total employed men are working in elementary occupations, followed by almost 35 percent at the mid-level and roughly 18 percent in high-level occupations. When compared by levels of education, it is alarming since 22 percent of the total graduate women are working in high-level and 76 percent in mid-level occupations whereas the comparable percentages for men are 45 percent and 48 percent respectively.

Table 4.2 Distribution of paid employment of males and females by level of occupation, 2007-08

	Elementary Occupations	Mid-Level	High-Level	Sum
FOR FEMALE SAMPLE				
Illiterate	89.48	9.36	1.16	100
Below primary	65.84	31.00	3.16	100
Primary	59.26	36.56	4.09	100
Matric	16.79	75.44	7.76	100
Graduate	2.42	75.76	21.82	100
Total	77.04	20.10	2.85	100
FOR MALE SAMPLE				
Illiterate	68.24	22.84	8.91	100
Below primary	51.17	33.33	15.50	100
Primary	45.71	36.58	17.70	100
Matric	26.22	48.14	25.64	100
Graduate	7.21	48.32	44.46	100
Total	47.36	34.71	17.92	100
DIFFERENCE (FEMALE - MALE)				
Illiterate	21.24	-13.48	-7.75	0
Below primary	14.67	-2.33	-12.34	0
Primary	13.55	-0.02	-13.61	0
Matric	-9.42	27.30	-17.88	0
Graduate	-4.80	27.44	-22.64	0
Total	29.68	-14.61	-15.07	0

Source: SPDC estimates based on LFS (2007-08)

Table 4.2 also gives the difference between female and male distribution for each category of occupation and by level of education. It is important to note that the percentage of men working at high-level occupations is higher than that of women at each level of education as reflected through negative signs of the difference. Moreover, the difference between men and women working at high-level occupations increases with the level of education and widens to 23 percentage points at graduate level. This trend is not consistent with other occupational categories. For instance, in elementary occupations, the women's share in paid employment is higher than that of men up to the primary level of education while lower at above primary level of education. In contrast, the share of women working at mid-level occupations is lower than that of men up to primary level of education while higher at above primary level of education.

This occupational distribution indicates that a higher share of men are employed in high-level occupations while women are largely concentrated in elementary and mid-level occupations. This confirms that, in Pakistan, the hypothesis of vertical gender segmentation prevailed in the labour market during 2007-08.

In order to investigate the impact of the high economic growth period during the first half of 2000's on the labour market outcome, analysis of vertical segmentation was conducted. Table 4.3 presents the occupational distributions of females and males in paid employment by levels of education for 1996-97 and 2007-08. The share of female

Table 4.3 Changes in probabilities in three broad occupational categories between 1996-97 and 2007-08 (percentage change)

Years	Elementary occupations			Mid-level occupations			High-level occupations		
	1996-97	2007-08	Difference	1996-97	2007-08	Difference	1996-97	2007-08	Difference
FOR FEMALE SAMPLE									
Illiterate	84.43	89.48	-5.05	13.80	9.36	4.45	1.77	1.16	0.62
Below primary	53.15	65.84	-12.69	34.86	31.00	3.87	11.98	3.16	8.82
Primary	54.84	59.26	-4.42	37.29	36.56	0.73	7.86	4.09	3.77
Matric	9.81	16.79	-6.99	48.89	75.44	-26.55	41.30	7.76	33.54
Graduate	1.25	2.42	-1.17	29.49	75.76	-46.27	69.26	21.82	47.43
Total	72.68	77.04	-4.37	19.28	20.10	-0.81	8.04	2.85	5.19
FOR MALE SAMPLE									
Illiterate	74.81	68.24	6.58	19.63	22.84	-3.20	5.55	8.91	-3.36
Below primary	49.82	51.17	-1.35	35.67	33.33	2.34	14.51	15.50	-0.99
Primary	51.14	45.71	5.43	36.36	36.58	-0.23	12.50	17.70	-5.19
Matric	28.59	26.22	2.37	48.02	48.14	-0.12	23.39	25.64	-2.25
Graduate	7.41	7.21	0.20	35.69	48.32	-12.63	56.90	44.46	12.44
Total	57.52	47.36	10.16	29.60	34.71	-5.11	12.89	17.92	-5.03

Source: SPDC estimates based on LFS (1996-97 and 2007-08)

workers in elementary occupations increased to 77 percent in 2007-08 as compared to almost 73 percent in 1996-97. This increase, however, has largely been contributed by women workers with education levels upto matric. In contrast, the share of women employed at high-level occupations substantially decreased to less than 3 percent in 2007-08 as compared to 8 percent in 1996-97. Although this decline is evident at all levels of education, it is largely concentrated at the Matric and graduate levels of education. For example, the percentage of women qualified up to graduate level or above and engaged in high-level occupations substantially declined from 69 percent in 1996-97 to 22 percent in 2007-08, a more than 47 percentage points decline. It is to be noted that this decline largely gets translated to mid-level occupations. It also indicates that the labour market generated greater opportunities for graduate females at mid-level occupations and not at high-level occupations. The decline in access to high-level occupations for educated women indicates that the high GDP growth is accompanied with greater vertical gender segmentation in the labour market.



In contrast, the share of male workers in elementary occupations declined to 47.4 percent in 2007-08 as compared to 57.5 percent in 1996-97, a decline of over 10 percentage points, which was equally translated to mid and high-level occupations. Although there is more than a 5 percentage point increase in high-level occupations, this occurs for education levels up to Matric. The employment opportunities for males qualified up to graduate level or above, at high-level occupations declined in 2007-08 as compared to that in 1996-97.

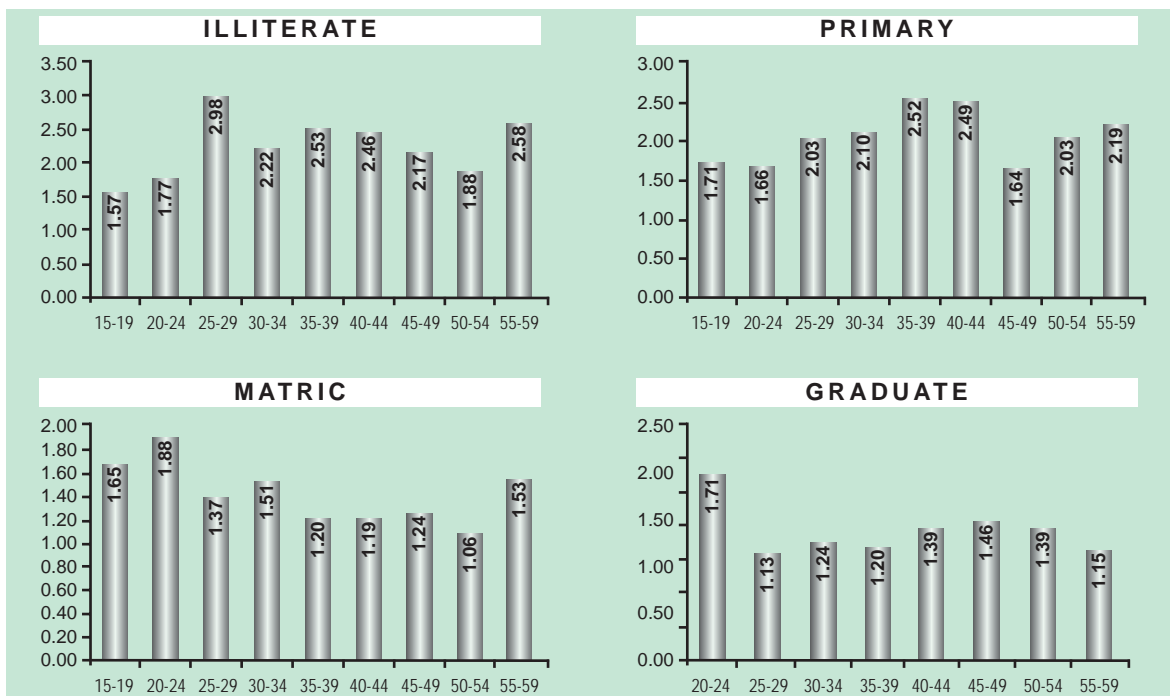
THE GENDER WAGE GAP

Human capital theory of wage determination suggests that wages are tied to productivity in a non-discriminatory environment. Gender discrimination occurs when equally productive male and female workers are paid differently. Ideally, the observed gender wage differential needs to be explained on the basis of differences in productivity of men and women. The primary objective of this section is to examine the evolution of the gender wage gap in Pakistan since 1996-97 to 2007-08.

Male to female earning ratio

Chart 4.2 presents male to female earnings ratio by level of education and age groups. Although there is a persistent gap between the wages of males and females at each level of education and age category, it

Chart 4.2 Male to female earning ratio by age groups and level of education in 2007-08



Source: SPDC estimates based on LFS (2007-08)



sharply declines as the level of education increases and further narrows at the graduate level. For instance, male to female earnings ratio for the illiterate in age group 55-59 is 2.58, indicating that for every single Rupee earned by a female worker, a male worker earns Rs 2.58. However, this ratio declines to 2.19, 1.53 and 1.15 for primary, Matric and graduate level, respectively. *Ceteris paribus*, this decreasing wage ratio, which is minimum at higher levels of education, is in marked contrast to what is commonly observed in other transitional and developed economies and is often referred to as a 'glass-ceiling' effect. Given the prevailing nature of male to female earnings ratio, it can be inferred that there is an absence of the 'glass-ceiling effect' in Pakistan.

Rate of returns to education

In order to estimate rate of returns to education, we relied on the Heckman two-step procedure. In the first step, a logit equation was estimated by using a dependent variable having 1 for a female labourer and zero otherwise, considering female samples only. This logit equation was regressed on a set of independent variables like age (a proxy for experience), education level, household size, marital status, urban etc by using micro-datasets of LFS 2007-08 and 1996-97. The estimated results of this logit equation were in line with theory (see Appendix A-3). Based on this logit equation, inverse mills ratio was computed to remove sample bias for the subsequent estimation.

In the second step, three standard Mincerian wage equations (for female and male sample and for pooled data) were estimated. It is noteworthy that all the estimated results are in line with the human capital theory (see Appendix A-3). According to the findings, the age variable and its squared of both are significant, and indicate an inverted U-curve relationship between wage and experience. It implies that wages increases in the initial phase of employment and then declines after reaching their maximum point. The results also reflect that having no schooling can put a serious strain on career advancement. Similarly, the return to higher academic degrees rises unequivocally with higher levels of education.

By using the estimates of Mincerian wage equations, we computed average hourly earnings of male and female workers who were either illiterate or educated up to primary, Matric and graduate levels of education (see Table 4.4). As expected, education level plays a significant role in wage determination for both male and females. In females, the average wage rates for graduates is almost three times the average wage rate of the illiterate workers in 1996-97, and almost two and half times in 2007-08. In males, the average wage rate for graduates is almost double the average wage rate of the illiterate workers in 1996-97 and more than double in 2007-08. Another important finding was that the return to education is ensured with the higher growth in relative wages after Matric. The findings indicated the non-linearity in returns to completed years of schooling.

Table 4.4 Gender disaggregated nominal hourly wages by level of education (Rs per hour)

	1996-97		2007-08	
	Male	Female	Male	Female
Illiterate	11.48	6.93	22.14	13.18
Primary	12.52	6.84	24.27	13.25
Matric	14.21	10.27	28.22	16.18
Graduate	21.31	18.55	47.41	31.82

Source: SPDC estimates based on LFS (1996-97 and 2007-08)

Gender wage discrimination

In order to quantify the magnitude of discrimination, we estimated the gender wage gap. The standard Oxaca-Blinder decomposition technique was used to compute the hourly wages of a hypothetical woman without discrimination. After computing these wages, differences were computed and compared to isolate the impact of personal characteristics and discrimination in wages.

Table 4.5 gives the estimated hourly wages for a "typical" man, a "typical" woman and a "hypothetical woman treated as a man (a woman without discrimination)" in the labour market. The difference between (b) and (a) shows the actual gender difference in estimated wages. The discrepancy between (c) and (a) shows the difference in the wages due solely to the difference in personal characteristics, i.e. "free of discrimination."

In 2007-08, the estimated hourly wage for a "typical" man was Rs27.94 per hour, compared to Rs18.73 per hour for a "typical" woman. Once the male effects are applied to the female characteristics, the estimated wages rises to Rs 28.08. Thus, the estimated hourly wage of a "typical" man is Rs 9.21 higher than that of a "typical" woman (b - a), but this difference is eliminated once the male effects are applied to the female characteristics (c - a). In other words, the gender wage gap in a discriminatory environment is almost 33 percent, which means that men are getting 33 percent higher wages as compared to women. However, in a non-discriminatory environment, men get almost half percent lower

Table 4.5 Gender wage gap with or without discrimination (Rs per hour)

		1996-97	2007-08	Difference
HOURLY WAGES IN RUPEES				
Male	(a)	13.69	27.94	14.26
Female	(b)	10.15	18.73	8.59
Female without discrimination	(c)	14.10	28.08	13.98
ABSOLUTE GENDER WAGE GAP (RS/HOUR)				
Difference with discrimination	(b-a)	-3.54	-9.21	
Difference without discrimination	(c-a)	0.41	0.13	
GENDER WAGE GAP (%)				
With discrimination	(b-a)/a	-25.86	-32.96	
Without discrimination	(c-a)/a	3.03	0.48	

Source: SPDC estimates based on LFS (1996-97 and 2007-08)

wages as compared to women. Therefore, elimination of labour market discrimination helps in eliminating the difference between male and female wages.

According to the last column of Table 4.5, the difference in wages show an increase of approximately Rs 14.26, Rs 8.59, and Rs 13.98 in the wages of a "typical man", a "typical woman" and a "hypothetical woman treated as a man", respectively in 2007-08 as compared to that in 1996-97. Moreover, these estimated wages show an increase in the gender wage gap in 2007-08 as compared to 1996-97.

What explains the gender pay gap?

As shown in the earlier section, there exists a vertical segmentation in the labour market and women are largely concentrated in elementary and mid level occupations. Based on this, one may infer that this high gender pay gap is an outcome of the presence of vertical segmentation or gender





discrimination in wages. An attempt is made to develop a methodology to quantify, separately, the access effect due to vertical segmentation in the labor market and the wage effect in the absence of vertical segmentation. The following equation shows both access effect and wage effects mathematically.

$$\Delta W = \underbrace{\Delta P_{mi} (W_{mi} - W_{fi})}_{\text{Wage Effect}} + \underbrace{\Delta W_{fi} (P_{mi} - P_{fi})}_{\text{Access Effect}} \dots \dots \dots [1]$$

Where W, P, m, and f represent wages, probability, male and female, respectively in occupation i (see Appendix A-3 for detail).

The first part of equation 1 can be inferred as wage effect while the second part as access effect. One important reason of decomposing the wage and access effects is to compare different policy implications for eliminating the gender wage gap. In cases when the access effect is greater than the wage effect, greater policy interventions are needed to eliminate vertical segmentation in the labour market including increasing the quota for women in high level occupations. In cases when the wage effect is greater than the access effect, then different tax treatment in terms of rate or base would be needed to eliminate the gender pay gap.

Table 4.6 presents the results of decomposition of wage gap into access and wage effects. It is important to note that in 2007-08, women were getting Rs 2.53 less than males due to vertical segmentation and Rs 8.45 due to wage effect. The access effect is more than 23 percent of the wage gap while wage effect is almost 77 percent of the wage gap. In 1996-97 wage effect explains 96 percent of wage gap while access effect was only 4 percent.

Table 4.6 Access and wage effects in 1996-97 and 2007-08 (Rs per hour)

	Access effect	Wage effect	Wage gap
2007-08	2.53	8.45	10.98
Share (%)	23.05	76.95	100
1996-97	0.15	3.65	3.80
Share (%)	3.95	96.05	100

Source: SPDC estimates based on LFS (1996-97 and 2007-08)

CONCLUSION AND RECOMMENDATIONS

Gender discrimination in the labour market is a complex matter that requires empirical investigation in both developed and developing countries including Pakistan. A comprehensive approach was adopted in this chapter to investigate this issue starting from access to paid jobs, highlighting vertical segmentation and ending at quantifying gender wage gap by applying robust econometric techniques using LFS 1996-97 and 2007-08. The results show that women are highly disadvantaged in



accessing paid jobs in both years. Although, this disadvantage marginally declines in 2007-08 as compared to 1996-97, it is still very high. This is attributed to less human capital among women as compared to men and also to unobservable discriminatory factors. It is hypothesized that once these discriminatory factors are eliminated from the society, women labour force participation would tend to increase substantially.

Similarly, women have fewer chances to get jobs at high-level occupations as compared to men. However, once they get jobs at high-level occupations, they are likely to get more or less equal wages as compared to their male counterparts. This shows an absence of the 'glass-ceiling effect' in Pakistan.

In order to improve gender equality, the following policy measures are suggested:

- Increase in female education plays a positive role in attracting women into the labour force. For this, greater investment in girl's education is needed through gender responsive budgeting along with other gender friendly measures.
- In order to provide more opportunities to women in the formal sector, a higher tax exemption can be provided to women along with favourable tax rate differentials for women employees.
- There should be compulsory coverage of EOBI and other benefits and safety nets for women working in the informal sectors.
- There should be an equal-pay policy aimed at tackling direct or indirect gender wage discrimination as well as an equal opportunities policy aimed at encouraging women to have continuous employment patterns.



WORKPLACE VIOLENCE AND SEXUAL HARASSMENT

5

CHAPTER 5

The widespread prevalence of sexual harassment and violence against women demands addressing the legislative gaps comprehensively.

SOCIAL DEVELOPMENT IN PAKISTAN, 2007-08



WORKPLACE VIOLENCE AND SEXUAL HARASSMENT

The objective of this chapter is to understand the environment for women in Pakistan in terms of violence and sexual harassment at the workplace and the legal framework that is in place to address this issue.

Sexual harassment has some common characteristics which have been agreed to, which are: (a) any physical, verbal or non-verbal conduct of a sexual nature and other conduct based on sex affecting the dignity of women and men, which is unwelcomed, unreasonable and offensive to the recipient, and (b) conduct that creates an intimidating, hostile or humiliating working environment for the recipient (the potential target). The behavior constituting sexual harassment at the workplace must occur in the place of work or in a work-related environment; it must occur because of a person's sex and is about sex; it must not be mutual or unwelcome and unwanted; and, lastly, affect the terms or conditions of employment or the work environment itself- also referred to as 'quid pro quo' sexual harassment.

The present discourse based on the 'subordination of women' hence refers to the issue as a form of 'sex discrimination'. The connection between the two is linked to the dignity and honour (which in a Muslim society is predominantly a man's honour). The treatment of women therefore requires a multifaceted and multipronged strategy addressing comprehensively (both) inequities and inequalities.





This chapter is organized as follows: section 2 describes workplace violence and sexual harassment in Pakistan based primarily on a survey of female workers by SPDC; section 3 identifies the various international approaches and initiatives undertaken to tackle sexual harassment; section 4 then lists the laws relevant for protection of women in Pakistan and proposes improvements to the existing legislation.

WORKPLACE VIOLENCE AND SEXUAL HARASSMENT IN PAKISTAN

The women of Pakistan continue to be discriminated socially and legally with many constitutional provisions constantly challenged and violated. Discouraged from filing any litigation for their rights they continue to be exposed and subjected to derogatory treatment and various forms of violence both at home and in the workplace. Those women, who are poor, are often pushed to the lowest rung of society.

The frequently referred causative factors for continuous marginalization of women are the tribal and feudal socio-customary practices, besides the increasing religious extremism seen during the last three decades. The augmenting factors cited are a lack of awareness of the constitutional and human rights available, lacunas existing in the domestic law, lack of faith in access to justice, and societal attitude. Unfortunately, the existing socio-cultural patterns have been internalized by women, where the majority restrain themselves from questioning the status quo, and are often seen trapped in a violent environment. It is extremely important to revisit the existing paradigm (based on the traditional socialization parameters) and create a social environment that is not only safe for women, but allows them to raise their voices against injustice. With no legal recourse available, the victim often experiences loss of self respect and a constant fear of 'repeated misbehavior'.

Faced with indifference and a lack of understanding, harassment at the workplace is often treated as a natural outcome of 'human failing of lust', rather than a crime. As a result, the offender is not held accountable whereas the victim is assumed to be a person of shady character'. Sexual harassment may be subtle, exacting, clever, and most difficult to articulate, with few men able to understand the sexual dimension of harassment as experienced by a woman. The women of Pakistan and elsewhere, at best, are 'learning to survive' the experience.

This section is based on the findings of a survey undertaken by SPDC and focuses on the pattern of sexual harassment along with the incidence of violence in the work places in Pakistan. The survey conducted in Karachi, Lahore, Faisalabad, and Sialkot was based on the classification strategy of industries/establishments in both the public and private sectors. Based on the purposive sampling technique, establishments were further classified as educational institutions (universities, colleges, schools, health institutions, financial institutions), and service delivery institutions both in public and private sectors. The rationale of selecting these four cities was to understand the dynamics of women's participation and inter-provincial characteristics of violence and sexual harassment in the workplace. Sialkot, being a major semi-urban industrial zone, with mostly small-scale industrial units, was selected to

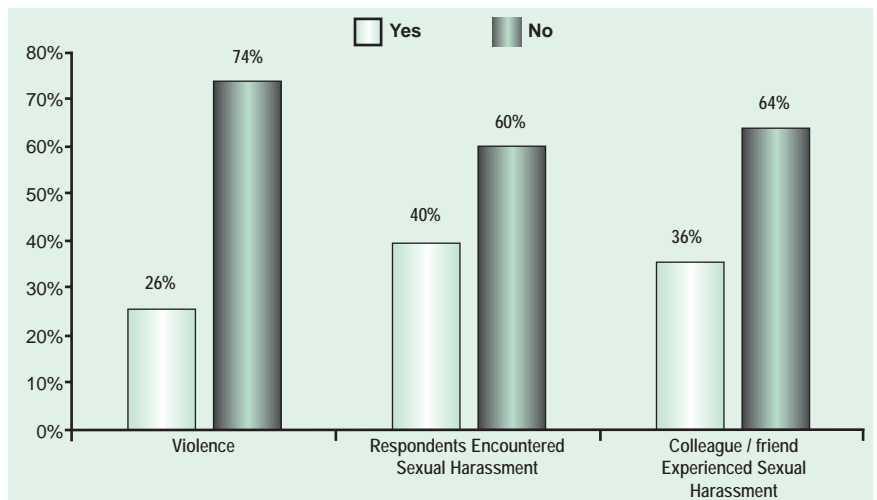


understand the incidence of violence and sexual harassment in the informal sectors of the economy.

The issue of sexual harassment has gained importance during the last two decades due to the rise in the female labour force participation and an increase in its incidence. The Alliance Against Sexual Harassment (AASHA) has revealed that almost 93 percent of women confront different forms of sexual harassment in the workplace in both private and public sector organizations. The study also revealed that 'quid pro quo' form of sexual harassment is prominent in almost all public and private institutions in Pakistan.

Chart 5.1 gives the results of the survey conducted by SPDC. Out of 310 female workers surveyed, 26 percent confronted different forms of violence such as threats, beating, exposure to dangerous materials, and lifting of heavy objects. Threatening or teasing are considered more as an act of violence rather than sexual harassment by the respondents. Among

Chart 5.1 Incidence of violence and sexual harassment at workplace



Source: SPDC Survey in Karachi, Lahore, and Sialkot

Table 5.1 Types and nature of violence and sexual harassment at workplace

Activity	High Frequency	Mild Frequency	Low Frequency
1. Violence at Workplace	<ul style="list-style-type: none"> a. Threat b. Beating c. Exposure to dangerous materials d. Use of machinery & equipment without training 	<ul style="list-style-type: none"> a. Mental torture b. Teasing c. Misbehaviour d. Improper lighting and ventilation e. Separate washrooms for women 	<ul style="list-style-type: none"> a. Attempted rape b. Lifting heavy objects
2. Sexual Harassment	<ul style="list-style-type: none"> a. Teasing b. Misbehaviour c. Vulgar language d. Indecent jokes e. Staring f. Touching g. Threats h. Favouritism in lieu of sexual relations i. Attempted rape j. Getting personal 	<ul style="list-style-type: none"> a. Offering sexual relationship b. Offering a lift 	<ul style="list-style-type: none"> a. Rape b. Attempted kidnapping c. Deprived benefits d. Management pressure to become 'liberal' in sexual favours

Source: SPDC Survey in Karachi, Lahore, Faisalabad and Sialkot

the respondents 40 percent reported that they encountered harassment while 36 percent said that they knew of cases where either their friend or colleague experienced sexual harassment. Moreover, the incidence is higher in the private sector, where job insecurity has made women workers more vulnerable.

Table 5.1 presents the nature of violence and sexual harassment. The work environment in public and private organizations can be divided into personal relationship with co-workers and working relationship with management dominated by males in Pakistan. Table 5.1 ranks responses by high, mild or low frequency. High frequency indicates higher level of incidence of the particular type of unwanted sexual attention. The latter two categories are largely unreported in spite of their effects on the performance and productivity of a woman. Sexual acts such as teasing, misbehaving, use of vulgar language, indecent jokes, and staring are common both in the public sphere and at the workplace. Another form that also has high frequency is the covert and persistent sexual advances either from the co-worker's or from key management personnel.

Labour in general, and female workers in particular, are subjected to unprecedented exploitation from employers. Due to the lack of implementation of labour laws, the work environment even in the formal sector poses high risks to the health and safety of the workers. Higher levels of unemployment also contribute to the abuse of female workers who have no choice but to work in an extremely hostile work environment.



Table 5.1 is also reflective of exposure to dangerous materials and use of machinery without proper training, incidents of beating of female employees by the male employer, use of abusive language, and long working hours without any monetary benefits. Refusals often result in the termination of employment. Though the incidents of physical advances remain low, nevertheless, attempted rape was mentioned by some respondents.

Table 5.2 classifies the type of recourse taken by the victim and management. 'Extreme' action taken either by the victim or management included resignation by the victim or termination of service of the person

Table 5.2 Recourse taken by the victim and the management

Activity	Extreme	Moderate	Acceptance
1. Action Taken by Victim	a. Resigned without informing anyone b. Informed female co-worker c. Informed supervisor d. Reacted strongly	a. Handled the situation carefully b. Avoided perpetrator c. Changed behaviour	a. Continued to work b. Routine activity c. No use complaining d. Cannot leave job
2. Action Taken by Management	a. Person belonged to management or management itself involved b. No action c. Terminated the service of the person d. Expelled the person	a. Transferred the person b. Warning issued c. Reconciliation by management d. Victim did not inform management but management probed the matter	a. Management took it to be a routine matter b. Management is helpless

Source: SPDC Survey in Karachi, Lahore, Faisalabad and Sialkot

Box 5.1 Unwanted attention at the workplace

Ms. Bushra, an Assistant Librarian (Grade-7 worker) in a government organization, was forced to take premature retirement from her job because of the inhospitable environment at her workplace. Bushra's decision came as a result of a prolonged period of inappropriate behavior on the part of her senior officer. While he was excessively friendly and cooperative, he was also controlling and threatening towards Bushra. Once he even asked Bushra for a loan and forced her to sign her cheque book. She was also asked to bring food for him every day and he regularly made unannounced visits to her home on holidays. Bushra, who is single and lives with her mother, was scared and annoyed by his behavior especially since she knew he was a habitual drinker. She was also alarmed when one day she found her boss waiting for her outside the centre where she had gone to appear for an examination. Her discomfort and annoyance grew further when she discovered that the supervisor had damaged her chances for promotion by giving an unsatisfactory and fallacious report about her to the Director. Following which instead of being promoted to Grade-11, Bushra was transferred to "Stores" and from there she was moved to "Lines". Her supervisor in the meanwhile promoted a junior colleague to senior position and pressurized her to be more cooperative in order to return to her old position. Unable to cope with this entire situation Bushra decided to leave her employment by opting for premature retirement.

**Names have been changed to protect privacy*

Table 5.3 Awareness about sexual harassment

Types	High Level of Awareness	Low Level of Awareness
1. Touching	✓	
2. Staring	✓	
3. Suggestive look or leering		✓
4. Indecent jokes		✓
5. Jostling		✓
6. Stalking		✓
7. Crank calls/email		✓
8. Threat		✓
9. Insult		✓
10. Pushing (emotional, etc)	✓	
11. Undue favouritism	✓	
12. Vulgar language	✓	

Source: SPDC Survey in Karachi, Lahore and Sialkot



accused of sexual harassment. (see Box 5.1). Moderate recourse is a conciliatory path taken by the management or victim to resolve the matter, whereas, 'acceptance' shows that neither victim nor the management considered sexual harassment as 'anything significant'.

The fear of dishonour and embarrassment usually prevents most of the female workers from taking any action against the perpetrator and they either quietly resign or inform their colleague. One interesting finding of the survey was that educated women were more inclined to lodge complaints without any fear.

Table 5.3 is indicative of the level of awareness of various forms of sexual harassment among female workers. It reveals that most of the respondents considered only touching, staring, pushing, and undue favouritism as acts of sexual harassment. A small number of respondents (23 percent) reported different forms of sexual harassment whereas the majority accepted it as a menace that they would always have to face (see Box 5.2).

Box 5.2 Female employees exploitation on the job

The workplace environment is more exploitive of women from lower socio-economic backgrounds. Ms. Hafsa faced sexual harassment at a garment factory where she worked. The contractor of the factory often used abusive language. On the fifteenth of every month when workers were paid, the contractor called each woman individually to a separate room to collect her salary. Women who were financially very poor were forced to stay longer and were rewarded with additional payment of 50 or 100 rupees depending on how long they agreed to stay with him in the room. Others in the factory also exploited women, giving as much as 400 rupees to a woman for staying with them overnight. The women, for fear of losing their jobs and honour in society do not raise the issue. Laila, coming from a poor family joined the factory. The contractor approached her for favours. Laila responded angrily. The same evening while going home, she was pulled inside a car by the contractor who raped her and sent her home the next morning. Laila resigned from her job at the factory but discovered that she was pregnant. After the birth of her son, Laila's parents left the baby in the bushes during the night. When the baby was found by nearby residents, he was handed over to a social welfare organization.

*Names have been changed to protect privacy

INTERNATIONAL CONVENTIONS/APPROACHES AND INITIATIVES TAKEN

Sexual harassment globally is addressed as an issue of gender discrimination and a form of violence against women. The various legislations enacted are inclusive of specific laws against sexual harassment, drawn from both civil and criminal law. Article 2 of the United Nations Declaration on Violence Against Women (1993) clearly states that 'violence against women shall be understood to encompass, but is not limited to ... physical, sexual and psychological violence ... including ... sexual harassment and intimidation at work'. The Committee on the Elimination of Discrimination Against Women in its General Recommendation No. 12 of 1989 recognized sexual harassment as a form of violence against women whereas its General Recommendation No. 19 of 1992 characterized it as sex discrimination and hence a breach of CEDAW. The Recommendations of the Committee were later included in the 1993 UN Convention which defined the violations of women's rights and fundamental freedom and was explicit about the sexual harassment and intimidation at work. The 1993 Vienna Conference emphasized upon the member states to identify a policy for its elimination as follows:

'Gender-based violence and all forms of sexual harassment and exploitation including those resulting from cultural prejudice and international trafficking are incompatible with the dignity and worth of the human person, and must be eliminated. This can be achieved by legal measures and through national actions and international cooperation in such fields as economic and social development, education, safe maternity and health care, and social support'.





The Vienna Conference was followed by several United Nations General Assembly Resolutions 48/ 121 (1994), 50/201 (1996), 51 /118 (1997), 52 /148 (1998), 53 / 166 (1999) and 61/ 143 (2000). The resolutions emphasized the importance of widespread publicity of the Vienna Declaration and Programme of Action. The resolutions also stressed on the respective member states to devise a strategy for the removal of the obstacles and challenges impeding the realization of Human Rights. The particular focus on Human Rights expressed the desire reflected in Articles 55 and 56 of the United Nations Charter and the UN Declaration of Human Rights (1948), whereas the momentum generated was a consequence of the Nairobi Conference (1985), the Beijing Declaration (1995), the Jakarta Declaration (1994) and the Nairobi Forward-Looking Strategies (1995).

Though the Beijing Declaration (1995) focused on women and violence, the Platform for Action adopted included provisions on sexual harassment in the workplace by stating that 'the experience of sexual harassment is an affront to a worker's dignity and prevents women from making a contribution commensurate with their abilities (Paragraph 161), while paragraph 178 calls on the women's organizations and employers to take measures on sexual and racial harassment. The UN General Assembly Resolution A/S- 23/10/ Rev. 1 (2000) focused on the need to address workplace sexual harassment. The report published on the Nairobi-Forward Looking Strategies further helped place violence against women under the basic strategies for dealing and ensuring sustainable peace in a comprehensive manner.

The appointment of the Special Rapporteur on Violence Against Women by the United Nations Commission on Human Rights (replaced by the Human Rights Council in 2006 vide UNGA Resolution no. 60/ 251) followed by the publication of the two reports entitled 15 years of Special Rapporteur on Violence Against Women (1994-2009) and Women 2000: Gender Equality, Development and Peace for the 21st Century,



established the centrality of the issue and generated the momentum required to deal with the various facets of the issue.

The international legal framework thus is governed by international agreements, declarations and reports that demand the intensification of efforts to prevent and eliminate all forms of violence against women including sexual harassment in the workplace. The salient features of the international and regional approaches to sexual harassment are highlighted in Box 5.3.

Initiatives taken by other countries

A number of initiatives have been taken in various countries to prevent sexual harassment as follows:

India: Vishaka Guidelines-Mandatory Guidelines for the Resolution and Prevention of Sexual Harassment. The guidelines cover (both) the formal and the informal sectors.

Sri Lanka: Inclusion of Sexual Harassment as a Criminal Offense in Penal Code

Bangladesh: Suppression of Violence Against Women and Children Act 2000 section 10 (2) 1965 Employment of Labour (Standing) Act (Protecting workers from unlawful dismissal).

Indonesia: Law No. 7/1984 (Prohibiting Discrimination and Violence against women) Law No. 21/1999 (eliminating discrimination)

Malaysia: Code of Practice on the Prevention and Eradication of Sexual Harassment in Workplace (1999)

Turkey: Act No. 5170 Article 10 of the Constitution considers sexual harassment an aggravated offense punishable by up to three years imprisonment; criminalizes sexual harassment in Article No. 105 of the new Penal Code and Article 24 and 25 (II) (c) of the Labour Code. The two grant the right of immediate termination of the perpetrator of sexual harassment.

Box 5.3 Salient features of international and regional approaches to sexual harassment

Salient features of the international approaches identified	Salient features of regional approaches identified
<ul style="list-style-type: none"> ● Change in social behavior and attitude ● Sensitization of all segments of society ● Establish affirmative defensive and preventive strategy ● Clear governmental policy statement on sexual harassment ● Identification of investigation mechanisms ● Protection from discrimination ● Identification of disciplinary measures ● Inclusion of sexual harassment in Labour Code/ Laws 	<ul style="list-style-type: none"> ● Recognition of sexual harassment as systemic gender-based discrimination ● Identification of preventive strategy ● Sensitization of judiciary and law enforcers ● Training of personnel at all levels of employment ● Identification of complaint procedures ● Identification of remedial measures ● Make sexual harassment a criminal offense ● Enact relevant laws ● Identification of monitoring mechanisms ● Protection from discrimination

LAWS RELEVANT FOR THE PROTECTION OF WOMEN IN PAKISTAN

In a society where the social mind-set is feudal / tribal, the legal mind-set is authoritarian, the educational mind-set is regimental, and the religious mind-set is deductive, addressing issues such as violence against women and sexual harassment becomes increasingly difficult. Historically, Pakistan Penal Code (1860) vide its Clause No. 294 (obscene acts & songs), 339 (wrongful restraint), 340 (wrongful confinement), 341 (punishment & wrongful confinement), 349 (force), 350 (illustration (d) (f) Intentional push and intentional pulls of a woman's veil), 351 (illustration (f) Assault), 354 (assault or criminal force... to outrage her modesty), 354-A (Assault or use of criminal force... stripping her of her clothes) 499 (defamation), 503 (criminal Intimidation), 508 (Act caused by inducing person... an object of Divine displeasure) and 509 (words, gesture or act intended to insult the modesty of women) provide the basis for the general moral conduct of society with 350 (f), 354, 354 (a) and 509 specifically addressing issues relevant to the protection of women. The Council of Islamic Ideology has also deliberated positively on the issues relevant to the protection of women from violent acts.

As the existing domestic legislation, however, is silent on the sexual harassment of women in the workplace, the civil society and non-governmental organizations alongwith female parliamentarians recently tabled a Bill on the Protection Against Harassment at Workplace Act 2008. The Bill, divided into Annexure I and II entitled Protection Against Harassment at the Workplace Act 2008 along with the Code of Conduct for Protection Against Harassment At Workplace and Criminal Law Amendment Act 2008, have been approved by the cabinet and are placed before Parliament awaiting the necessary approval.



The Bill on the protection of women consists of 13 articles and deals with sexual harassment. The word 'sexual' may therefore be added to the title of the proposed Bill. In addition, the following improvements need to be made:

- Clause (e) of the definition restricts the definition to regular or contractual employees. To ensure the protection of all categories of workers, it is important to include the temporary (badli) and part-time workers in the definition. The proposed clause does not provide the complaint procedures for the other categories of workers.
- Defamation is often used as a threat or tool in the case of sexual harassment. The 'fear' of defamation prevents a victim from taking any action. It is, therefore, suggested that defamation (second degree aggravated harassment) also be included as a clause in the section on definition.

The Code of Conduct for Protection Against Harassment in the workplace accompanying the Bill addresses the two common categories of harassment namely, 'quid pro quo' and 'hostile work environment' harassment.

- The code of conduct in (ii) (b) addressing the creation of hostile environment refers to a 'typical' hostile environment. The inclusion of the word can be misused for flouting the code and escaping any penalty/ inquiry. In order to provide level field (both) to the employee and employer, the word 'typical' should be removed. Similarly, in explanation (c) given under the heading of relation, the word 'generating gossip' be replaced by 'intimidation'.
- Clause (iii) (iv) and (v) addressing the informal approach are not clear on who would play an advisory role/ mediatory role and how to ensure that 'advice' would not constitute a subtle threat. Clause (iii) leaves room for 'maneuverability' and 'manipulation',



with the latter undermining 'fair and acceptable advice'. In clause (iv & v); word 'alleged accused' be replaced by 'alleged aggressor'. In clause (v), the expression 'to someone they trust' be replaced by a 'focal person'. Moreover, clause (xii) is totally silent on harassment by the 'group of individuals' whereas clause (iii) must ensure that the mediator is neutral. The statement of objective and reason needs to be tightly worded with a clear focus on hostile work environment harassment and quid pro quo harassment.

- The second Bill (Annexure II) entitled Criminal Law (Amendment) Act 2009 has rightly suggested inclusion of a paragraph on sexual harassment in Clause 509 XLV of 1860 besides suggesting substitution / addition in schedule II, Act v of 1898. Offense committed in public place by a stranger also needs to be addressed.

Overall given the widespread prevalence of sexual harassment and violence against women in the workplace, it is necessary to address the legislative gap comprehensively which exists in a number of civil provisions, criminal codes, anti-discriminatory laws, labour laws and the Tort law. The proposed Bill on Protection against Harassment at the Work Place 2008 needs to be passed by the National Assembly on a priority basis.





GENDER ASPECTS OF LABOUR LAWS

6

CHAPTER 6

The absence of constitutional provision that binds domestic legislations with international commitment continues to damage any serious efforts needed for empowerment of women.

SOCIAL DEVELOPMENT IN PAKISTAN, 2007-08



GENDER ASPECTS OF LABOUR LAWS

This chapter looks into the development of international labour standards and their impact on the strengthening, promotion and consolidation of the concept of social justice which results in equitable socio-economic progress. The chapter is organised as follows: section 2 summarizes the historical development of labour laws in the undivided sub-continent; section 3 focuses on the repercussions of the ratification of various ILO Conventions on Pakistan; the changes brought in the domestic labour law/policies are discussed in section 4; sections 5 and 6 respectively deal with the proposed changes in the labour law with particular reference to women and the improvements required in implementation mechanisms identified both at the federal and provincial levels.

HISTORICAL BACKGROUND TO LABOUR LEGISLATION

The origin of most of the existing laws in the sub-continent lies in the British system of Common Law beginning with the Charter Acts of 1726 and 1753. These two resulted in the making of the by-laws for the good governance of Calcutta town and places subordinate to Fort William. In Pakistan, other than the provisions for maternity benefits, the general clauses only address 'men'.

This foundation laid the basis for further development of labour law deriving its strength from the Law Commission set up in 1856 by Lord Macaulay. The Commission drafted a series of laws some of which are





still in force. The Factories Act 1934, Workman's Compensation Act 1923, Trade Union Act of 1926, Payment of Wages Act 1936, and Mines Act 1923 are pre-partition labour laws, consequently influenced by the ILO Conventions. This influence has facilitated and helped make the relevant Act/s compatible with current need.

A tripartite consultative system with representatives of the government, employers and the employees was established and the Five-Year Plan, to improve labour's condition adopted earlier in 1946, was endorsed at the First Tripartite Conference held in 1949 in Pakistan. However, no serious effort was made to implement it.

The Trade Union Act of 1926 opened avenues for the formation of trade unions in Pakistan. In spite of Pakistan becoming a signatory of ILO Convention 87 (the right to form unions) and 98 (the right to collective bargaining), the early 1950's largely experienced the State's neglect of labour cause with no well-defined labour policy till 1955.

The Government of Pakistan joined the ILO on October 31, 1947 and endorsed the various ILO conventions (15 in number) earlier ratified by the Government of undivided India.

INTERNATIONAL CONVENTIONS

Pakistan is either a signatory or has ratified several international conventions and declarations committing itself to improve gender inequality and inequities. In order to ensure an environment conducive for social equality, domestic legislation has to be made in accordance with its international commitments. Unfortunately, no constitutional provision exists, which makes its international commitments binding upon its judiciary. The absence of these two essential pre-requisites continues to impair any serious and sustained efforts needed for the development and empowerment of women in particular and society in general.



Pakistan has ratified eight fundamental conventions, covering fundamental principles and various other rights at work. These include: Freedom of Association and Collective Bargaining (C-87, C-98), Elimination of all forms of Forced and Compulsory labour (C-29), Effective Abolition of Child Labour (C-138, C-182), and Elimination of Discrimination in respect of Employment and Occupation (C-100, C-111).

Pakistan has also ratified conventions related to women such as: Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Equal Remuneration Convention, 1951 (No. 100); Night Work Convention 1948 (No. 89); and the Underground Work Convention, 1935 (No. 45). There is, however, a need for effective implementation of the conventions. Conventions No. 89 and 45 are supported by domestic legislation, but the Minimum Wage Ordinance 1961 and the Payment of Wages Act 1936 provides no specific provisions on equal remuneration for men and women for work of equal value. Whatever legislation exists, it is limited in its extent to specific workers, whereas, the conventions are broader in their application than the existing domestic legislation. The socio-cultural environment is also not conducive for their implementation, a condition that requires urgent remedial measures to address the issues of gender inequities and inequalities.

It is important that Pakistan ratifies the Convention on Workers with Family Responsibilities (156) 1981, particularly since the female workforce with family responsibilities is increasing. The Convention recognises the problems of workers with family responsibilities which need to be included in national labour policies. The Convention applies to men and women workers with responsibilities in relation to their dependent children and immediate family members who clearly need their support.

The Convention is broad in its scope and applies to all branches of economic activity and all categories of workers (Article 2, C 156). Therefore, its compliance can result in the emancipation of women and help address issues relevant to equal employment opportunities. The other two conventions yet to be ratified by Pakistan are Maternity Protection Convention 2000 (C183) and the Convention for Homeworkers 1996 (C177).

EXISTING LABOUR LAWS IN PAKISTAN

The Factories Act covers the following: working conditions, conditions of employment, health and safety, and labour inspection in factories. It also contains the following specific provisions concerning women:

- Provision of a room for children under the age of six belonging to female workers employed, provided more than fifty women are ordinarily employed (33-Q-2).
- Hazardous operations - employment of women is prohibited in specific processes in a factory exposing any person employed to a serious risk of bodily injury, poisoning, or disease (33-Q-4).
- Women are not allowed to clean, lubricate, or adjust any part of machinery while it is in motion (27-2).
- Enclosed latrines shall be provided separately for female workers (21-b).
- Prohibition of employment of women near cotton openers (32).
- No woman shall be allowed to work in a factory except between 6 a.m. and 7 p.m. If the employer arranges for the transport, a woman with her consent may work up to 10:00 p.m (45-b).

The Industrial and Commercial Employment (Standing Orders) Ordinance 1968 deals with the working conditions and conditions of employment in industrial and commercial sectors. Workmen under this Ordinance are classified as permanent, probationers, *badlis*, temporary, apprentices, and contract workers working on piece-rates. The Ordinance, however, is silent on the temporary workmen, including those monthly-rated, weekly-rated, daily-rated or piece-rated, and no probationer or *badli* is entitled to any notice if his services are terminated by the employer. Part-time workers and contract workers not working on piece-rate are not covered in the definition of worker.

The Shops and Establishment Ordinance 1969 prohibits women from working after 7:00 p.m. except with the permission of the government.

The Industrial Relations Act of trade unions deals with the regulation and improvement of relations between employers and workmen and settlement of any differences or disputes arising between them. The scope of this Act is limited and it does not cover the agricultural sector, although Pakistan has ratified ILO's Right of Association (Agriculture) Convention (C11) 1921.

The Export Processing Zones Authority Ordinance 1980 applies only to industrial undertakings established or operating in the Export Processing Zones. Laws such as the Workman's Compensation Act 1923, Factories Act 1934, Minimum Wage Ordinance 1961, Payment of Wages Act 1936, Provincial Employees Social Security Ordinance 1965, the Employees Old Age Benefit Act 1976, and the West Pakistan Industrial and Commercial Employment Ordinance 1968 do not apply to export processing zones.

It is therefore suggested that the law be extended to cover Export Processing Zones (EPZs) to safeguard worker's rights and to guarantee uniform rights and entitlements for workers in all industrial areas of Pakistan. Amendments also need to be made to ensure that all workers enjoy freely and effectively the right to join an independent trade union, to bargain collectively, and to strike.

The West Pakistan Maternity Benefits Ordinance 1958 entitles a woman to twelve weeks of maternity leave, fully paid by the employer. However, four months of employment in the establishment of the employer immediately preceding the day of delivery of a child is essential for the entitlement.

The Ordinance forbids an employer to terminate the services of a woman worker within six months before delivery simply to avoid the payment of maternity benefit, but he can do so for other sufficient reasons. It is also illegal to dismiss a woman during the period of maternity leave.

The Mines Act 1923 prohibits women from working underground. However, it does not apply to women who do not perform manual work and hold positions of managerial or technical character or are employed in health and welfare services.

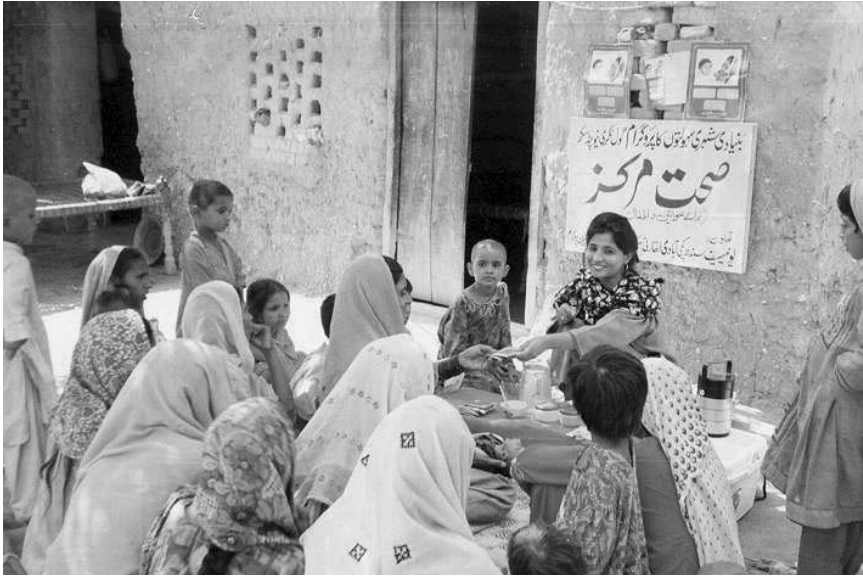
The Mines Maternity Benefits Act 1941 provides women with similar maternity benefits as mentioned in the 1958 Maternity Benefits Ordinance. However, the period of employment with the owner of the same mine preceding delivery has to be six months in order to avail the benefit.

The Provincial Employees Social Security Ordinance 1965, Section 36 (Maternity Benefit) provides women with similar maternity benefits as mentioned in the West Pakistan Maternity Benefit Ordinance 1958, provided her contributions are paid or payable for not less than one hundred and eighty days during the twelve calendar months immediately preceding the expected date of her delivery.

Some relevant constitutional provisions

According to the Constitution, labour is a concurrent subject. Enacted at the federal level, it is the responsibility of the provinces to enforce it.





Art. 3 - Elimination of Exploitation: The State shall ensure the elimination of all forms of exploitation and the gradual fulfillment of the fundamental principle, from each according to his ability to each according to his work.

Art. 11 - Slavery, forced labour, etc. prohibited: Clause (1) '... no law shall permit or facilitate its introduction into Pakistan in any form'. Clause (2) 'All forms of forced labour and traffic in human beings are prohibited.' Clause (3) 'No child below the age of fourteen years shall be engaged in any factory or mine or any other hazardous employment.' Clause 4 (b) '... no compulsory service shall be of a cruel nature or incompatible with human dignity.'

Art. 17 - Freedom of Association: Clause (1) 'Every citizen shall have the right to form associations or unions ...'.

Art. 25 - Equality of Citizens: Clause (2) 'There shall be no discrimination on the basis of sex alone'. Clause (3) 'Nothing in this Article shall prevent the State from making any special provision for the protection of women and children'.

Art. 34 - Full participation of women in national life: Steps shall be taken to ensure full participation of women in all spheres of national life.

Art. 35 - Protection of family, etc.: The State shall protect the marriage, the family, the mother and the child.

Art. 37 - Promotion of social justice and eradication of social evils: Clause (e) 'The State shall make provision for securing just and humane conditions of work, ensuring that children and women are not employed in vocations unsuited to their age or sex, and for maternity benefits for women in employment'.

Clause (f) '... enable the people of different areas, through education, training, agricultural and industrial development and other methods, to participate fully in all forms of national activities, including employment in the service of Pakistan.'

Art. 38 - Promotion of social and economic well-being of the people:

Clause (a) The State shall '...by ensuring equitable adjustment of rights between employers and employees...'. Clause (b) Provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure. Clause (d) '...irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment. Clause (e) Reduce disparity in the income and earnings of individuals, including persons in the various classes of the service of Pakistan.

Although the Constitution prohibits any discrimination on the basis of sex, unfortunately, in reality culture plays a very important role in our society. Mullally (2006), states 'culture has its impact on the legislative framework of the State and in Islamic societies religion and culture are closely interlinked. Similarly in Pakistan, the issues of gender equality and equity are influenced by the existing socio-cultural paradigm governing the society.' With very few separate laws protecting women it can also be argued that Article 25 (3) may be used to make 'special laws' for protecting women.

PROPOSED CHANGES IN LABOUR LAWS

The Labour Policy 2002 aims to bring the labour laws in conformity with the relevant constitutional provisions and the ILO conventions ratified by the respective governments of Pakistan.

It is suggested that an appropriate legal framework be developed to provide legal protection to those categories of workers that fall outside the ambit of current legislation i.e. the agriculture and informal sectors. Data and information on activities in these sectors can be gathered by compulsory registration of workers and their CNICs by the social security institutions of their area. A system of passbooks for workers can be introduced. These can be used to record employment history, wages





received, medical aid received, resolution of industrial disputes, and contributions made by workers to social security institutions.

Labour Policy 2002 does not give rules and regulations for its implementation. It is proposed that the Draft Employment Policy 2008 which suggests establishing a well coordinated and integrated (horizontally and vertically) Labour Market Information System (LMIS) be implemented. This is a suggestion that would help gather the labour market information and facilitate the labour market diagnosis and monitoring.

Special Labour Tribunals to be established (district-wise) to expedite the resolution of legal disputes arising between workers and employers. Their making would help cater to the needs of formal and informal sectors.

The government needs to regulate the informal sector for the Conventions to be applicable. The changes recommended to provide for payment of equal wages for men and women for work of equal value in Payment of Wages Act 1936 are:

- 'Work of equal value without discrimination based on gender' be included in the preamble of the Act.
- Section (4) applies to the payment of wages to persons. It is suggested that section 4(a) be inserted stating 'there shall be no difference in wages based on gender for work of equal value'.

Equal Remuneration Act based on the universally recognized principle of payment of remuneration at equal rate to men and women should be formulated and implemented to address all traditional and non-traditional fields women have entered.

Since there is no mention of the risk involved in doing heavy physical work and working with dangerous materials following additions / amendments to be made in West Pakistan Maternity Benefit Ordinance, 1958:

- 2 (b) The burden of proof that the dismissal is unrelated to pregnancy and its consequences shall rest on the employer is being suggested to tighten the existing clause 2 (a) of the Ordinance.

- 3 (a) No employer shall employ a woman and no woman shall engage in heavy physical work or work with dangerous materials during the period of pregnancy. This protection shall apply from the date the employer is informed of the existing pregnancy, in writing.
- 3 (b) Proof required under section 3 (a) shall be a certificate signed by the medical practitioner.

The Ordinance (1958) does mention leave for delivering a child but there is no mention in case of a miscarriage / legal abortion. The following clause may therefore be added:

- 4 (a) In case of a miscarriage/legal abortion, a woman, on production of a certificate of miscarriage/legal abortion signed by the medical practitioner, shall be entitled to leave for a period of two weeks following the day of her miscarriage/legal abortion with wages at the rate of her wages last paid.
- 7 (a) No employer shall dismiss a woman until four months after childbirth, either with or without notice
- 7 (b) A woman shall be guaranteed the right to return to the same or equivalent position and wage at the end of her absence under the provisions of this Ordinance.

IMPEDIMENTS AND IMPROVING THE PROCESS OF IMPLEMENTATION

The current labour laws of Pakistan divide workers into a number of categories, with varying rights and entitlements. Additionally, each law has its own definition of worker. Their application varies according to the type of workplace and number of workers employed with the result that a large number of workers fall outside the scope of the existing legislation. The laws need to be revisited and simplified, with one definition of worker and a gender-neutral language.

Out of the total number of women employed, 74 percent are engaged in the agricultural sector. Although the Provincial Employees Social Security Ordinance 1965 defines an 'establishment' as an organization whether industrial, commercial, agricultural or otherwise, there exists no protective law to protect the large women workforce working in the agricultural sector.

The process suggested in the previous section would, firstly, make those registered eligible for Social Security benefits, secondly, it would help collect some

Table 6.1 Problems cited frequently

IMMEDIATE

- High cost of litigation
- Lack of access to legal aid
- Complicated court procedures
- Lack of support from family
- Threats by employers

UNDERLYING

- Illiteracy among women
- Lack of awareness of legal rights
- Delay in getting justice

STRUCTURAL

- Gender bias of judiciary and law enforcing agencies



kind of data on those working in the informal sector, and thirdly, it will ensure payment of social security contributions by the employer working in the informal sector.

The Industrial and Commercial Employment (Standing Orders) Ordinance 1968 entitles the piece-rated contract worker to the same rights and benefits as received by a permanent worker. A permanent worker earns overtime wages at twice the ordinary rate of wage, but a contract worker working on piece-rate basis receives overtime on a single-piece basis.

The Labour Judicial System needs to be restructured to provide speedy justice. A number of specific references have been made to a range of industrial relations issues, including the strengthening of bilateralism and social dialogue, the promotion of responsible trade unionism, the consolidation and rationalization of labour laws, and respect for international labour standards. Reference to specific aspects of labour protection, including the need to protect contract and seasonal workers, home based workers, workers in the agricultural sector and informal economy, and workers disadvantaged as a result of the privatization of public sector enterprises has been made.

The non-implementation of labour laws can mainly be attributed to ineffective factory inspections. There are several reasons for this ineffectiveness. The number of field inspectors needs to be according to the number of factories in a province.

However, in cases where posts have been sanctioned, they remain vacant for various reasons. The shortages are mainly due to the inadequacy of pay scales in relation to the qualifications and experience required for such specialists. It is therefore necessary that each factory has an officer with a caliber adequate for its inspection.

The situation for women is complicated due to their socio-economic status. Complicated legal procedures compounded by gender biases of



judiciary and law enforcing agencies, delays, high cost of court fees, and corruption of the judiciary makes it extremely difficult for women to enter into litigation to get justice for themselves.

The government needs to set-up 'Legal Aid Committees' in industrial areas, employing female lawyers. These lawyers can help create awareness among workers regarding their rights and entitlements and litigate on their behalf, thus making access to justice a reality for them. The Legal Aid Committees can function under the supervision and control of the *Zila* Ombudsman / administrator.

Box 6.1**Gender in party manifestos**

The following analysis is based on the party manifesto's of Pakistan Peoples Party (PPP), Pakistan Muslim League (PML (N)), Pakistan Muslim League (PML (Q)), Muttahida Qaumi Movement (MQM), and Awami National Party (ANP).

Some common emphasis:

- Participation and women's empowerment will be promoted
- Women's work will be equally valued and paid as that of men
- Participation of women in decision making roles will be enhanced within the family and community
- 33 percent representation of women in Parliament will be ensured
- All international Conventions regarding women's rights will be ratified
- All forms of discriminatory laws will be abolished
- All forms of violence against women will be opposed
- All the laws / policies containing any form of discrimination against women will be opposed
- Laws will be introduced to protect the status of women
- Discriminatory feudal and tribal practices against women shall be forbidden by law
- Awareness about the importance of gender equality will be developed
- State machinery will not be used in any form of violence / discrimination against women
- Importance of girls / women education will be enhanced and provided
- Facilities will be provided for working women

Specific points of the manifesto's:

(PPP)

- Women will have the right to work, to free choice of employment, to just and favourable conditions of work, to protection against unemployment, to equal pay for work of equal value, and payment of maternity leave

PML (N)

- Microcredit for women will be expanded substantially as a part of the process of their empowerment

PML (Q)

No specific emphasis

MQM

- More opportunities will be provided to women to join the teaching profession. Training schools for female nurses, midwives and lady health visitors will be opened. No restriction to be placed on the appointment of female officers/officials in the education, health and social welfare departments.

ANP

- Review and revise policies to ensure that citizens are identified by parentage and not spouse, so that their national identity cards do not change with a change in marital status. Remove the need for a male guardian for adult women when applying for National Identity Cards
- Nurseries/crèches shall be established for the children of working women



IMPACT OF CURRENT ECONOMIC CRISIS ON WOMEN

7

The share of food in total monthly expenditure increased sharply as a result of unprecedented rise in inflation, the household consumption level of food items therefore decreased.



IMPACT OF CURRENT ECONOMIC CRISIS ON WOMEN

In previous chapters of the report, issues such as lower level occupations, wage and job discrimination, and horizontal and vertical segmentation in the labour force have been highlighted in the context of women at work in Pakistan. This chapter focuses on the impact on women of economic crisis that the country has experienced since 2007-08. The objective is to identify whether women have emerged as more resilient in the face of crisis, or are they the worst affectees of the deteriorating economic conditions.

Indicators of the present economic crisis are presented in Table 7.1. Specific effort has been made to highlight indicators having a disproportionate impact on women. The first manifestation of the crisis has been the sharp rise in the rate of inflation in consumer prices, which reached 12 percent in 2007-08 and peaked in 2008-09 at 20.8 percent. Food prices, in particular, have risen very rapidly due to the global rise in prices and have registered a cumulative increase of 51.3 percent over the last two years. This brought immense pressure on the budgets of low income households.

The growth rate of GDP plummeted, from over 4 percent in 2007-08, to just above 2 percent in 2008-09. This again had adverse implications for growth in employment in the economy, especially for women. Outside agriculture, employment of women is concentrated (see Table 1.9 of Chapter 1) in industries like textiles, especially in garments, and in community, social and personal services. The manufacturing sector has shown a negative growth of -3.3 percent in 2008-09. Textiles exports declined with over 18 percent drop in exports of ready-made garments.

Table 7.1 Indicators of continuing economic crisis

Indicator	Unit	2005-06	2006-07	2007-08	2008-09
Rate of inflation	%	7.9	7.8	12.0	20.8
Food prices	%	6.9	10.3	17.6	23.7
Non-food prices	%	8.6	6.0	7.9	18.4
GDP growth rate	%	5.8	6.8	4.1	2.0
Agriculture	%	6.3	4.1	1.1	4.7
Manufacturing	%	8.7	8.3	4.8	-3.3
Services	%	6.5	7.0	6.6	3.6
Community social and personal services	%	9.9	7.9	10.0	7.3
Growth rate in real wages (unskilled workers)	%	15.7	16.8	-1.1	-6.7
Expenditures on social sector of GDP	%	2.75	3.07	3.04	2.65

Sources:

State Bank of Pakistan, Annual Report (various issues)
Government of Pakistan, Economic Survey (various issues.)



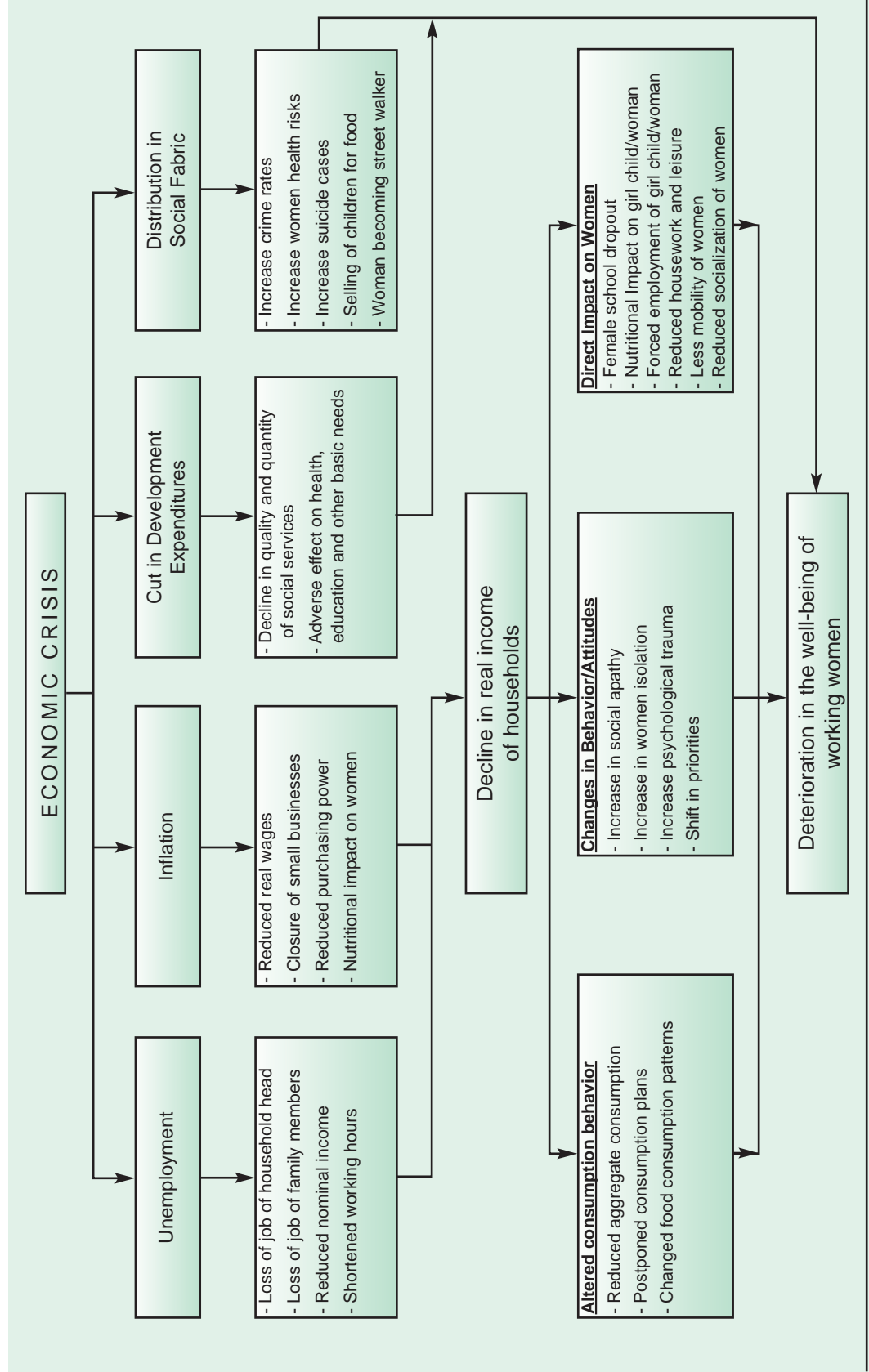
This is due to stagnant external demand caused by the global recession and by domestic supply-side factors, such as power load-shedding and deterioration in the law and order situation. Given the increasing constraints on fiscal resources, there has been a large reduction in public sector allocations to the social sectors. There has also been a major drop in real wages of unskilled workers in 2008-09.

TRACING THE IMPACT OF THE CRISIS ON WOMEN

Chart 7.1 illustrates the transmission mechanisms where the well-being of women and their families are adversely affected by the economic crisis. It outlines the impact of the economic crisis on working women and elucidates how the economic crisis can rapidly change into a full-fledged social crisis. Three major elements of the crisis namely, rising unemployment, higher inflation, and a decrease in public expenditure, result in social distortions. Higher unemployment and inflation have significant short-run impacts. The reduction in public expenditures brings negative consequential impacts that are usually long-run in nature. It, particularly, has its affect on the education and health of women while affecting their employment prospects in the short-run.

Both inflation and unemployment culminate in a decline in real income of households that alters intra-family consumption patterns. The social implications of real income decline of a family are greater for women than for men. Women may suffer greater social isolation which results in psychological trauma and sometimes behavioral disorder. A decrease in real income could also lead to school drop-out 'particularly of girls', and less food available for young girls and women in the family. In some cases, young girls, after dropping-out of school, are forced to work

Chart 7.1 Transmission of the impact of the economic crisis on working women



Note: Key concept of the Chart 1 is taken from Islam, Siwar, Karim, (2007) paper on Financial Crisis.

as low paid child labour in homes or informal industrial units. Women are increasingly forced to work long hours with inadequate monetary compensation. A fear of unemployment may also force working women to accept victimization by employers. Thus, the economic crisis can fundamentally affect the well-being of women.

The measurement of the impact of the current economic crisis on the status of women is difficult because of lack of data on recent household income, work and consumption patterns. This lack of information becomes more apparent when an analysis of the economic crisis is carried out at the individual level. Hence, there is no other option except to analyze the impact of the economic crisis on the status of women by using qualitative techniques such as the case study approach.

A number of in-depth case studies (see Box 7.1) were conducted in Karachi, Lahore, Faisalabad, and Sialkot using the purposive sampling technique. In Karachi and Lahore, middle-to-low income group women were targeted who recently became unemployed. In Faisalabad and Sialkot, women who were unemployed due to the current economic crisis but had been working earlier in the textile export industry were interviewed. Each case study contributed significantly in helping to draw common qualitative inferences on the impact of the economic crisis.

Box 7.1

Case study approach

There are certain advantages associated with the case study approach. Firstly, the case study allows the researcher to organize the data by keeping a holistic view. Secondly, it provides enough space to the researcher to focus on the inter-personal relationship among people, institutions, events, beliefs, and behavior without breaking down the analysis into separate components. Yin (1994) defines the case study as an "empirical inquiry that investigates a phenomenon in a natural setting when the boundaries between the phenomenon and its context are not clear, using multiple sources of evidence. The defining feature is the exploration of complex real-life interactions as a composite whole".

THE EFFECTS OF INFLATION ON WOMEN

The fundamental question here is who bears the disproportionate share of the burden of high inflation in a household? Is it the adults, the children, or older members? In the context of Pakistan, no empirical analysis has been conducted to show intra-household sharing of the effects of inflation. On the basis of cultural and historical knowledge of the role of women, one may presume that women bear the disproportionate share of the rise in prices of essential commodities.

Table 7.2 summarizes the key findings of the in-depth case studies of the impact of inflation. Four major types of impact were identified by the respondents which have been explored further to determine the extent of their impact on women. Two major themes can be identified from the Table, which relate to nutritional impact and changes in family expenditure patterns.

Household consumption levels of food items have generally decreased, while the share of food in total monthly expenditure also increased sharply. According to the respondents, consumption of meat,

Table 7.2 Effects of inflation on women

Indicators	Decrease	Drastically Decrease	Same as Before
a. Food Consumption			
- Meat		✓	
- Milk		✓	
- Vegetable			✓
- Lentils		✓	
- Fruits		✓	
b. Mobility	✓		
c. Impact on Family			
- Girls/boys education		✓	
- Medical expenses		✓	
- Clothing/shoes		✓	
d. Socialization	✓		

Source: Case studies conducted in Karachi, Lahore, Faisalabad and Sialkot.

milk, lentils and fruit drastically declined as a large part of food expenditure has been replaced by staple items, like 'atta'. Many of the respondents reported that now they only have two meals a day instead of three. Women, young girls, or an adult female in the family have to sacrifice food consumption to ensure that there is enough food for the males in the household.

Drastic changes in family expenditure patterns are also observed in all case studies. The irony is that women are the ultimate sufferers of a reduction in non-food expenditures. Most family expenditures now revolve around food items, in which wheat and vegetables are a priority.



Most of the respondents indicated that now the household budget has been reduced in order to fulfill the "roti" requirement of the family. With a rise in oil prices and the subsequent increase in transport fares, the mobility of women is largely restricted to their own neighbourhoods. There is a high substitution effect between the mobility of women and a family's food consumption. Most of the respondents were unable to appear for job interviews because they could not afford transportation costs, which involved travelling long distances. Consequently, many of the women surveyed walked long distances in search of jobs.

Families are also forced to reduce their expenditures on education, health, clothing, footwear, and other related items due to financial constraints. Education-related expenses have increased beyond the means of lower income families. They are increasingly finding it difficult to send their children to school. In these difficult times, families are also forced to limit medical expenses to life saving medicines only (See Box 7.2).

According to all the respondents, it is now increasingly difficult to continue social relations because of the high economic cost associated with them. Families avoid entertaining guests at home and have stopped participating in family functions as well. The cost of socialization was less two years ago when Rs. 100 was worth the same as Rs. 500 now. These changes in family expenditure patterns have enhanced the burden on women in a way that cannot be quantified by any empirical analysis.

Box 7.2**Forced to retrench**

Previously employed by Alfalah Bank Ltd. on a salary of Rs. 28,000 per month, Ms. Rubina* from Karachi became a casualty in the current economic crisis. Her services were terminated in November 2007 followed by several months searching for employment. Rubina eventually managed to find another job at a lower salary of Rs.10,000 a month but this is not sufficient to support her mother, brother and sister. Her situation is compounded by the fact that she has ulcers and is unwell. With her family in these circumstances, Rubina is forced to curtail various household expenses. Earlier she was able to hire a maid for household work but now manages all the household chores herself. Food is expensive as inflation has made the price of milk, meat, vegetables, and pulses unaffordable. Previously she was able to drink a glass of cold milk as treatment for the ulcer, but even this is now beyond her reach. Expenditure on other luxuries like shopping for toiletries, cosmetics and clothes has also decreased. Rubina is not alone in making these sacrifices as the impact of the crisis also extends to other members of her family. Rubina's brother who was enrolled in a computer course was forced to give tuitions instead so that he was able to cover his own expenses. Her sister, a college student, also had to discontinue her education and give tuitions to support the family. Despite their best efforts to economize, the ever-increasing cost of living has put the family in a dilemma. There is nothing left for Rubina to save from her meager salary once expenses are paid. Instead, she is forced to take loans at the end of the month and more loans to repay those taken previously. This places her in danger of mounting debt from which she may never recover.

**Names have been changed to protect privacy*

THE IMPACT OF EMPLOYMENT ON WOMEN

The qualitative findings of the current employment situation of women are presented, followed by estimates of the trends in the labour market for women in 2008-09. These are based on the following assumptions:

- a) The overall employment-to-GDP elasticity is estimated at about 0.6 from data contained in Chapter 1. Accordingly, given a GDP growth rate of 2.3 percent, total employment is likely to have increased by 1.4 percent in 2008-09 from 46.4 million to 47.0 million.
- b) As indicated in Chapter 1, most of the shock of a downturn in the labour market is borne by women. From 1990-91 onwards irrespective of the stage of the business cycle, male employment has shown a steady annual growth of between 2 to 3 percent. It is assumed, therefore, that male employment has increased by about 2 percent in 2008-09, partly achieved by displacement of female workers. As such, male employment may have increased from 37.3 million in 2007-08 to 38.0 million in 2008-09.
- c) The residual employment of women in 2008-09 has remained, more or less, constant at 9.1 million with an increase in the labour force of about 600,000, as estimated in Chapter 1.

The above projections imply a significant increase in the unemployment rate of women, from 9 percent in 2007-08 to almost 15 percent in 2008-09. It appears that currently over one in seven females in the labour force is unemployed. This level of unemployment of women is reminiscent of the labour market conditions prevailing at the beginning of



the current decade, when the GDP growth rate was also very low. In addition, the case studies indicate that women have been forced to accept jobs with inferior working conditions and lower wages (See Box 7.3).

Box 7.3 **On the brink of poverty**

The present economic crisis has caused despair and disillusionment among a large section of the population who are unable to meet their basic needs. For Ms. Rahat*, a single mother of three children, it is a huge burden. She had worked for a year in a textile factory at Rs. 4,000 per month but found the job to be too demanding and the management's attitude harsh and inhospitable to female workers. After the death of her parents, she and her seven sisters went to live with their married brother. After her marriage, Rahat left the job at the factory but was divorced by her husband and left with three children. Although the children live with their father, they wish to live with Rahat because they are treated badly by their step-mother. With the dual tension of looking after her children and the financial burden on her, Rahat is desperate for any kind of employment. Although she has been looking for a job for the last year and a half, she is still unemployed. This deteriorating situation means that Rahat has to work as a domestic servant for Rs. 3,000 although this is not sufficient to meet her family's needs. While Rahat was happy when her parents were alive, her life has become extremely difficult since her marriage and subsequent divorce. She now suffers from anxiety and depression which is also reflected in her intentional isolation and lack of trust in other people. Rahat's desperation has even led her to considering suicide because this appears to be the only way out of her predicament.

**Names have been changed to protect privacy*

TRAGIC NATURE OF THE IMPACT OF THE CRISIS

There are also some tragic implications of the current crisis. These include suicide by women (see Boxes 7.4 and 7.5), killing of children, escalating crime and the selling or desertion of children (see Box 7.6), and forcing working women into prostitution (see Box 7.7).

Suicide

The Human Rights Commission has reported a sharp increase in suicide of over 60 percent per annum in recent years, due to persistent unemployment and financial insecurity. The number of attempted suicide has also multiplied rapidly.

Box 7.4 **The reality of poverty**

On October 16 2008, Hajran Shar of Aadho Shar village in Larkana committed suicide for being unable to provide food for her two year old son and six month old daughter. Her husband, Ghulam Shabbir Shar, a donkey-cart driver who worked for a daily wage was unable to provide for the family. Not being able to afford food for her children, Hajran committed suicide by drinking pesticides that initially made her unconscious and then sadly killed her.

The selling or desertion of children

The electronic media in Pakistan is beginning to report incidents of selling and desertion of children. This is because parents are unable to meet their basic needs as a consequence of unemployment or decreasing real wages due to rising prices. The trauma of such acts of sacrifices needs to be recognized.

Box 7.5

No light at the end of the tunnel

Poverty, increased as a result of the prevalent economic crisis, makes the light at the end of the tunnel persistently bleak for thousands of people in the country. For a 26 year old mother from Lahore, financial difficulties extinguished this light completely and forced her lose all hope. On 12th April 2008, Bushra Bibi (26) chose to end her life in poverty by preferring death instead. She committed suicide along with her two children, Muhammad Zubair (5) and Saima (3), by jumping in front of an oncoming train. Even the hands that she used to cover the eyes of her innocent children as the speeding train approached could not spare them the brutal reality that they and many others face. In a suicide note which she left behind, economic hardship and poverty were cited as the causes for such desperate measures. Bushra's husband, Muhammad Ramzan, earns Rs. 6,000 a month as a welder while the family resides in a single rented room. While the sum of Rs. 200,000 and promise of a permanent residence offered by the government to the bereaved family can soothe their pain temporarily, nothing can reverse that terrifying moment when Muhammad Ramzan's wife and two children were forced to end their young lives in such tragic circumstances.

Box 7.6

Forced to abandon

Mothers give birth to their children and do everything protect their loved ones. Yet the specter of poverty makes survival difficult for the most loving parent. A poignant scene took place at the Bilquees Edhi Foundation Centre in Karachi on 18th November 2008, when three women abandoned a total of eight children to the care of the Centre. While the Edhi Centre is home to hundreds of children who are deprived of parental love and guidance, this was the first time such a large number of children of parents who were alive have been abandoned. Confused, scared, and in tears, the innocent children wondered what forced their mothers to abandon them at the orphanage. Growing unemployment, inflation, and poor social service protection are the cause for such desperate acts. The media and civil society played its role in bringing this sad event to notice so that the children were reunited with their families the next day, after pledges of help were made by government officials and social welfare organizations. This however does not change the economic reality facing a large segment of the country's population. For a child of a baker or a labourer, a better life with food, clothes and education to be provided at a charity center for orphanages is a tragedy.

Prostitution

The economic crisis has further limited choices available to women. Chronic poverty and starvation have forced many women to make extremely difficult decisions. One of the tragic dimensions of the economic crisis is women turning to prostitution or becoming sex workers. This phenomenon is a common sight not only in major urban centers of Pakistan but also in the semi-urban settlements. In-depth case

studies have also substantiated that women suffering under chronic poverty conditions, and without any support, have contemplated becoming sex workers.

Box 7.7 **Forced into prostitution**

In the prevailing harsh economic reality, deprivation and desperation together involves a sacrifice of one's honour and principles. Prostitution is a growing menace in society, made worse in the current economic crisis that has deepened the economic hardships faced by women. This evil is not just confined to the larger cities, but poverty has led to its gradual expansion in the suburbs as well. Fearful of society's disapproval but due to desperate circumstances, many women who become prostitutes hide behind the guise of beggars. One such case is of Sanam*, a widow and mother of two, who after losing her husband to cancer was thrown out from home by her in-laws. Responsible for her young children but unable to find a job, Sanam was forced to sell herself on the streets to secure her family's future. While the risk to their life and security is great in the business, the payoff is usually enough to enable these women to meet basic needs. A street walker for three years, Sanam makes an average of a thousand rupees a day. Tragically, many married women have also been forced in to this humiliating profession because the income of their husbands is not sufficient to meet their needs.

**Names have been changed to protect privacy*

SOCIAL PROTECTION

Efforts are being made to develop social protection mechanisms for the poor during times of crisis. Perhaps the most important initiative launched by the Federal government is the Benazir Income Support Program. This involves cash transfers to poor households. The outlay proposed for this program is Rs. 70 billion in 2009-10, as compared to an expenditure of Rs 22 billion in 2008-09. Each beneficiary household will receive Rs. 1000 per month and the coverage is expected to extend to just under six million households. The important aspects are that Benazir Card will be issued to an adult female of a household while target households are being identified on the basis of a poverty scorecard system. The Punjab government is also running a large food support program involving cash transfers. In addition, a 'two rupee roti' project is in operation in cities like Lahore. Beyond this, the Utility Stores Corporation is offering a subsidy on basic food items at its outlets.

The above analyses of the impact on females of the economic crisis also highlight the need for other forms of social protection. The pressure on family budgets has led to decreasing nutrition levels of girls and an increasing female drop-out rate from schools. Therefore, there is an urgent need for a school nutrition program for female students in order to attract greater school attendance and protect nutrition levels. Furthermore, there is a need to develop mechanisms and incentives for promoting the employment of women.



STRATEGIES FOR PROMOTING WOMEN'S EMPLOYMENT

8

*Strategies to provide
an enabling
environment for
women in the
workplace need to
focus on
implementation of
policies that facilitate
women's participation
in various economic
activities.*



STRATEGIES FOR PROMOTING WOMEN'S EMPLOYMENT

The previous chapters have demonstrated that the female labour force in Pakistan is characterized by substantially lower participation and higher unemployment rates when compared to their male counterparts. The data also reveals women remain marginalized in the labour force. The participation rates of females in the labour force are lower, and women are concentrated in a few traditional and informal sectors. Among employed women, an overwhelming majority are employed as unpaid family workers which means they are engaged in production but not receiving any monetary benefit for their services. Moreover, women are less likely to be employed in high level occupations or in decision-making positions. There are also large gender wage gaps. The wages of females are less than those of males even with the same level of education and experience. While the proportion of female enrolment in institutions of higher education is large and growing, this is not reflected in the gender distribution of new technical, managerial and professional positions emerging in the economy. As such, a sharp imbalance is observed in the participation of women in the education system, and in the labour market. This is combined with limited access to opportunities like credit and micro-finance.

Furthermore, working conditions in the labour market remain unfavourable for women. The incidence of sexual harassment and violence in the workplace is alarming. Not only are labour laws inadequate but implementation is ineffective. As economic conditions have deteriorated in recent years, the employment prospects for women have worsened and working conditions have deteriorated simultaneously. This has contributed to a fall in real wages and reductions in nutrition standards and schooling of children. Incidents of suicide by women, killing or desertion of children and a move towards prostitution are the tragic consequences of the economic crisis.

Therefore, strategies to provide an enabling environment for women in the workplace need to focus on implementation of policies that facilitate women's entry in various economic activities, as well as reforms that protect the existing female workforce and improve their working conditions. Key elements of a strategy for promoting employment of women are described below.

GROWTH AND REVIVAL OF THE ECONOMY

The experience over the last four decades is that, unlike men, the employment prospects for women are very sensitive to fluctuations in overall economic activity. During recessions, there are sharp declines in the level of employment of women in different sectors of the economy, especially in industry and services. As opposed to this, female employment grows at a fast rate when the GDP rises rapidly.

Therefore, the process of economic revival is of paramount importance if the rate of participation of women in productive employment is to improve dramatically. Given the concentration of women in rural activities, policies for increasing agricultural growth, especially in livestock and other female labour-intensive activities, are important in sustaining the contribution of women to the rural economy. The enhanced emphasis on higher agricultural production by the democratically elected government is a positive development.

In addition, industrial revival policies need to be put in place if the continuing process of displacement of women from this sector is to be reduced. Supporting the growth of exports in particular, in items like garments, leather, jewellery, sports goods, etc., where women play an important role, has to be a key component of the policy for raising industrial production. Therefore, implementation of the range of counter-cyclical monetary and fiscal policies is necessary not only for raising the level of employment, but also to improve the job prospects for women.

In addition, a change in public expenditure priorities in recent years have led to a sharp fall in allocations for social sectors like education and health. This has to be reversed not only from the view point of promoting human development, both of men and women, but also to protect and increase employment of women who play a major role in the provision of community and social services like teaching, nursing and health care.

TAX REFORMS

- Female employees must be given income tax incentives. Under the Income Tax Ordinance 2001, there is only one provision which relates exclusively to women which is the initial tax exemption. The limit of the tax exemption under the Finance Act 2009 is Rs. 260,000 for women as opposed to Rs. 200,000 for men. There are no other women-specific provisions. A tax credit of up to 30 percent should be offered to women at all levels of earned income. This would reduce the post-tax wage gap among men and women and possibly encourage employers to hire more female employees.





- The share of an employer in EOBI payments could be smaller for women with the difference being absorbed by the government. Presently, employers are required to contribute 5 percent per month of employee's minimum wages in all industrial and commercial organizations. Employees are required to contribute 1 percent of minimum wages. In addition, higher benefits to women, with respect to health coverage, may be made available to women.
- There is also a need for compulsory coverage of EOBI and other safety nets for both male and female employees in the informal sector. The EOBI may be encouraged to register individual female employees directly in cases where their employers resist registration, or where the organization is excluded from the purview of mandatory registration. This means that employees who were previously excluded, such as self-employed workers and agricultural workers, would now be given coverage under EOBI. A pass book system linked to the employee may be set up for this purpose.

LABOUR LAW REFORMS

- There is a need to align domestic labour legislation at par with commitments made under international labour laws/conventions. Constitutional provisions thus need to be enacted for implementation of ILO conventions that have been ratified by the government. Presently, there is no constitutional provision which makes Pakistan's international commitments binding. One such convention for which domestic legislation is needed is the Convention on Workers with Family Responsibilities (156) 1981. Many working women in Pakistan manage family responsibilities in related to dependent children and other family members. These responsibilities can restrict a woman's prospects of preparing for and entering paid employment.
- Institutional arrangements need to be improved to ensure enforcement of labour laws. The government should establish 'Legal Aid Committees' in industrial estates/areas, which also employ female lawyers. They can advise female workers and litigate on their behalf as well as help create awareness regarding their rights and entitlements. These Legal Aid Committees could function under the supervision and control of the Zila Ombudsman or the District Nazim of that area. The provincial and district Mohtasib's office can also be explored for implementation of labour laws. This can act as a public grievance redress mechanism, especially with regard to discriminatory treatment of women.
- There is a need to apply the ILO Convention on Equal Remuneration 1951 (No.100). Equal wage law may be introduced for work of equal value without discrimination based on gender. Equal opportunities will encourage women to maintain continuous employment patterns by reducing wage

inequalities and improving remuneration of low-paid and/or female dominated jobs. Presently, the Minimum Wage Ordinance 1961 and Payment of Wages Act 1936 make no specific provision for equal pay for equal work. Introduction of equal wage provision in the Payment of Wages Act will directly address all forms of gender discrimination. Here work of equal value means "same work or work of a similar nature" that requires the same skill, effort, and responsibility when performed in similar conditions by either a man or a woman. The changes recommended to provide for payment of equal wages for men and women for work of equal value in Payment of Wages Act 1936 are:



- o Preamble: an Act to regulate the payment of wages to certain classes of persons employed in industry [insert] for work of equal value without discrimination based on gender.
- o Insert Section 4-A: There shall be no difference in wages based on gender for work of equal value.
- o Insert definition of work of equal value: same work or work of a similar nature which requires same skill, effort and responsibility when performed under similar working conditions, by a man or a woman and the differences, if any, between the skill, effort and responsibility required of a man and those required of a woman are not of practical importance in relation to the terms and conditions of employment.
- While Article 25 (3) of the Constitution makes it possible to initiate 'special laws' for protection of women, in reality, there are very few separate laws that pertain directly to women. An exception is the Maternity Benefits Ordinance which entitles a female worker to paid maternity leave. Even in case of maternity leave, women are not provided any special medical attention as only the paid leave up to 12 weeks is considered sufficient. It is important that pregnant women be given legal protection from risks involved in doing heavy physical work or work with dangerous materials. Also, the existing laws do not provide women job protection immediately after delivering a child. Hence a clause should be added which prevents employers from dismissing a woman up to four months after childbirth with or without notice. This will ensure that the woman can return to her job at the same or equivalent position and for the same wage at the end of the maternity leave.
- The scope of the Industrial Relations Act is limited. It does not include the agricultural sector nor does it include other sectors which employ a large number of women such as institutions for the treatment and caring of sick, infirm, destitute, and mentally unfit in which women are actively involved. Over 70 percent of women are employed in the agricultural sector; however, the four basic laws governing labour legislation do not cover agriculture. The same is true for the informal sectors. The scope for bringing agriculture and the informal sectors within the ambit of labour laws needs to be explored.

Legal protections against violence in the workplace

- Violence in the workplace is a major concern for working women and an impediment for those who are not yet employed. It is important to address the legislative gap existing in a number of civil provisions, criminal codes, anti-discriminatory laws, labour laws, and the Tort law. There is a need to establish an affirmative defense and preventive strategy to counter violence in the workplace and sexual harassment. A clear governmental policy on sexual harassment needs to be formulated that outlines investigation mechanisms and protection from discrimination. Moreover, sexual harassment be included in the labour laws as a criminal offense. In Pakistan, Protection of Women (Criminal Laws Amendment) Act 2006 is part of the Pakistan Penal Code. However, the Protection against Harassment at the Workplace Act 2008 and related Code of Conduct for Protection against Harassment at Workplace and Criminal Law (Amendment) Act 2008 have been drafted and are waiting approval of the Parliament. Legal protection from discrimination (contained in these Bills) needs to be implemented. Sensitization of the judiciary and law enforcers to the issues of violence in the workplace is also needed. The following changes are recommended in the proposed Bill:
 - The Bill on the Protection of Women consists of 13 Articles and deals with sexual harassment. The word 'sexual' may therefore be added to the title of the proposed Bill.
 - Clause (e) of the definition restricts the definition to the regular or contractual employee. To ensure the protection of all categories of workers, it is important to include the temporary (badli) and part-time workers in the definition. The proposed clause does not provide the complaint procedures for the other categories of workers.



- o Defamation is often used as a threat in the case of sexual harassment. The 'fear' of defamation prevents a victim from taking any action. It is, therefore, suggested that defamation (second degree aggravated harassment) is also included as a clause in the definition section. Second degree aggravated harassment is used as a tactic to coerce and frighten the complainant.

The Code of Conduct for Protection Against Harassment at the Workplace accompanying the Bill addresses the common two categories of harassment namely, 'quid pro quo' and 'hostile work environment' harassment.

- o The Code of Conduct in (ii) (b) addressing the creation of hostile environment refers to a 'typical' hostile environment. The inclusion of the word can be misused for flouting the code and escaping any penalty/inquiry. In order to provide level fields, (both) to the employee and employer, the word 'typical' be removed. Similarly, in explanation (c) given under the heading of Relation, the words 'generating gossip' be replaced by 'intimidation'.
- o Clause (iii), (iv) and (v) addressing the informal approach are not clear on who would play an advisory role/mediatory role/and how would it be ensured that 'advice' would not constitute a subtle threat.
- o Clause (iii) leaves room for 'maneuverability' and 'manipulation', with the latter undermining 'fair and acceptable advice'.
- o Clause (iv and v): word 'alleged accused' be replaced by 'alleged aggressor'.
- o Clause (v): the expression 'to someone they trust' be replaced by 'a focal person'.
- o Clause (xii) is totally silent on harassment by the 'group of individual' whereas clause (iii) must ensure that the mediator is non-partisan. The statement of objective and reason needs to be tightly worded with a clear focus on hostile work environment harassment and quid pro quo harassment.

ACCESS TO CREDIT

- Microcredit should be mainstreamed. Commercial banks should be given incentives for providing microcredit to women as the cost of microcredit would be higher for these banks. For example, a tax credit of 2% of the increase in volume of microcredit can be offered to the banking system. So far, the commercial banks have treated the provision of microfinance services as a 'social obligation' that is cross-subsidized by their commercial operations. The lack of collateral among potential clients and high operational costs make microfinance an

unattractive prospect for them. Presently, women and the poor are unable to access commercial bank services very easily, and the provision of microcredit by NGOs is also very limited given the demand for financial services. Hence, incentives need to be provided to expand the scale of microfinance services and for the establishment of MFIs. The SBP has facilitated this by relaxing the regulatory regime which governs microfinance activities, as opposed to the strict regulations which guide conventional banking operations.

- Access to credit for women can be facilitated by removing the condition of collateral in favour of a group lending program. In this practice, several female borrowers form a group and together they form one centre. A general loan is provided to the group whose members take collective responsibility for the repayment of this loan. This practice of group lending was initiated by Bangladesh's Grameen Bank and has been adopted by Kashf in Pakistan though it needs to be expanded to other MFIs.
- Microcredit programs can play an important role in encouraging women who are divorced or widowed to become engaged in economic activities. Financial independence of women is an important economic and social asset, as it not only enhances their (material) asset ownership but also allows them to assume a greater role in decision-making. Hence, microcredit schemes need to especially target women who are divorced or widowed. Expanding the scope of microfinance for women is important because this also has positive multiplier effects as female employers help to generate greater employment opportunities for other women. Research has shown that female employers/entrepreneurs of SMEs are likely to employ more women than men on average.



- As the government has announced that BISP cards will be issued to women, various benefits/privileges could be linked to BISP cards. For example, a BISP card holder could be given automatic access to micro-credit of say, upto, Rs 10,000, with automatic deduction from the monthly cash transfer.
- MFIs need to provide advisory and information services to female clients in addition to microcredit. This includes a wide range of support services such as collection and dissemination of women-specific data and counseling and advice on credit management, legal issues pertaining to credit, taxation, and marketing. Moreover, they need to provide women with opportunities for skills development, assist them in identifying suitable business opportunities and in tapping existing resources, and access to technology. These efforts will also help establish linkages and a support network for women, improve their employment prospects, and help them run their business with more confidence.
- Special programs of support should be put in place to develop SMEs owned by female entrepreneurs. Possibly with donor and government assistance, venture capital and credit guarantee funds should be established with pre-specified shares for women.

GENDER-SPECIFIC LABOUR POLICIES

- Many women choose to stay out of the labour force or opt for less demanding occupations than men because they have to spend dual energy in household activities as well as in the workplace. Hence, they prefer occupations which are compatible with the domestic responsibilities of women. To encourage women's employment, it would be useful if an employer were to allow flexible working hours and work arrangements. This would bring more women into the work force who had previously opted out of employment. In addition, employment of women could be facilitated by provision of child care facilities at factories and subsidised transport arrangements. Appropriate provisions in the form of accelerated depreciation, allowances, or tax credit could be provided to employers based on the costs of the provision of such facilities.
- The participation of women in the labour market is constrained by human capital characteristics or by discrimination in the labour market. Access to jobs in high-level occupations has been identified as the major factor contributing to the gender wage gap. This indicates the need for an affirmative action program to ensure access to jobs by women with the requisite qualifications. This could be in the form of increasing the quota for women in high-level occupations, initially in the public sector. For example, a quota of one fourths to one third jobs for women could be set for entry level positions in various government cadres subject, of course, to the fulfillment of the minimum qualification requirements.



HUMAN RESOURCE DEVELOPMENT INITIATIVES

- It is important to simultaneously reduce the gender gaps in education so that women can gain access to better paying jobs. Higher female education contributes to higher labour productivity and economic performance. Women who have attained secondary level education can avail opportunities for white-collar work as opposed to less educated women who can only perform manual work. Reducing gender gaps in education will eventually lead to smaller gaps in employment. Investing in higher education for women is not really a question of investing more funds. Rather, it involves the most efficient use/allocation of funds to an area where it would yield higher returns. Women with post-graduate qualification or professional degrees are most likely to be in high-level occupations. In particular, women have succeeded in other countries in professions related to business, commerce, finance, and information and communications technology. Enrolment of female students in public sector institutions offering degree programs in these areas could be facilitated by specifying admission quotas of up to one thirds, subject to meeting minimum entry requirements. Also, a higher share in scholarships and fellowships could be offered to female students. This will also encourage girls to prefer professional over general education.
- The Draft Employment Policy 2008 aims to improve the quality of human resources to improve productivity levels. The policy is still in the draft form and needs to be implemented in order to positively influence workers in general and female workers in particular (as they have low literacy rates and vocational training would help develop specific skills). This will improve efficiency and also provide female employees with opportunities for professional growth.

SOCIAL PROTECTION

- The government will need to initiate an employment guarantee scheme that covers youth and women. This would be particularly effective during periods of economic recession when many workers (especially female workers) are temporarily and/or seasonally unemployed or under-employed. The government can also guarantee jobs or paid internship opportunities for young females who graduate on merit by setting a quota for them in public offices.
- During an economic recession such as the current situation, nutrition levels of women and girls, in particular, suffer and there is a greater tendency for girls to drop-out of school. Therefore, higher priority needs to be given to launching a school nutrition program for girls in order to minimise the drop-out and fall in nutrition levels. This program could initially be started with government funding in the more isolated parts of the country.

- The Benazir Income Support Program is the largest social protection program in Pakistan's history. The payment of cash transfers is being made to adult females in a poor household. This initiative by the government should be appreciated as it provides social protection to women. The emphasis now needs to be on rapid expansion of coverage, based on the application of objective and transparent criteria for identification of target households.

GENDER-DISAGGREGATED STATISTICS

- It is also important to note that most women are hired as unpaid family helpers i.e. they work without remuneration. If they are excluded from labour force participation calculations (i.e. only paid female labour is considered), the figure is reduced by half. Hence, the unemployment figures for women understate the actual number of women unemployed in Pakistan. A better quality of education can help increase women's chance to access greater employment opportunities in paid employment. Moreover, women in Pakistan are also more likely to be engaged in subsistence activities as well as unpaid care work or marginalized activities. However, these do not count in the labour force statistics because either the woman herself or society does not consider it as a proper economic activity. Conventional labour force participation statistics need to reflect the reality.



APPENDICES

APPENDICES

SOCIAL DEVELOPMENT IN PAKISTAN, 2007-08

A.1

DETERMINANTS OF FEMALE LABOUR FORCE PARTICIPATION

The increasing trend of women participation in the labour market in Pakistan has drawn attention towards looking at the macroeconomic factors that contribute to these participation rates. The theory suggests that levels of economic development influence women participation in the labour force in Third World countries. High level of modernity as a result of economic development is associated with increased demand for labour and with social acceptance of women's employment and education. Thus, economic development evaluated in terms of economic growth positively affects the women's participation in the labour force. Overseas migration of labour force creates shortage of labour force in the domestic market. As a consequence, the availability of jobs induces women to take advantage of this opportunity and hence positively affects women's participation. It is generally believed that in times of high inflation women are also forced to work in order to supplement the household income. Given this, inflation is assumed to have a positive impact on women's labour force participation. The level of reservation wage is amongst the important factors which affect the decision of a woman to participate in the labour force. The reservation wage is the lowest wage rate at which a worker would be willing to accept a particular type of job. It is perceived that increase in reservation wage brings an increase in labour force participation. Another important factor that stimulates a woman to participate in the labour force is level of education. Increase in the level of education of women is assumed to impact/affect the participation rate positively.

With this theoretical background, this section attempts to carry out an empirical analysis to investigate the impact of above mentioned variables on women's labour force participation in Pakistan. In Pakistan, women are largely engaged in commodity producing sectors (agriculture and industrial sectors), therefore, the GDP of commodity producing sectors is taken here instead of overall GDP. GDP per capita is considered as a proxy for reservation wage and level of education is captured through the literacy rate. Given this specification, the following equation for women's labour force participation is estimated for the period 1972-73 to 2006-07 by using co-integration technique.

$$\log(LFF) = \alpha_0 + \alpha_1 \log(YCOM) + \alpha_2 \log(MIG) + \alpha_3 \log(INFL) + \alpha_4 \log(RWG) + \alpha_5 \log(LRF)$$

Where,

- LFF = Female labour force
- YCOM = GDP of Commodity Producing Sector
- MIG = Ratio of overseas labour force migration and population
- INFL = Rate of inflation
- RWG = Reservation wage
- LRF = Literacy rate of females

Order of Integration of the variables

As a prior step, Dicky-Fuller generalized least square (DF-GLS) is employed to examine the order of integration of variables in the concerned model. The results show that all time series (in their logarithmic form) are non-stationary (have a unit root) at level but not in the first difference (see Table-1). This indicates that all variables are stationary at first order of integration or I (1).

Variables	At Level		At 1 st Difference	
	DF-GLS Statistics	Lag	DF-GLS Statistics	Lag
Log(LFF)	-2.6289	0	-4.8966*	1
Log(YCOM)	-1.8994	1	-4.0818**	1
Log(MIG)	-2.5723	1	-3.7190*	1
Log(INFL)	-2.7826	0	-5.4799*	0
Log(RWG)	-1.5167	1	-3.4195*	1
Log(LRF)	-2.0284	1	-4.4018*	1

Note: *(**) represent the 1% (5%) level of significance.

Co-integration Tests

The Johansen-Juselius (1990) co-integration technique is used to estimate women's labour force participation equation. The results reported in Table-2 show that for Likelihood Ratio, the null hypotheses $R = 0$ and $R = 1$ can be rejected in favour of its alternative $R = 2$. This indicates that there exist at least two co-integrating vector and confirms that there prevails a long run association among the concerned variables in the model. Table 2 also shows that for Maximum Eigen values there exists at least two co-integrating vector, which further confirms the existence of long run relationship among variables in case of Pakistan.

Hypotheses	Likelihood Ratio	5% critical	Inst-values	Maximum Eigen values	5% critical	Inst-Values
$R = 0$	129.621	95.754	0.000	57.100	40.078	0.000
$R = 1$	72.521	69.819	0.030	34.645	33.877	0.040
$R = 2$	37.876	47.856	0.307	19.840	27.584	0.352
$R = 3$	18.036	29.797	0.563	9.9744	21.132	0.747

The results of normalized co-integrating coefficients with t-statistic in parentheses are given below.

$$\log(\text{LFF}) = 12.2 + 10.25 \log(\text{YCOM}) + 0.183 \log(\text{MIG}) + 2.12 \log(\text{RWG}) - 0.155 \log(\text{INFL}) + 0.798 \log(\text{LRF})$$

(12.29) (9.26) (7.56) (-6.09) (6.97)

The empirical findings indicate that variables including GDP of commodity producing sector, overseas migration, reservation wage and literacy rate, all have a positive and significant influence on women's participation in the labour force. However, rate of inflation is found to have a significantly negative relationship with women's participation in the labour force.

A.2

METHODOLOGY FOR THE DECOMPOSITION OF CHANGE IN FEMALE LABOUR FORCE PARTICIPATION

In order to establish a link between educational attainment and female labour force participation (LFP) rate, the increase in female LFP rate is decomposed into two effects: improvement in educational attainment and general emancipation. Mathematically, the two effects can be derived by using the following procedure.

$$\text{Let,} \quad PR_t = \sum S_{it} \times PR_{it} \quad \dots \dots \dots [1]$$

$$A \quad PR_{t-1} = \sum S_{i, t-1} \times PR_{i, t-1} \quad \dots \dots \dots [2]$$

Where,

- i = five categories of education (illiterate, below primary, primary, matriculation, and degree)
- t = three points in time (2007-08, 1999-00 and 1990-91)
- PR = labour force participation rate at category i of education
- S = share of population at category i of education in total population

Equations (1) and (2) state that overall LFP rate is a product of share of population and participation rate at category i of education.

Subtracting equations (2) from equation (1) imply that change (Δ) in participation rate at two points of time can be expressed as,

$$\Delta PR = PR_t - PR_{t-1} = \sum S_{it} \times PR_{it} - \sum S_{i, t-1} \times PR_{i, t-1} \quad \dots \dots \dots [3]$$

Solving and rearranging equation (3) yields,

$$\Delta PR = \sum PR_{i, t-1} (S_{it} - S_{i, t-1}) + \sum S_{it} (PR_{it} - PR_{i, t-1}) \quad \dots \dots \dots [4]$$

The first part of the equation (4) can be inferred as the effect of educational attainment while the second part as the effect of general emancipation. Educational attainment effect implies increase in participation rate as a result of increase in education among females. General emancipation effect implies the increase in participation rate as a result of increase in labour demand due to improvement in socio-economic factors where education, *per se*, does not have any concrete role.

If the magnitude of effect of educational attainment is greater than that of general emancipation, then education contributes in attracting the female into the labour market. If the magnitude of effect of general emancipation is greater than that of educational attainment, then socio-economic factors contribute in bringing the female into the labour market.

GENDER WAGE GAP ESTIMATION

Theoretical Context

The standard procedure to quantify the magnitude of gender wage gap is based on the Mincerian wage equation. However, it may face the problem of selection bias because the dependent variable in the equation can only be measured if the individual participates in the labour market. Generally, a significant part of the female sample does not work for wages or are not part of paid employment. This may be a non-random sample of females because the exclusion of a large number of females affects their participation in the labour force and consequently wages. In this case, the estimates of wage equation based only on the sample of working women will be biased and inconsistent. The difference between female paid employees and other females determines the sample selection bias because some components of the work decision are relevant in determining the wage process. Moreover, the unobservable characteristics affect the work decision and the wage.

To correct the selection bias, Heckman (1979) proposed the estimation of wage equation in two steps: estimating the female participation equation and calculating a correction term called 'lambda' or the inverse Mill's ratio, and then estimating wage equation by incorporating the correction term as an independent variable. These two steps are explained below.

Female Labour Force Participation (Logit) Equation

A logit equation was estimated by using a dependent variable having 1 for a female labourer and zero otherwise, considering female sample only for 1996-97 and 2007-08. This logit equation was regressed on a set of independent variables like age, education level, household size, marital status and so on by using micro-datasets of LFS 2007-08 and 1996-97.

Table A-1, presents the result of a logit equation. The age and its squared terms are significant and express a concave relationship between female labour force participation and age (the linear term is positive and the quadratic term is negative) in both years. This indicates that initially, female labour force participation increases with age and after reaching its peak it declines. The coefficients of education dummies from primary to intermediate are negative and significant. While for graduate and post graduate only are positive and significant in 2007-08. This reflects the level of education up to intermediate which does not translate into higher labour force participation. Province-wise dummies for both Punjab and Sindh are positive and significant indicating that women in Punjab and Sindh have an edge over other provinces in labour force participation. Marital status also plays an important role in female labour force participation, as indicated by the positive sign of single and widowed women. While a higher number of infants discouraged female labour force participation, higher household size causes an increase in female labour force participation. Negative sign of urban dummy indicates that female labour force participation is higher in rural areas as compared to urban areas. Based on this logit equation, inverse Mill's ratio was computed to remove sample bias for the subsequent estimation.

Estimates of Wage Equation

In the second step, three standard Mincerian wage equations (for female, male and pooled samples) were estimated for 2007-08 and 1996-97. Table A-2 and Table A-3 present the results of wage equations. It is notable that all the estimated results are in line with the human capital theory. Both the age variable (a proxy for experience) and its squared are significant and express an inverted U-curve relationship between wage and experience. It implies that wages increase in the initial phase employment and then decline after reaching their maximum point. The estimated results also reflect that having no education can put a serious strain on career advancement.

Moreover, as expected, return to higher academic degrees rises unequivocally with higher level of education. The sign and magnitude of coefficients of high and mid levels dummies indicate that choice of occupation also plays an important role in wage determination. While wages of females are comparatively higher in rural areas, wages of males are higher in urban areas.

Table A-1 Logit model for labour force participation (female sample only)

	2007-08		1996-97	
	Coefficient	z-statistics	Coefficient	z-statistics
Age	0.0988	21.05	0.0873	11.9900
Age square	-0.0012	-21.40	-0.0010	-11.4300
Single	0.4966	13.85	0.7401	12.3400
Widowed	0.1295	2.76	0.5675	7.8500
No. of infants	-0.0428	-3.21		
Female Headed Household			0.2072	2.5500
Household size			0.0103	1.7900
Urban	-1.1025	-41.98	-0.8233	-19.8600
Punjab	0.8633	33.94	0.9878	27.0600
Sindh	0.5417	18.18		
Primary	-0.8354	-24.82	-0.5213	-8.2100
Matric	-0.6799	-14.74	0.2959	4.2900
Intermediate	-0.3281	-5.55	0.5955	6.5000
Graduate	0.3695	5.84	1.5589	15.2900
Post Graduate	1.7237	21.17	2.4787	17.1100
Technical training	1.0127	23.42	1.5153	18.1600
Household Income excluding female earnings	-0.000034	-20.38	-0.000033	-5.7800
Constant	-3.2402	-33.04	-4.1970	-26.6000
Pseudo R-square		0.1014		0.0965
Number of observations		69,523		34,555

Table A-2 Mincerian wage equation 2007-08

	Female sample		Male sample		Pooled sample	
	Coefficient	t-statistics	Coefficient	t-statistics	Coefficient	t-statistics
Age	0.0623	9.8600	0.0572	31.0300	0.0567	31.9300
Age square	-0.0007	-7.5600	-0.0006	-23.7200	-0.0006	-24.3700
Urban	-0.2509	-5.6100	0.0496	5.7900	0.0397	4.7000
Primary	0.0057	0.1100	0.0920	8.5100	0.0997	9.3400
Matric	0.2054	3.5600	0.2430	18.6400	0.2536	19.8100
Intermediate	0.5532	9.3900	0.4993	29.7100	0.5167	31.8900
Graduate	0.8816	15.6300	0.7616	41.8200	0.7752	44.8600
Post Graduate	1.5266	21.0400	0.9875	46.6900	1.0513	52.4500
Technical training	0.1558	3.0500	0.0856	6.4700	0.0749	5.8700
High Level Occupations	0.6304	8.0200	0.3187	16.8900	0.3369	18.2000
Mid Level Occupations	0.1188	2.8700	0.0507	5.0200	0.0597	6.0300
Inverse mills ratio	0.3288	9.7600			0.1478	9.3300
Female					-0.6706	-21.2000
Constant	0.7869	6.4000	1.8333	56.5800	1.8345	58.6700
Adjusted R-square		0.3905		0.3282		0.3486
Number of observation		2,644		22,854		25,498

Table A-3 Mincerian wage equation 1996-97

	Female sample		Male sample		Pooled sample	
	Coefficient	t-statistics	Coefficient	t-statistics	Coefficient	t-statistics
Age	0.0634	6.1200	0.0427	15.2200	0.0425	15.6900
Age square	-0.0007	-5.8200	-0.0005	-13.4000	-0.0005	-13.9200
Single	0.0718	1.1000	-0.0627	-3.4400	-0.0649	-3.7100
Widowed	-0.0877	-1.1600	-0.1425	-3.4100	-0.1934	-5.5200
No. of infants	0.0117	0.3600	-0.0161	-2.0100	-0.0152	-1.9400
Urban	-0.1717	-2.9400	0.1198	10.6800	0.1130	10.2700
Primary	-0.0137	-0.1800	0.0871	6.2300	0.0912	6.5900
Matric	0.3931	5.8900	0.2136	12.7600	0.2274	13.9400
Intermediate	0.5099	6.5700	0.3763	17.3500	0.3817	18.2400
Graduate	0.9847	11.0600	0.6192	24.1600	0.6338	25.9600
Post Graduate	1.5900	13.7900	0.8477	29.4500	0.8855	32.1400
Technical training	0.4862	5.8000	0.0815	4.6500	0.0911	5.3400
High Level Occupations	0.2307	3.2700	0.3302	14.8900	0.3238	15.4900
Mid Level Occupations	0.0321	0.6000	0.0941	7.4100	0.0902	7.2600
Inverse mills ratio	0.2797	5.9800			0.0310	1.4500
Female					-0.3885	-8.3300
Constant	0.2335	0.9400	1.4360	25.0000	1.4476	26.2000
Adjusted R-square	0.3646		0.3072		0.3209	
Number of observation	1,221		11,713		12,934	

Decomposition of Access and Wage Effects

Suppose W_m and W_f are wages of male and female, and P_{mi} and P_{fi} are probabilities of male and female in getting a job in occupation i , then gender wage gap can be decomposed as follows:

$$\Delta W = W_m - W_f \quad \dots\dots\dots (1)$$

$$\Delta W = \sum P_{mi} W_{mi} - \sum P_{fi} W_{fi} \quad \dots\dots\dots (2)$$

$$\Delta W = \sum P_{mi} W_{mi} - \sum P_{fi} W_{fi} + \sum P_{mi} W_{fi} - \sum P_{fi} W_{fi} \quad \dots\dots\dots (3)$$

$$\Delta W = \sum P_{mi} (W_{mi} - W_{fi}) + \sum W_{fi} (P_{mi} - P_{fi}) \quad \dots\dots\dots (4)$$

The first part of equation 4 can be inferred as wage effect while the second part is access effect. One important reason of decomposing the wage and access effects is to see different policy implications for eliminating gender wage gap. In case when the access effect is greater than the wage effect, greater policy interventions are needed to eliminate vertical segmentation in the labour market including increasing quota for women in high level occupations. In case when the wage effect is greater than the access effect, different tax treatment is needed to eliminate gender pay gap.

A.4

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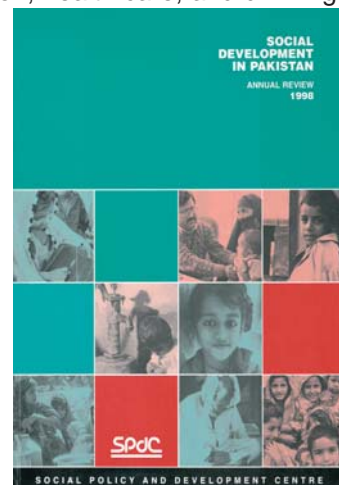
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First of the annual series, the Review of Social Development in Pakistan was launched in the wake of a growing realization that the country was lagging behind in social development. It was felt that access to basic social services such as primary education, health care, and drinking water was limited, and that social underdevelopment had, perhaps, begun to slow down the pace of economic development as well. As such, the Review addressed the relationship between economic and social development, and the central role of human development in the growth process. It then traced in detail the evolution of the social sectors in Pakistan over the 50 years since independence, and compared Pakistan's social development between the provinces and with other countries in the region. Based on the custom-developed 242-equation Integrated Macroeconomic & Social Policy Model, a detailed quantitative analysis and assessment was made of the government's programmes and policies in the social sectors, including the Social Action Programme - the largest single social development programme in Pakistan's history - focusing on issues such as sources of financing, user-charges, and issues relating to cost-effectiveness of social service provision.



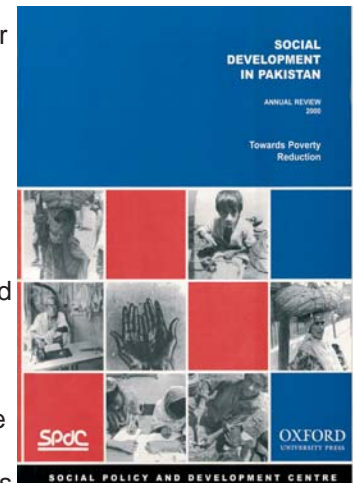
Social Development in Economic Crisis Annual Review of Social Development in Pakistan 1999

The second Review dealt with social development in an environment of severe economic crisis caused by international sanctions imposed on Pakistan following the country's decision to conduct the nuclear tests. The Review began by tracing the short and long term causes of the crisis, leading to Pakistan's return to the IMF/World Bank program. Further, based on SPDC's 246-equation Integrated Macroeconomic & Social Policy Model, it quantified the cost of the economic sanctions following the adoption of the nuclear path. It delineated the various options available to deal with the crisis, including the path of self-reliance, to achieve sustained development. It then explored the impact of each option on some of the key social dimensions: poverty, unemployment and the status of women and children. It also appraised the Social Action Programme, and forewarned that it was in jeopardy due to growing fiscal and institutional constraints. Given the prospect of rising poverty, it examined the types, nature and adequacy of different social safety nets - governmental as well as non-governmental - and highlighted the underlying problems of coverage and targeting.



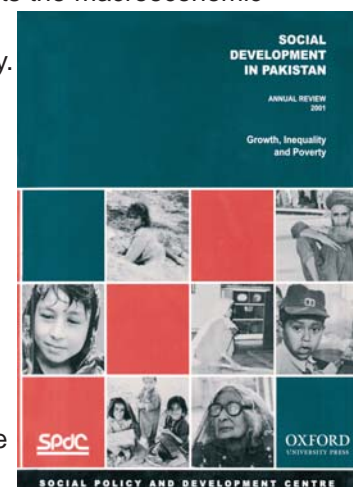
Towards Poverty Reduction **Annual Review of Social Development in Pakistan 2000**

The Review focuses on the subject of poverty, identifying its nature, extent and profile, and highlighting the structural dimensions of poverty. Based on the conclusions that a poverty reduction strategy will have to be comprehensive and multidimensional in character, it covers a wide agenda. It comprises an appraisal of the role of the informal economy, not only as a residual employer but also as a household or community based welfare and support system, in mitigating poverty. Based on the results of SPDC's 250-equation Integrated Macroeconomic & Social Policy Model, it underlines the need for appropriate macroeconomic and fiscal policies to achieve faster growth in income and employment. In this respect, macro and micro aspects of a revival strategy, including options such as reducing the tax burden on the poor and orienting public expenditure towards the poor have been outlined. It also covers structural issues such as land reforms and development of human resources through access to social services, particularly pro-poor services. It discusses different elements of a strategy consisting of increased economic opportunities for the poor, their empowerment, and access to welfare and support through appropriate social safety nets, namely, public works, microfinance, food support and zakat. It also deals with issues of governance and poverty, devolution, economic governance, institutional capacity, and corruption.



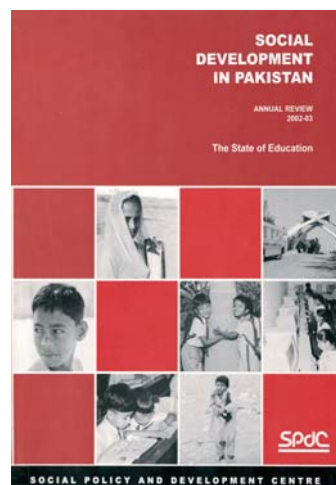
Growth, Inequality and Poverty **Annual Review of Social Development in Pakistan 2001**

The Review is a detailed analysis and documents the pervasive inequalities across class and regional lines and in access of social services. Spread over six chapters, it begins with the profile of achievements in the realm of economic and social development since 1947; acknowledging as well that the gains have not been equitably distributed. Based on SPDC's 255-equation Integrated Macroeconomic & Social Policy Model, it presents the macroeconomic analysis of the state of the economy, along with the factors behind the aggregates with respect to unemployment, inequality and poverty. It questions the balance between stabilization and growth objectives and discusses policy options that can help or hurt the poor. There follows a comprehensive analysis of inequality from different perspectives: income inequality, consumption inequality, inequality between income groups - nationally and province-wise - inequality in public services and land inequality. The next chapter is devoted to inequality between and within provinces, including a district analysis and ranking of deprivation levels. Social policy finds specific attention, with a review of housing and evaluation of the ambitious Five Point Programme and the Social Action Programme. The last chapter attempts to provide an overview of the factors that determine inequality and poverty, and more generally, social development.



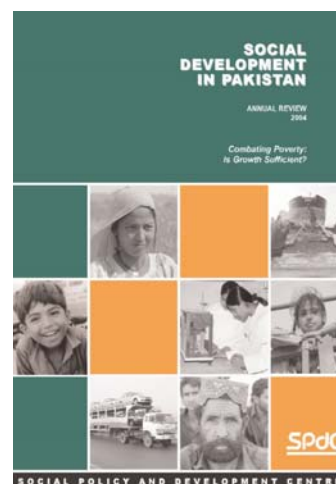
The State of Education Annual Review of Social Development in Pakistan 2002-03

The Review is an in-depth analysis of the state of education in Pakistan. It breaks new ground, given that the traditional discussion relating to education has generally been limited to the issue of enrolment, particularly primary and girls' enrolment, and resource allocation. The Review is spread over seven chapters and begins with a broad profile of education in the country: Pakistan's standing regionally; literacy, enrolment and dropout trends; and availability of schools and teachers. It then documents the regional and class inequalities in education indicators, issues relating to the role of education in development - particularly in the context of the emergence of the knowledge based economy - and fiscal and sociopolitical factors that have inhibited the growth of education. The discussion ranges from the federal-level macroeconomic policy imperatives that have constrained provincial-level resource allocation to social sectors to the role of land inequality on education. There follows specific chapters devoted to critical issues in primary education and science education - matters relating to curriculum, textbooks and examinations- and a final chapter that discusses the sociopolitical impact of the creation of multiple and mutually exclusive streams of education in the country.



Combating Poverty: Is Growth Sufficient? Annual Review of Social Development in Pakistan 2004

SPDC has over the years consistently highlighted the problems of social underdevelopment and inequality and poverty. It has advocated a macroeconomic policy framework that is pro-poor and leads to equitable growth; with equity defined in terms of class, region and gender. The Annual Review 2004 attempts to further advance this agenda. While earlier Reviews have largely been diagnostic, this issue is more prescriptive in nature. It suggests a policy framework whereby accelerated growth and rapid poverty reduction can be rendered complementary and feasible in the medium term. The Review presents a vision of poverty reduction at the outset and subsequent chapters provide empirical support for the suggested strategy. Spread over five chapters, it begins with the analysis of the development experience during the different political eras over the past three decades. It appraises the officially adopted national and provincial Poverty Reduction Strategy Papers (PRSPs). The Review presents the hard empirical analysis of the relationship between growth, inequality and poverty reduction and establishes the imperative of engaging with the issue of inequality to achieve poverty reduction. It also analyses the distribution of the burden of taxes and the benefits of public expenditure, with the objective of rendering the



fiscal regime pro-poor. Further, it discusses issues relating to land reform - considered an essential factor in rural poverty reduction. In addition, the Review also includes a Sector Study, which focuses on the demand and supply aspects of export growth as a means to manage the current account balance.

Trade Liberalization, Growth and Poverty **Annual Review of Social Development in Pakistan** **2005-06**

Since the late 1980s, there has been a clear effort to reduce trade barriers and to liberalize the economy in Pakistan, and this effort has been accelerating over time. The events of September 11, 2001 - and the GoP's response to them - have also led to a substantial change in the external environment facing Pakistan.

The above changes raise a host of questions: What has been the pace and sequencing of trade liberalization in Pakistan? How do Pakistan's trade restrictiveness measures compare to those of other developing countries in Asia? How has Pakistan's trade evolved over time in response to liberalization and how does this compare to the evolution of trade in other developing countries of Asia? What are the most important channels through which the process of trade liberalization affected Pakistan's economy? If trade had not been liberalized in Pakistan, would the economic growth, inflation and poverty situation be better or worse? How can policy makers guard against the adjustment costs of trade liberalization and reap maximum gains from any further increases in trade openness? How have the changes in the external environment and the policy responses resulting from the tragic events of September 11, 2001 shaped Pakistan's economy? How are the effects of the textile quota removal likely to play out on Pakistan's exports going forward? What policies would work best for the GoP's avowed objective in the MTDf of enhancing exports to achieve sustainable high growth?

Trade Liberalization, Growth and Poverty, SPDC's seventh annual review of social development in Pakistan, attempts to answer these questions. It places the on-going worldwide debate on the interactions between trade liberalization, growth and poverty in the context of Pakistan. The authors isolate the effects of trade liberalization on Pakistan's economy using econometric techniques and evaluate the empirical evidence in light of the predictions of economic theory. Policy implications concerning the GoP's goal of poverty alleviation are drawn from the results.



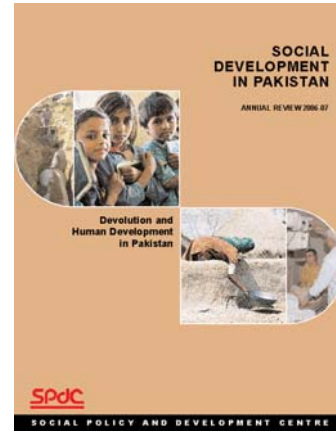
Devolution and Human Development in Pakistan **Annual Review of Social Development in Pakistan** **2006-07**

Implementation of the Devolution Plan in 2001 represents a significant move towards the decentralization of basic services in Pakistan. Six years ago a new legislative framework was introduced to bring a noticeable change in society. With the promulgation and implementation of the Local Government Ordinance, the responsibility of the provision of a large number of basic

social services such as education, health and water supply and sanitation was devolved to the local level.

The critical appreciation of the efforts has raised questions such as: To what extent devolution has improved efficiency in public services? Has devolution empowered the people? Has it improved efficiency and equity in terms of fiscal decentralization? What has been the effect of devolution on human development, regional disparities, gender equality and poverty in Pakistan?

Devolution and Human Development in Pakistan being eighth in the series of Annual Review looks into various dimensions of the process of devolution and decentralization i.e. efficiency, equity, people's participation and empowerment. The report deals with the saliences of the problem and has proposed second generation reforms.





SELECTED SOCIAL DEVELOPMENT INDICATORS

SELECTED SOCIAL DEVELOPMENT INDICATORS

SOCIAL DEVELOPMENT IN PAKISTAN, 2007-08

EDUCATION

Year	LITERACY RATE			MEAN YEARS OF SCHOOLING			COMBINED ENROLMENT RATE		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
PUNJAB									
1975	31.5	12.3	22.7	2.1	0.4	1.3	29.7	14.8	22.8
1980	35.6	15.7	26.3	2.7	0.6	1.7	26.9	14.9	21.2
1985	40.0	19.5	30.3	3.2	0.9	2.1	30.6	17.3	24.3
1990	45.5	24.2	35.4	3.3	1.0	2.2	36.4	23.6	30.3
1995	52.9	30.3	42.1	3.9	1.4	2.7	36.0	27.0	31.6
2002	63.5	41.7	52.8	9.0	4.7	3.5	38.2	30.7	34.5
2006	66.0	47.0	56.0	4.6	2.3	3.5	52.5	45.3	49.0
2008	70.0	48.0	59.0	4.9	2.6	3.7	55.8	48.0	52.0
SINDH									
1975	39.1	19.8	30.4	3.1	0.9	2.1	26.9	13.5	20.7
1980	39.3	21.2	31.0	3.1	0.9	2.2	29.1	14.9	22.5
1985	41.6	23.5	33.3	3.9	1.4	2.7	32.3	16.2	24.7
1990	45.6	26.9	36.9	4.4	1.5	3.0	32.5	13.1	23.3
1995	51.7	31.5	42.3	4.7	2.0	3.4	31.6	17.3	24.8
2002	58.7	38.9	49.3	10.4	5.9	4.3	34.5	24.0	29.4
2006	67.0	42.0	55.0	5.5	2.7	4.2	47.7	37.6	43.0
2008	69.0	42.0	56.0	6.0	2.7	4.4	52.8	41.7	47.9
NWFP									
1975	23.9	5.2	15.1	1.9	0.2	1.1	33.4	9.9	22.3
1980	25.3	6.2	16.3	2.5	0.4	1.5	32.1	8.9	21.3
1985	29.5	8.5	19.5	2.5	0.3	1.3	33.2	9.0	21.8
1990	36.1	12.0	24.5	2.6	0.3	1.5	43.5	12.1	28.5
1995	45.3	17.0	31.5	3.1	0.4	1.7	46.3	17.7	32.5
2002	60.4	24.1	42.2	8.0	1.7	2.5	41.1	32.9	37.2
2006	64.0	30.0	46.0	4.1	1.0	2.5	59.1	33.9	46.6
2008	68.0	33.0	49.0	4.7	1.2	2.9	65.4	40.4	53.3
BALUCHISTAN									
1975	13.2	3.7	9.0	1.2	0.1	0.7	13.4	4.4	9.4
1980	14.6	4.0	9.8	1.9	0.4	1.2	13.4	4.2	9.3
1985	18.1	5.6	12.5	1.5	0.3	1.5	18.9	6.8	13.5
1990	23.1	8.2	16.3	1.9	0.3	1.1	26.0	9.1	18.4
1995	30.4	11.9	21.9	1.8	0.2	1.1	30.1	13.1	22.4
2002	41.1	18.6	30.5	5.3	1.0	1.7	31.0	19.7	25.8
2006	54.0	20.0	38.0	3.2	0.6	1.9	47.6	26.3	38.3
2008	66.0	23.0	46.0	4.4	0.8	2.7	58.7	42.4	51.4
PAKISTAN									
1975	31.4	12.6	22.8	2.2	0.5	1.4	28.7	13.4	21.6
1980	34.0	15.1	25.2	2.7	0.6	1.8	27.3	13.5	20.8
1985	37.9	18.3	28.7	3.2	0.9	2.1	30.7	15.4	23.4
1990	43.2	22.4	33.3	3.4	1.0	2.3	35.9	18.8	27.7
1995	50.5	27.9	39.7	3.9	1.4	2.7	36.1	22.7	29.6
2002	60.9	37.7	49.6	8.2	3.4	3.0	37.3	28.9	33.2
2006	65.0	42.0	54.0	4.7	2.1	3.5	52.0	40.8	46.6
2008	69.0	44.0	56.0	5.1	2.3	3.7	56.6	45.1	51.1

Notes:

(1) Figures for Pakistan represent the four provinces combined; (2) Prior to 2002, primary and secondary school enrolment represent only the enrolment in government sector

Definitions:

Literacy rate: The number of literate persons as a percentage of population aged 10 and above.

Mean years of schooling: Average number of years of schooling received per person aged 25 and above.

Combined enrolment rate: The number of students enrolled in all levels as a percentage of the population aged 5 to 24.

Sources:

1. Development Statistics of Provincial Governments (various issues); 2. Education Statistics of Provincial Governments (various issues); 3. GOP, Pakistan School Statistics, Central Bureau of Education (various issues); 4. GOP, Pakistan Education Statistics, Central Bureau of Education (various issues); 5. National and Provincial Education Management Information Systems (various issues); 6. GOP, Labour Force Survey, Federal Bureau of Statistics (various issues); 7. GOP, Census Report of Pakistan, Population Census Organization (various issues); 8. Facts & Figures Pakistan 2002, Ministry of Education, EFAWing; 9. PSLM 2004-05 and 2007-08, Federal Bureau of Statistics; 10. National Education Census 2005, FBS, GOP

EDUCATION									
Gross Primary Enrolment Rate									
Year	URBAN			RURAL			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
PUNJAB									
1995-96	95	92	93	82	62	72	85	70	78
1998-99	91	97	94	79	58	69	82	68	75
2001-02	95	93	94	80	61	70	84	69	76
2004-05	111	108	110	96	82	89	100	89	95
2005-06	112	107	110	93	83	88	98	89	94
2006-07	113	111	112	103	88	96	106	95	100
2007-08	113	110	111	97	86	92	102	92	97
SINDH									
1995-96	95	90	93	78	39	59	86	62	74
1998-99	100	88	94	59	33	47	75	54	64
2001-02	91	78	84	69	37	53	76	51	63
2004-05	103	94	99	70	44	58	84	65	75
2005-06	103	96	100	79	51	66	88	71	80
2006-07	105	101	103	77	45	63	88	68	79
2007-08	102	100	101	77	53	66	87	72	80
NWFP									
1995-96	88	82	85	79	42	61	85	70	78
1998-99	97	83	90	82	49	66	84	54	70
2001-02	100	86	93	96	52	74	97	56	77
2004-05	100	84	92	92	62	78	93	65	80
2005-06	98	84	91	93	67	81	93	70	83
2006-07	98	89	94	96	63	80	96	67	82
2007-08	97	91	94	94	67	81	94	71	83
BALOCHISTAN									
1995-96	97	72	96	84	61	73	86	63	75
1998-99	99	77	88	77	42	61	79	46	64
2001-02	98	75	88	73	38	57	77	44	62
2004-05	101	86	94	79	41	61	83	49	67
2005-06	100	83	92	72	41	57	79	50	65
2006-07	104	78	92	85	45	67	89	52	72
2007-08	106	87	97	83	50	68	88	59	75
PAKISTAN									
1995-96	95	90	92	81	54	68	85	64	75
1998-99	95	92	94	75	50	63	80	61	71
2001-02	80	52	66	80	52	66	83	61	72
2004-05	107	100	104	89	68	79	94	77	86
2005-06	107	100	104	89	71	80	94	80	87
2006-07	108	104	106	95	72	84	99	81	91
2007-08	108	104	106	92	74	83	97	83	91

Definition:

Gross Primary Enrolment Rate: The number of total students enrolled in primary level classes (I to V) as a percentage of the population aged 5 to 9.

Sources:

1. Pakistan Integrated Household Survey, 1998-99 and 2001-02, Federal Bureau of Statistics, Government of Pakistan.
2. Pakistan Social and Living Standards Measurement Survey, 2004-05, 2005-06, 2006-07 and 2007-08, Federal Bureau of Statistics, Government of Pakistan.

EDUCATION

Net Primary Enrolment Rate									
Year	URBAN			RURAL			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
PUNJAB									
1995-96	55	55	55	49	34	42	50	39	45
1998-99	54	57	56	44	35	40	47	40	44
2001-02	57	58	57	44	38	41	47	43	45
2004-05	69	68	68	57	50	54	60	55	58
2005-06	72	68	70	56	47	52	60	53	57
2006-07	69	70	70	62	55	59	64	59	62
2007-08	71	72	71	59	54	56	62	59	61
SINDH									
1995-96	58	57	57	45	24	35	50	39	45
1998-99	63	57	60	37	21	29	47	35	41
2001-02	56	50	53	41	25	33	46	34	40
2004-05	64	59	61	45	29	38	53	42	48
2005-06	62	63	62	48	34	42	54	47	50
2006-07	67	61	64	49	31	41	56	43	50
2007-08	61	62	62	51	35	44	55	46	51
NWFP									
1995-96	52	50	51	40	24	32	42	28	35
1998-99	59	49	54	45	27	37	47	30	39
2001-02	59	51	55	47	31	39	48	33	41
2004-05	58	52	56	52	37	45	53	40	47
2005-06	59	52	55	54	40	47	54	42	49
2006-07	59	53	56	56	39	48	56	41	49
2007-08	59	55	57	55	39	47	55	41	49
BALOCHISTAN									
1995-96	57	41	49	49	39	44	51	39	45
1998-99	58	51	54	42	25	34	44	28	36
2001-02	55	41	49	36	21	29	39	24	32
2004-05	59	53	56	41	24	33	44	29	37
2005-06	51	42	47	36	23	30	39	27	34
2006-07	58	49	54	46	28	38	49	32	41
2007-08	61	53	57	42	29	36	47	35	41
PAKISTAN									
1995-96	56	55	55	47	31	39	49	38	44
1998-99	58	56	57	43	30	37	47	37	42
2001-02	57	54	56	43	33	38	46	38	42
2004-05	53	42	48	53	42	48	56	48	52
2005-06	66	64	65	53	42	47	56	48	53
2006-07	67	65	66	57	46	52	60	51	56
2007-08	66	67	66	56	46	51	59	52	55

Definition:

Net Primary Enrolment Rate: The number of students aged 5-9 enrolled in primary level classes (I to V) as a percentage of the population aged 5 to 9.

Sources:

1. Pakistan Integrated Household Survey, 1998-99 and 2001-02, Federal Bureau of Statistics, Government of Pakistan.
2. Pakistan Social and Living Standards Measurement Survey, 2004-05, 2005-06, 2006-07 and 2007-08, Federal Bureau of Statistics, Government of Pakistan.

EDUCATION									
Net Middle Enrolment Rate									
Year	URBAN			RURAL			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
PUNJAB									
1998-99	27	26	26	18	12	16	21	16	19
2001-02	24	32	28	16	12	14	18	18	18
2004-05	28	30	29	18	14	16	21	19	20
2005-06	31	31	31	17	14	16	21	19	20
2006-07	27	29	28	19	14	17	21	19	20
2007-08	23	32	27	16	15	16	18	20	19
SINDH									
1998-99	29	27	28	14	3	9	20	13	17
2001-02	22	27	24	12	4	8	15	12	14
2004-05	28	25	26	14	5	10	20	15	18
2005-06	25	28	26	12	3	8	18	16	17
2006-07	27	25	26	13	5	9	19	14	17
2007-08	23	28	25	19	6	13	21	16	18
NWFP									
1998-99	24	17	21	15	5	10	16	7	11
2001-02	25	21	23	15	6	11	16	8	12
2004-05	24	22	23	19	9	14	20	11	16
2005-06	23	19	21	14	12	13	15	12	14
2006-07	25	19	23	19	9	15	20	11	16
2007-08	22	20	21	17	9	13	18	11	14
BALUCHISTAN									
1998-99	23	13	18	9	5	7	11	6	9
2001-02	19	13	16	10	2	6	11	4	8
2004-05	18	17	17	8	4	6	10	7	8
2005-06	13	15	14	6	2	4	8	6	7
2006-07	19	22	20	9	3	6	11	7	9
2007-08	26	23	24	10	5	8	14	10	12
PAKISTAN									
1998-99	27	25	26	16	9	13	19	13	16
2001-02	15	8	12	15	8	12	17	14	16
2004-05	27	27	27	17	11	14	20	16	18
2005-06	27	28	28	15	11	13	19	16	18
2006-07	27	27	27	17	11	14	20	16	18
2007-08	23	29	26	17	12	14	18	17	18

Definition:

Net Middle Enrolment Rate: The number of students aged 10 to 12 enrolled in middle level classes (VI to VIII) as a percentage of the population aged 10 to 12.

Sources:

1. Pakistan Integrated Household Survey, 1998-99 and 2001-02, Federal Bureau of Statistics, Government of Pakistan.
2. Pakistan Social and Living Standards Measurement Survey, 2004-05, 2005-06, 2006-07 and 2007-08, Federal Bureau of Statistics, Government of Pakistan.

EDUCATION

Net Matric Enrolment Rate									
Year	URBAN			RURAL			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
PUNJAB									
1998-99	14	18	16	9	4	6	10	8	9
2001-02	15	18	17	10	6	8	12	10	11
2004-05	17	20	18	9	7	8	12	11	11
2005-06	14	17	16	7	7	7	9	11	10
2006-07	16	20	18	9	6	8	11	11	11
2007-08	15	19	17	12	9	10	13	12	13
SINDH									
1998-99	16	16	16	12	3	7	14	9	12
2001-02	17	12	14	5	3	4	10	7	9
2004-05	17	19	18	9	3	6	13	11	12
2005-06	16	17	16	6	2	4	11	10	11
2006-07	15	15	15	7	2	5	11	9	10
2007-08	13	17	15	9	3	6	11	10	11
NWFP									
1998-99	8	12	10	5	1	3	6	3	4
2001-02	10	12	11	5	3	4	6	5	5
2004-05	12	13	13	9	4	6	10	5	7
2005-06	16	8	12	10	4	7	10	4	7
2006-07	13	9	11	7	3	5	8	4	6
2007-08	14	7	10	5	5	5	6	6	6
BALUCHISTAN									
1998-99	12	9	11	10	0	6	10	2	6
2001-02	6	5	6	2	1	2	3	2	3
2004-05	11	10	10	5	1	3	6	3	5
2005-06	11	13	12	3	2	3	5	5	5
2006-07	8	13	10	3	1	3	4	5	5
2007-08	12	10	11	4	1	3	6	4	5
PAKISTAN									
1998-99	14	16	15	9	3	6	10	7	9
2001-02	8	5	6	8	5	6	10	8	9
2004-05	16	19	17	9	6	7	11	10	11
2005-06	15	16	16	7	6	6	10	9	10
2006-07	15	17	16	8	5	6	10	9	10
2007-08	14	17	16	10	7	8	11	10	11

Definition:

Net Matric Enrolment Rate: The number of students aged 13 to 14 enrolled in matric level classes (IX to X) as a percentage of the population aged 13 to 14.

Sources:

1. Pakistan Integrated Household Survey, 1998-99 and 2001-02, Federal Bureau of Statistics, Government of Pakistan.
2. Pakistan Social and Living Standards Measurement Survey, 2004-05, 2005-06, 2006-07 and 2007-08, Federal Bureau of Statistics, Government of Pakistan.

EDUCATION											
Year	Pupil-teacher ratio (Primary) ^a			Percentage of cohort reaching Class V			Availability of primary schools			Ratio of boys to girls (Primary)	% of female teachers (Primary)
	Male	Female	Total	Male	Female	Total	Male	Female	Total		
PUNJAB											
1975	43.4	39.6	42.0	52.1	31.2	43.8	176.0	258.0	207.0	1.9	36.0
1980	41.5	41.1	41.3	50.6	29.1	41.3	177.0	251.0	206.0	1.7	36.6
1985	36.1	43.3	38.4	44.1	28.0	37.2	129.0	256.0	169.0	1.7	32.6
1990	38.6	46.7	41.5	46.2	26.9	37.0	136.0	199.0	160.0	1.5	35.7
1995	35.9	49.9	40.9	50.0	32.8	41.3	149.0	221.0	176.0	1.3	35.9
2002	58.1	40.6	48.8	60.0	54.9	57.8	159.7	252.3	194.0	1.3	53.2
2004	57.0	36.2	45.7	51.1	63.3	55.4	159.3	259.1	195.7	1.3	54.7
2007	53.8	39.8	46.3				180.0	186.6	183.1	1.2	54.0
SINDH											
1975	27.9	20.6	25.3	36.8	43.5	38.6	136.0	661.0	220.0	2.5	35.6
1980	35.3	25.8	31.9	37.7	46.0	40.0	154.0	802.0	255.0	2.4	36.3
1985	40.2	30.1	36.5	36.2	41.9	37.9	129.0	633.0	210.0	2.3	36.6
1990	40.4	20.1	32.6	40.6	51.6	42.9	81.0	519.0	138.0	3.3	38.1
1995	22.0	27.1	23.4	38.5	35.4	37.5	82.0	416.0	134.0	2.0	28.5
2002	27.5	29.2	28.2	43.8	47.6	45.1	74.8	376.0	120.8	1.6	37.1
2004	30.3	33.0	31.3	44.7	48.7	46.1	74.2	365.5	119.4	1.5	37.4
2007	31.0	36.2	32.9				87.0	102.3	93.4	1.4	37.5
NWFP											
1975	52.5	52.2	52.4	40.4	37.5	39.7	196.0	510.0	279.0	3.3	23.4
1980	68.8	54.8	65.2	27.9	30.9	28.5	209.0	547.0	297.0	3.7	25.5
1985	50.9	48.9	50.5	23.5	20.3	22.8	207.0	541.0	294.0	3.7	22.1
1990	44.7	36.5	42.6	22.0	17.5	21.0	116.0	357.0	172.0	3.6	25.3
1995	36.8	41.8	38.1	21.2	20.9	21.1	83.0	287.0	126.0	2.5	26.0
2002	34.5	37.8	35.6	71.9	60.0	67.4	99.7	201.8	131.6	1.8	33.9
2004	32.6	30.6	31.9				102.4	212.9	136.2	1.9	35.7
2007	31.5	32.4	31.9				124.0	181.0	145.2	1.6	37.7
BALOCHISTAN											
1975	35.2	40.2	36.2	20.1	23.5	20.8	165.0	686.0	262.0	3.5	20.1
1980	38.3	53.9	40.7	22.9	21.8	22.7	197.0	857.0	315.0	4.0	15.1
1985	40.4	84.0	45.7	15.9	25.2	17.8	121.0	895.0	207.0	3.5	12.2
1990	23.6	41.0	26.1	14.2	26.8	16.5	93.0	869.0	159.0	3.4	14.4
1995	20.7	38.3	23.8	17.5	11.3	15.6	85.0	426.0	133.0	2.5	17.8
2002	66.8	55.2	62.0	39.7	40.8	40.1	91.1	206.5	121.0	1.7	41.5
2004	25.5	33.5	28.1	38.3	41.4	39.5	91.2	205.0	120.8	1.6	32.3
2007	26.5	35.1	29.3				215.1	448.7	283.2	1.5	32.9
PAKISTAN											
1975	39.6	34.4	37.8	45.2	33.7	41.3	167.0	343.0	221.0	2.2	34.1
1980	42.6	37.4	40.8	41.3	32.2	38.1	176.0	352.0	232.0	2.1	34.9
1985	39.1	40.4	39.5	36.1	29.5	33.8	136.0	348.0	192.0	2.1	31.7
1990	38.7	38.9	38.8	36.5	27.9	33.4	112.0	268.0	156.0	2.0	33.4
1995	30.7	42.5	34.4	37.3	30.4	34.5	110.0	267.0	153.0	1.6	31.1
2002	43.0	37.8	40.7	56.4	53.4	55.2	113.8	259.3	155.5	1.5	44.6
2004	41.1	34.5	38.1	56.7	63.1	59.0	113.9	264.7	156.5	1.4	45.1
2007	37.4	35.1	36.3				128.4	155.1	139.7	1.3	45.2

Note: ^a Data for 2002 onwards include private sector schools

Definitions:

Pupil-teacher ratio (primary): The ratio of pupils enrolled in primary level classes (I to V) to the number of teachers in primary schools

Percentage of cohort reaching Class V: The percentage of children starting primary school who reach Class V

Availability of primary schools: The ratio of population aged 5 to 9 to the number of primary schools

Ratio of boys to girls (primary): The ratio of male students to female students enrolled in primary level classes (I to V)

Percentage of female teachers (primary): The number of female teachers as a percentage of total teachers in primary schools

Sources:

1. Development Statistics of Provincial Governments (various issues); 2. Education Statistics of Provincial Governments (various issues)
3. GOP, Pakistan School Statistics, Central Bureau of Education (various issues) 4. GOP, Pakistan Education Statistics, Central Bureau of Education (various issues); 5. National and Provincial Education Management Information Systems (various issues); 6. National Education Census 2005, FBS, GOP

EDUCATION

Year	Availability of Primary School Teachers ^a			Pupil-teacher ratio (Secondary) (Secondary)			Ratio of Boys to Girls (Secondary)	% of Female Teachers (Secondary)
	Male	Female	Total	Male	Female	Total		
PUNJAB								
1975	75.0	120.0	91.0	28.5	8.5	18.9	3.6	48.0
1980	76.0	120.0	92.0	24.9	8.2	18.7	3.1	49.5
1985	57.0	108.0	74.0	26.7	8.6	18.1	2.7	53.5
1990	52.0	87.0	65.0	15.4	14.2	15.0	2.2	33.3
1995	50.0	84.0	62.0	14.6	16.6	15.3	1.8	33.2
2002	69.0	56.5	62.3	14.2	7.7	10.4	1.3	58.8
2004	74.0	57.1	64.8	16.0	8.2	11.3	1.3	59.4
2006	74.4	60.8	67.1	16.9	7.4	10.7	1.2	65.1
2007	76.0	59.2	66.9	17.4	7.6	11.0	1.2	65.2
SINDH								
1975	53.0	89.0	66.0	21.2	14.3	18.2	1.9	43.3
1980	61.0	101.0	75.0	24.2	17.2	21.2	1.9	42.7
1985	63.0	105.0	78.0	30.3	19.4	25.6	2.0	43.5
1990	63.0	97.0	76.0	27.1	17.7	23.1	2.0	42.8
1995	34.0	80.0	47.0	24.8	19.5	22.6	1.9	40.4
2002	36.9	56.8	44.3	20.5	10.6	14.8	1.4	58.1
2004	37.8	57.3	45.1	19.6	8.2	12.4	1.4	63.5
2006	46.1	66.1	53.6	19.7	6.9	11.2	1.5	66.4
2007	47.7	68.3	55.4	20.2	7.4	11.7	1.4	66.5
NWFP								
1975	76.0	234.0	113.0	17.7	16.7	17.6	7.6	12.2
1980	98.0	267.0	141.0	14.6	9.1	13.6	7.5	17.6
1985	70.0	228.0	105.0	14.0	10.3	13.4	7.0	16.2
1990	48.0	131.0	69.0	15.8	13.2	15.4	5.9	16.8
1995	38.0	101.0	55.0	18.8	17.9	18.6	4.1	20.7
2002	35.2	63.3	44.7	16.4	11.9	14.9	2.7	34.1
2004	36.6	60.5	45.1	16.8	12.8	15.5	2.5	34.2
2006	42.5	65.1	51.0	16.3	11.7	14.6	2.3	37.3
2007	42.7	61.1	49.7	17.0	12.2	15.2	2.3	37.8
BALUCHISTAN								
1975	119.0	446.0	184.0	7.0	6.7	6.9	4.8	17.6
1980	125.0	672.0	207.0	6.7	5.8	6.5	3.7	23.5
1985	92.0	607.0	155.0	5.9	6.7	6.1	3.2	21.5
1990	40.0	206.0	64.0	5.7	6.8	5.9	3.9	17.8
1995	33.0	127.0	50.0	8.5	9.3	8.6	4.3	16.4
2002	103.0	115.3	108.1	4.5	5.8	4.8	2.2	25.8
2004	55.6	92.1	67.4	6.7	7.1	6.8	2.0	32.7
2006	61.7	110.4	77.9	7.0	6.7	6.9	1.9	35.3
2007	60.6	112.7	77.7	7.0	6.5	6.8	1.9	36.0
PAKISTAN								
1975	70.0	124.0	88.0	24.0	10.0	18.1	3.3	41.7
1980	76.0	131.0	95.0	21.7	10.0	16.7	2.9	42.8
1985	61.0	123.0	81.0	23.1	10.6	17.5	2.7	45.0
1990	53.0	97.0	68.0	16.3	14.7	15.8	2.4	31.9
1995	42.0	87.0	56.0	16.0	16.9	16.3	2.0	31.6
2002	51.9	59.1	55.1	14.5	8.5	11.3	1.5	53.4
2004	52.9	58.8	55.6	16.0	8.5	11.8	1.5	55.9
2006	57.7	64.5	60.7	16.6	7.6	11.1	1.4	60.6
2007	54.8	59.1	56.8	15.3	7.5	10.6	1.4	59.4

Note: ^a Data for 2002 onwards include private sector schools

Definitions:

Availability of primary school teachers: The ratio of population aged 5 to 9 to the number of primary school teachers

Pupil-teacher ratio (secondary): The ratio of pupils enrolled in secondary level classes (VI to X) to the number of teachers in secondary schools

Ratio of boys to girls (secondary): The ratio of male students to female students enrolled in secondary level classes (VI to X)

Percentage of female teachers (secondary): The number of female teachers as a percentage of total teachers in secondary schools

Sources:

1. Development Statistics of Provincial Governments (various issues); 2. Education Statistics of Provincial Governments (various issues)
3. GOP, Pakistan School Statistics, Central Bureau of Education (various issues); 4. GOP, Pakistan Education Statistics, Central Bureau of Education (various issues)
5. National and Provincial Education Management Information Systems (various issues); 6. National Education Census 2005, FBS, GOP

EDUCATION												
Year	Percentage of cohort reaching						Availability of secondary schools ^a			Availability of secondary school teachers ^a		
	Class VI			Class X			Male	Female	Total	Male	Female	Total
	Male	Female	Total	Male	Female	Total						
PUNJAB												
1975	87.0	62.0	79.8	41.6	36.6	40.5	906.0	1705.0	1147.0	96.0	85.0	91.0
1980	91.8	66.9	84.1	32.8	35.6	33.5	947.0	1749.0	1200.0	95.0	83.0	89.0
1985	88.6	71.3	83.1	34.5	33.6	34.2	857.0	1569.0	1088.0	94.0	72.0	82.0
1990	88.2	81.2	85.8	34.7	33.2	34.2	706.0	998.0	819.0	43.0	78.0	55.0
1995	87.9	78.1	84.0	44.2	41.0	43.0	647.0	946.0	762.0	37.0	69.0	47.0
2002	91.3	89.7	90.6	36.0	50.3	41.3	274.0	894.0	413.0	45.0	29.0	36.0
2004				45.7	52.7	48.3	259.0	875.0	393.0	45.0	29.0	35.0
2007							190.0	172.5	181.3	42.4	20.5	28.2
SINDH												
1975	70.5	88.3	75.8	52.5	46.5	50.4	942.0	2066.0	1241.0	96.0	100.0	97.0
1980	70.6	88.0	76.1	56.0	47.0	52.7	1059.0	2472.0	1431.0	99.0	111.0	104.0
1985	81.8	89.2	84.2	52.7	48.3	51.3	1023.0	2687.0	1431.0	104.0	116.0	109.0
1990	83.5	94.5	86.9	46.9	45.2	46.4	938.0	1876.0	1220.0	90.0	103.0	95.0
1995	67.2	78.2	70.7	55.6	54.8	55.3	988.0	1890.0	1268.0	93.0	118.0	103.0
2002	57.9	67.1	61.2	52.6	58.6	54.8	359.0	1622.0	560.0	72.0	44.0	56.0
2004				70.4	68.7	69.7	339.0	1594.0	533.0	62.0	30.0	42.0
2007							315.0	289.7	302.6	70.5	30.0	43.5
NWFP												
1975	60.1	27.1	52.5	50.3	47.3	50.0	987.0	3457.0	1455.0	73.0	431.0	117.0
1980	65.0	32.6	57.8	45.3	44.6	45.2	1092.0	3602.0	1597.0	69.0	271.0	105.0
1985	74.3	49.5	69.5	34.4	29.9	33.7	1041.0	3533.0	1541.0	64.0	281.0	99.0
1990	77.8	67.9	76.0	40.8	28.9	38.9	869.0	2811.0	1284.0	49.0	212.0	76.0
1995	96.0	72.8	89.8	46.6	36.0	44.3	802.0	1903.0	1105.0	45.0	157.0	68.0
2002	72.5	60.5	68.5	47.0	44.6	46.4	321.0	1236.0	498.0	38.0	67.0	48.0
2004				45.2	50.0	46.5	313.0	1277.0	492.0	37.0	67.0	47.0
2007							568.7	643.5	600.9	35.5	50.2	41.1
BALOCHISTAN												
1975	72.7	49.5	67.4	42.1	40.9	41.9	905.0	2906.0	1277.0	90.0	308.0	128.0
1980	65.3	73.8	66.8	32.0	47.6	35.0	867.0	3183.0	1253.0	92.0	221.0	123.0
1985	72.2	54.6	67.1	37.4	29.2	35.5	769.0	2635.0	1097.0	63.0	169.0	86.0
1990	80.7	43.8	69.5	26.7	32.8	27.9	546.0	2086.0	791.0	43.0	146.0	62.0
1995	81.3	76.7	80.3	46.5	29.8	42.9	559.0	2117.0	808.0	38.0	129.0	54.0
2002	82.8	65.7	76.4	39.5	44.3	40.8	449.0	1318.0	619.0	23.0	47.0	29.0
2004				43.2	51.3	45.7	428.0	1000.0	562.0	32.0	47.0	37.0
2007							460.5	615.1	515.7	36.9	48.7	41.2
PAKISTAN												
1975	79.4	63.2	74.9	44.5	40.1	43.5	924.0	1954.0	1208.0	92.0	103.0	97.0
1980	82.3	69.0	78.4	38.9	39.9	39.1	983.0	2084.0	1295.0	91.0	102.0	96.0
1985	84.6	73.7	81.3	38.6	37.7	38.4	907.0	1947.0	1205.0	87.0	92.0	89.0
1990	85.0	85.8	85.3	37.9	35.7	37.2	757.0	1288.0	937.0	50.0	94.0	64.0
1995	84.6	77.6	82.1	46.6	42.7	45.3	719.0	1201.0	886.0	44.0	86.0	57.0
2002	79.3	78.8	79.1	41.4	51.1	44.8	304.0	1056.0	459.0	45.0	36.0	40.0
2004				49.2	55.3	51.4	288.0	1032.0	439.0	45.0	33.0	38.0
2007							233.3	217.1	225.5	40.5	24.2	30.8

Note:^a Data for 2002 onwards include private sector schools

Definitions:

Percentage of cohort reaching Class VI: The percentage of children finishing primary school who reach Class VI

Percentage of cohort reaching Class X: The percentage of children enrolled in Class VI who reach Class X

Availability of secondary schools: The ratio of population aged 10 to 14 to the number of secondary schools

Availability of secondary school teachers: The ratio of population aged 10 to 14 to the number of secondary school teachers

Sources:

1. Development Statistics of Provincial Governments (various issues); 2. Education Statistics of Provincial Governments (various issues)
3. GOP, Pakistan School Statistics, Central Bureau of Education (various issues); 4. GOP, Pakistan Education Statistics, Central Bureau of Education (various issues); 5. National and Provincial Education Management Information Systems (various issues); 6. National Education Census 2005, FBS, GOP

HEALTH**Percentage of fully immunized children**

Year	URBAN			RURAL			TOTAL		
	Male	Female	Both	Male	Female	Both	Male	Female	Both
PUNJAB									
1995-96	57	58	57	46	43	45	48	47	47
1998-99	62	68	64	56	37	52	57	52	55
2001-02	72	80	76	52	50	51	57	58	57
2004-05	89	89	89	82	80	81	85	84	84
2005-06	84	91	87	71	71	71	75	76	76
2006-07	87	86	87	82	81	82	84	83	83
2007-08	83	84	83	78	68	73	79	73	76
SINDH									
1995-96	38	45	41	45	48	46	42	46	44
1998-99	66	54	60	31	24	27	42	35	38
2001-02	66	63	64	39	26	33	49	40	45
2004-05	86	87	87	64	60	62	74	72	73
2005-06	82	81	82	64	63	63	70	71	71
2006-07	84	84	84	52	53	53	65	65	65
2007-08	83	76	80	64	55	59	71	62	67
NWFP									
1995-96	46	50	47	38	37	37	39	38	39
1998-99	82	74	77	49	54	51	52	56	54
2001-02	81	57	70	52	57	55	56	57	57
2004-05	84	86	85	74	72	73	77	76	76
2005-06	77	79	78	63	59	61	65	62	64
2006-07	88	86	87	77	71	74	79	73	76
2007-08	87	88	88	65	78	72	69	80	74
BALUCHISTAN									
1995-96	67	56	61	60	48	54	61	50	56
1998-99	51	52	51	35	29	32	36	32	34
2001-02	34	37	36	22	21	22	24	24	24
2004-05	80	77	79	57	54	55	64	60	62
2005-06	69	70	69	50	37	41	56	43	48
2006-07	68	72	70	53	46	49	56	52	54
2007-08	75	74	74	47	52	50	55	58	57
PAKISTAN									
1995-96	48	52	50	45	42	44	46	45	45
1998-99	64	63	64	47	42	55	52	47	49
2001-02	48	45	46	48	45	46	53	52	53
2004-05	86	87	87	73	71	72	78	77	77
2005-06	83	86	84	67	65	66	72	71	71
2006-07	86	85	85	74	72	73	77	75	76
2007-08	83	81	82	71	67	69	75	71	73

Note:

For being classified as fully immunized, a child must have received the following vaccination: BCG, DPT1, DPT2, DPT3, Polio1, Polio2, Polio3 and Measles.

Definition: Percentage of children aged 12-23 months that have been immunized (based on recall and record).

Sources:

1. Pakistan Integrated Household Survey, 1998-99 and 2001-02, Federal Bureau of Statistics, Government of Pakistan.
2. Pakistan Social and Living Standards Measurement Survey, 2004-05, 2005-06, 2006-07 and 2007-08, Federal Bureau of Statistics, Government of Pakistan.

HEALTH				WATER SUPPLY					
Year	Proportion of pregnant women with pre-natal care			Contraceptive prevalence rate			Access to Drinking Water		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
PUNJAB									
1995-96	-	-	-	21	9	12	47	9	19
1996-97	43	22	27	26	11	16	48	7	19
1998-99	58	25	33	28	16	19	49	8	20
2001-02	64	31	40	33	17	22	54	6	20
2005-06	73	45	53	41	27	31	50	16	27
2007-08	73	54	59	52	40	44	51	18	28
SINDH									
1995-96	-	-	-	26	5	15	77	10	43
1996-97	76	23	44	29	5	16	78	10	44
1998-99	70	19	37	32	7	17	64	7	32
2001-02	68	22	38	27	8	15	67	4	30
2005-06	82	38	56	32	11	21	71	11	43
2007-08	82	46	59	40	13	25	73	17	45
NWFP									
1995-96	-	-	-	25	11	13	60	46	40
1996-97	44	26	28	20	11	13	64	28	34
1998-99	36	20	22	21	9	10	62	34	38
2001-02	45	19	22	29	12	14	57	35	39
2005-06	53	42	43	31	22	23	56	45	47
2007-08	61	46	48	37	33	34	70	47	51
BALUCHISTAN									
1995-96	-	-	-	8	4	5	79	19	30
1996-97	25	5	8	14	4	5	76	16	25
1998-99	43	15	18	22	5	7	77	18	25
2001-02	45	16	21	20	10	12	80	14	25
2005-06	60	30	36	19	7	10	77	25	36
2007-08	53	33	39	14	7	9	82	24	40
PAKISTAN									
1995-96	-	-	-	23	8	13	60	13	28
1996-97	54	22	30	27	10	15	60	11	27
1998-99	60	22	31	29	12	17	55	12	26
2001-02	63	26	35	31	14	19	58	10	25
2005-06	74	42	52	36	21	26	59	21	34
2007-08	74	50	56	45	32	36	61	22	36

Notes:

1. Ever married women aged 15 – 49 years who had given birth in the last three years and who had attended at least one pre-natal consultation during the last pregnancy, expressed as a percentage of all currently married women aged 15 – 49 years who had given birth in the last three years.
2. Currently married women aged 15-49 years who are currently using contraceptives expressed as percentage of all currently married women aged 15-49 years.
3. Households obtaining Tap water expressed as a percentage of the total number of households. 'Tap water' includes both tap water inside and out side house.

Source: Same as on previous page

DEMOGRAPHY													
Year	Crude death rate			Crude birth rate			Infant mortality rate			Natural growth rate			Life expectancy (years)
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	
PUNJAB													
1976-79	9.5	11.7	11.1	41.4	42.5	42.2	80.0	107.0	100.0	3.2	3.1	3.1	n.a
1984-86	8.6	12.5	11.0	39.8	44.6	42.7	88.0	131.0	120.0	3.1	3.2	3.2	57.6
1987-89	8.3	11.5	10.6	37.6	43.0	41.4	93.0	119.0	105.0	2.9	3.2	3.1	57.8
1990-92	7.9	11.2	10.2	33.5	41.2	38.9	83.0	129.0	110.0	2.6	3.0	2.9	58.0
1993-97	7.6	10.3	9.5	31.7	38.3	36.3	71.0	110.0	99.0	2.5	2.8	2.7	60.5
1999-01	7.0	8.6	7.9	26.1	31.7	29.2	71.0	86.0	80.0	1.9	2.3	2.1	62.3
2005	6.6	7.5	7.2	23.7	27.3	26.0	-	-	-	1.7	2.0	1.9	n.a
SINDH													
1976-79	6.1	11.5	9.2	33.7	43.9	39.5	57.0	83.0	74.0	2.8	3.2	3.0	n.a
1984-86	8.5	13.0	10.6	40.2	45.3	42.5	86.0	138.0	114.0	3.2	3.2	3.2	55.1
1987-89	7.8	13.7	10.8	35.4	43.3	39.4	76.0	145.0	113.0	2.8	3.0	2.9	54.4
1990-92	7.1	13.2	10.1	34.7	44.0	39.3	68.0	138.0	98.0	2.8	3.1	2.9	55.4
1993-97	7.5	12.3	9.9	31.9	41.3	36.6	65.0	140.0	105.0	2.5	2.9	2.7	57.3
1999-01	5.9	9.0	7.4	27.0	33.7	30.2	61.0	82.0	73.0	2.1	2.5	2.3	62.5
2005	5.5	7.0	6.3	23.4	27.6	25.6	-	-	-	1.8	2.1	1.9	n.a
NWFP													
1976-79	9.0	11.1	10.7	41.0	43.6	43.2	100.0	111.0	109.0	3.2	3.3	3.2	n.a
1984-86	10.1	9.8	9.7	38.8	46.3	44.2	146.0	83.0	93.0	2.9	3.7	3.4	58.7
1987-89	7.3	9.7	9.3	38.1	46.9	45.5	67.0	80.0	76.0	3.1	3.7	3.6	59.3
1990-92	7.5	10.1	9.7	34.0	44.7	43.1	74.0	94.0	90.0	2.6	3.5	3.3	59.6
1993-97	6.6	9.1	8.7	31.3	38.3	37.1	53.0	75.0	72.0	2.5	2.9	2.8	57.1
1999-01	6.8	8.4	7.8	28.8	29.9	29.5	70.0	82.0	78.0	2.2	2.1	2.1	56.6
2005	6.9	8.2	8.0	26.6	27.8	27.6	-	-	-	2.0	2.0	2.0	n.a
BALUCHISTAN													
1976-79	6.4	7.2	7.1	33.1	36.9	36.3	44.0	69.0	66.0	2.7	3.0	2.9	n.a
1984-86	8.4	13.8	12.1	45.4	45.6	45.9	101.0	166.0	155.0	3.7	3.2	3.4	50.4
1987-89	8.7	11.4	11.0	44.4	44.3	44.4	104.0	117.0	114.0	3.6	3.3	3.3	51.0
1990-92	7.9	12.0	11.5	35.5	45.6	44.1	88.0	128.0	117.0	2.8	3.4	3.3	51.5
1993-97	5.9	9.2	8.6	29.5	37.1	35.7	79.0	119.0	114.0	2.4	2.8	2.7	60.3
1999-01	7.3	8.4	8.0	28.4	28.8	28.6	85.0	91.0	88.0	2.1	2.0	2.1	57.3
2005	6.5	7.4	7.2	26.0	26.4	26.3	-	-	-	1.9	1.9	1.9	n.a
PAKISTAN													
1976-79	8.2	11.4	10.5	38.4	42.7	41.5	74.0	101.0	94.0	3.0	3.1	3.1	n.a
1984-86	8.7	12.2	10.8	40.1	45.1	43.0	92.0	126.0	116.0	3.1	3.3	3.2	56.9
1987-89	8.1	11.6	10.5	37.0	43.7	41.6	85.0	117.0	106.0	2.9	3.2	3.1	57.1
1990-92	7.6	11.4	10.2	34.0	42.5	39.8	77.0	125.0	105.0	2.6	3.1	3.0	57.3
1993-97	7.4	10.4	9.4	31.7	38.6	36.4	67.0	103.0	93.0	2.5	2.8	2.7	61.8
1999-01	6.7	7.1	7.0	26.0	26.7	26.5	67.0	81.0	76.0	1.9	2.0	1.9	64.0
2005	6.3	7.5	7.1	23.9	27.4	26.1	67.1	81.2	76.7	1.8	2.0	1.9	65.0

n.a: not available

Definitions:

Crude birth rate: The number of live births per thousand population in a year

Crude death rate: The number of deaths per thousand population in a year

Infant mortality rate: The number of deaths of children under 1 year per thousand live births in a year

Natural growth rate: $([\text{Crude birth rate}] - [\text{Crude death rate}]) / 10$

Life expectancy: The number of years a newborn would live if prevailing patterns of mortality at the time of birth were to stay the same

Source:

1. GOP, Pakistan Demographic Survey, Federal Bureau of Statistics (various issues)
2. Unpublished data, Federal Bureau of Statistics
3. Economic Survey, GOP

DEMOGRAPHY												
Year	Percentage of live births ^a in medical institutions			Fertility rate (per woman)			Sex ratio (%)			Dependency ratio (%)		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
PUNJAB												
1976	4.9	0.7	1.8	7.3	7.1	7.1	111	107	108	96	98	98
1979	4.6	0.6	1.6	7.4	7.3	7.3	110	107	108	96	100	99
1985	0.0	0.0	8.2	6.3	8.0	7.2	107	104	105	94	101	98
1990	18.2	4.7	8.2	5.2	6.6	6.1	106	103	104	89	98	95
1996	28.9	9.4	14.3	4.6	5.9	5.4	106	105	105	91	97	95
2001	38.8	13.1	19.7	n.a	n.a	4.0	106	104	105	72	88	82
2005	46.0	21	31	n.a	n.a	n.a	105	104	104	67	78	77
SINDH												
1976	33.6	0.6	12.4	5.4	7.3	6.4	112	116	114	87	97	93
1979	32.4	0.2	11.2	5.1	7.3	6.3	112	117	115	84	98	92
1985	0.0	0.0	19.1	5.9	7.5	6.6	107	114	110	91	103	96
1990	41.4	4.1	20.7	5.2	6.9	6	109	109	109	87	103	95
1996	48.0	8.8	26.7	4.9	6.2	5.5	108	113	111	87	99	93
2001	55.2	14.8	28.7	n.a	n.a	4.3	109	112	110	77	98	88
2005	59.2	20.1	37.4	n.a	n.a	n.a	110	112	111	71	98	84
NWFP												
1976	4.6	0.2	0.9	6.6	6.9	6.8	108	101	102	94	108	106
1979	4.5	0.6	1.3	7.3	6.7	6.7	109	100	101	100	115	112
1985	0.0	0.0	3.8	7.0	8.4	7.8	107	102	104	99	110	105
1990	19.5	3.7	5.6	5.0	6.9	6.6	107	102	103	90	113	109
1996	25.1	12.3	13.6	4.4	5.8	5.5	107	102	103	91	114	110
2001	30.1	14.1	16.2	n.a	n.a	4.3	106	100	101	79	96	93
2005	32.5	23.5	26.6	n.a	n.a	n.a	105	100	101	78	95	92
BALUCHISTAN												
1976	19.8	0.8	2.9	5.9	7.3	7.1	106	108	108	86	91	90
1979	17.9	0.6	4.1	7.6	4.9	5.2	101	115	113	92	95	94
1985	0.0	0.0	2.6	6.6	6.5	6.6	114	109	111	105	109	107
1990	26.2	6.7	9.0	5.2	7.6	7.3	110	105	106	103	115	113
1996	17.6	6.4	7.7	4.0	6.1	5.6	109	115	113	109	108	108
2001	22.4	2.8	6.1	n.a	n.a	4.2	112	112	112	92	100	98
2005	26.8	11.0	17.6	n.a	n.a	n.a	116	116	116	83	95	92
PAKISTAN												
1976	13.7	0.6	4.1	6.6	7.1	6.9	111	108	109	93	99	97
1979	13.0	0.5	3.8	6.6	7.1	6.9	110	108	109	92	101	98
1985	19.8	2.5	10.1	6.2	7.8	7.1	108	106	107	94	103	100
1990	26.8	4.6	10.6	5.2	6.7	6.2	107	104	105	89	102	98
1996	35.1	9.7	16.4	4.7	5.9	5.5	107	106	106	90	101	97
2001	43.5	13.2	21.0	n.a	n.a	4.1	107	105	106	75	92	86
2005	45.2	20.5	30.2	3.3	4.1	3.8	107	105	106	69	89	81

n.a: not available

Definitions:

Percentage of births in medical institutions: The number of births in medical institutions as a percentage of total births

Fertility rate: The average number of children that would be born to a woman if she were to live to the end of her childbearing age and bear children

Sex ratio: The number of males per hundred females

Dependency ratio: Dependent population (those under 15 and over 64) as percent of the working-age population (aged 15 to 64)

Source:

1. GOP, Pakistan Demographic Survey, Federal Bureau of Statistics (various issues)
2. Pakistan Contraceptive Prevalence Surveys, Population Welfare Division, Ministry of Planning and Development, Islamabad
3. Pakistan Integrated Household Survey (various issues)
4. Unpublished data Federal Bureau of Statistics



SELECTED GENDER DISAGGREGATED LABOUR MARKET INDICATORS

SOCIAL DEVELOPMENT IN PAKISTAN, 2007-08

SELECTED GENDER DISAGGREGATED LABOUR MARKET INDICATORS

DISTRIBUTION OF LABOUR FORCE 15 YEARS OF AGE AND OVER BY AREA - PAKISTAN AND PROVINCES (%)

	Pakistan		Punjab		Sindh		NWFP		Balochistan	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
1990-91	69.86	30.14	73.1	26.9	51.2	48.8	84.8	15.2	86.6	13.4
1992-93	70.97	29.03	73.7	26.3	55.1	44.9	84.3	15.7	84.6	15.4
1994-95	71.97	28.03	74.2	25.8	56.1	43.9	85.6	14.4	84.5	15.5
1997-98	68.57	31.43	70.9	29.1	50.6	49.4	83.7	16.3	84.5	15.5
1999-00	70.01	29.99	71.5	28.5	54.3	45.7	83.9	16.1	84.4	15.6
2001-02	67.44	32.56	70.1	29.9	49.2	50.8	83.3	16.7	81.9	18.1
2003-04	67.06	32.94	70.3	29.7	48.8	51.2	83.3	16.7	77.7	22.3
2005-06	67.57	32.43	70.1	29.9	50.8	49.2	83.7	16.3	78.6	21.4
2006-07	68.23	31.77	70.9	29.1	51.9	48.1	82.9	17.1	79.4	20.6
2007-08	68.86	31.14	70.8	29.2	55.1	44.9	83.6	16.4	78.2	21.8

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

DISTRIBUTION OF LABOUR FORCE 15 YEARS OF AGE AND OVER BY GENDER - PAKISTAN AND PROVINCES (%)

	Pakistan		Punjab		Sindh		NWFP		Balochistan	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1990-91	86.35	13.65	83.6	16.4	91.5	8.5	89.3	10.7	93.6	6.4
1992-93	85.81	14.19	82.5	17.5	93.0	7.0	87.1	12.9	94.7	5.3
1994-95	87.24	12.76	84.6	15.4	93.8	6.2	87.9	12.1	92.2	7.8
1997-98	85.18	14.82	81.7	18.3	93.0	7.0	87.9	12.1	93.0	7.0
1999-00	84.20	15.80	81.3	18.7	91.6	8.4	84.9	15.1	94.7	5.3
2001-02	84.37	15.61	79.6	20.3	92.9	7.1	90.3	9.6	93.5	6.6
2003-04	82.51	17.50	77.6	22.4	92.2	7.8	86.1	13.8	91.2	8.8
2005-06	80.44	19.57	75.5	24.5	90.3	9.7	83.4	16.6	88.2	11.8
2006-07	79.98	20.01	74.7	25.2	89.1	10.9	86.9	13.1	87.2	12.8
2007-08	79.57	20.43	76.5	23.5	85.3	14.7	79.7	20.3	90.3	9.6

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

DISTRIBUTION OF TOTAL, MALE AND FEMALE LABOUR FORCE 15 YEARS OF AGE AND OVER AMONG PROVINCES (%)

	Punjab	Sindh	NWFP	Balochistan	Total
OVER ALL					
1990-91	63.15	22.65	10.96	3.25	100.0
1992-93	62.99	22.87	10.77	3.38	100.0
1994-95	63.15	21.71	12.00	3.13	100.0
1997-98	63.69	21.10	11.66	3.55	100.0
1999-00	65.44	19.64	11.39	3.54	100.0
2001-02	62.24	22.17	11.50	4.10	100.0
2003-04	61.39	23.22	11.21	4.18	100.0
2005-06	60.50	23.39	11.67	4.44	100.0
2006-07	61.24	23.20	11.25	4.31	100.0
2007-08	59.77	24.03	12.07	4.13	100.0
MALE					
1990-91	61.14	24.00	11.33	3.52	100.0
1992-93	60.55	24.79	10.93	3.73	100.0
1994-95	61.24	23.36	12.09	3.31	100.0
1997-98	61.06	23.03	12.03	3.88	100.0
1999-00	63.17	21.37	11.48	3.98	100.0
2001-02	58.73	24.41	12.31	4.54	100.0
2003-04	57.73	25.95	11.70	4.62	100.0
2005-06	56.79	26.25	12.10	4.87	100.0
2006-07	57.23	25.86	12.22	4.70	100.0
2007-08	57.45	25.77	12.09	4.69	100.0
FEMALE					
1990-91	75.81	14.06	8.60	1.53	100.0
1992-93	77.72	11.26	9.76	1.26	100.0
1994-95	76.21	10.47	11.40	1.91	100.0
1997-98	78.83	9.97	9.53	1.67	100.0
1999-00	77.53	10.40	10.89	1.19	100.0
2001-02	81.08	10.10	7.10	1.72	100.0
2003-04	78.66	10.39	8.86	2.10	100.0
2005-06	75.78	11.62	9.92	2.68	100.0
2006-07	77.25	12.64	7.35	2.76	100.0
2007-08	68.78	17.30	11.97	1.95	100.0

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

**LABOUR FORCE PARTICIPATION RATES AND UNEMPLOYMENT RATES
15 YEARS OF AGE AND OVER BY GENDER AND AREA - PAKISTAN (%)**

	Labour Force Participation Rates			Unemployment Rates		
	Both	Male	Female	Both	Male	Female
TOTAL						
1990-91	49.70	83.63	13.93	6.03	4.35	16.71
1991-92	49.59	82.78	15.29	5.43	4.04	13.22
1992-93	49.23	82.31	14.35	4.52	3.53	10.53
1993-94	49.15	82.56	14.74	4.48	3.59	9.66
1994-95	48.30	82.18	12.65	4.94	3.61	14.00
1996-97	50.10	83.05	14.95	5.74	3.87	16.82
1997-98	49.97	82.48	15.30	5.64	4.02	14.93
1999-00	50.45	83.27	16.27	7.15	5.54	15.74
2001-02	50.46	82.73	16.23	7.79	6.21	16.31
2003-04	50.74	82.74	17.97	7.33	6.17	12.87
2005-06	52.96	83.99	21.04	6.06	5.16	9.74
2006-07	52.53	83.07	21.27	5.09	4.22	8.65
2007-08	52.48	82.40	21.74	4.99	4.02	8.68
RURAL						
1990-91	51.24	85.63	15.84	5.37	3.84	13.86
1991-92	51.59	84.98	17.94	4.98	3.59	11.59
1992-93	51.28	84.33	16.96	4.09	3.21	8.63
1993-94	51.21	84.61	17.46	3.98	3.11	8.25
1994-95	49.96	84.25	14.48	4.43	3.17	11.97
1996-97	52.15	85.09	17.58	5.32	3.48	14.65
1997-98	52.68	85.00	18.78	4.74	3.29	11.61
1999-00	52.75	85.72	19.13	6.26	4.95	12.24
2001-02	52.27	84.76	18.69	7.15	5.65	14.20
2003-04	53.37	85.21	21.74	6.42	5.26	10.99
2005-06	56.01	86.14	25.85	5.37	4.54	8.09
2006-07	55.91	85.13	26.83	4.52	3.67	7.26
2007-08	56.42	84.52	28.25	4.52	3.67	7.26
URBAN						
1990-91	46.47	79.55	9.77	7.58	5.45	26.82
1991-92	45.26	78.19	9.32	6.55	5.05	20.33
1992-93	44.85	78.08	8.64	5.58	4.25	18.72
1993-94	44.38	77.98	8.24	5.82	4.75	16.78
1994-95	44.50	77.57	8.36	6.25	4.67	22.29
1996-97	46.13	79.18	9.72	6.66	4.66	24.66
1997-98	44.93	77.88	8.66	7.60	5.47	28.67
1999-00	45.79	78.47	10.30	9.24	6.81	29.37
2001-02	47.09	79.06	11.47	9.10	7.29	22.97
2003-04	46.12	78.57	11.06	9.19	7.83	19.67
2005-06	47.58	80.32	12.18	7.50	6.30	16.18
2006-07	46.48	79.55	10.94	6.33	5.22	14.97
2007-08	45.47	78.74	9.70	5.98	4.67	17.53

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

**LABOUR FORCE PARTICIPATION RATES 15 YEARS OF AGE AND OVER
BY GENDER AND AREA - PROVINCES (%)**

	Total			Rural			Urban		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
PUNJAB									
1990-91	50.83	83.55	16.95	52.24	85.14	18.88	47.33	79.76	12.02
1992-93	50.87	82.59	18.11	53.20	84.46	21.39	45.29	78.23	10.08
1994-95	49.90	82.56	15.73	51.78	84.49	17.91	45.19	77.79	10.14
1997-98	52.82	83.92	19.93	55.77	86.21	24.12	46.81	79.35	11.14
1999-00	52.96	84.71	20.15	55.06	86.48	23.06	48.32	80.89	13.58
2001-02	53.47	83.61	22.16	55.48	85.11	25.43	49.28	80.60	15.10
2003-04	54.17	83.81	24.37	57.31	85.79	29.30	47.97	80.01	14.29
2005-06	55.98	84.36	27.51	59.44	86.18	33.27	49.26	80.94	15.90
2006-07	55.75	83.40	28.13	59.80	85.26	35.02	47.85	79.90	14.17
2007-08	53.81	82.49	25.24	57.57	84.01	31.75	46.44	79.61	12.12
SINDH									
1990-91	48.51	83.66	8.76	51.23	87.95	10.41	45.95	79.70	7.17
1992-93	47.42	82.35	7.13	50.20	86.40	7.25	44.41	77.83	7.01
1994-95	46.98	82.72	6.19	49.47	86.91	6.21	44.13	77.87	6.17
1997-98	46.40	81.01	6.95	50.60	86.21	8.80	42.77	76.41	5.41
1999-00	46.52	80.71	8.25	51.10	86.55	11.74	42.05	75.05	4.81
2001-02	47.36	82.33	7.24	50.50	87.73	7.86	44.67	77.72	6.70
2003-04	46.87	82.14	7.74	49.72	87.67	8.52	44.45	77.53	7.06
2005-06	49.66	84.16	10.33	54.03	88.98	13.76	45.83	79.89	7.36
2006-07	49.88	84.23	11.51	55.32	89.34	17.01	45.10	79.71	6.70
2007-08	52.51	83.84	16.59	61.53	90.36	28.28	44.51	78.04	6.29
NWFP									
1990-91	46.40	82.90	9.93	47.22	84.18	10.72	42.29	76.75	5.88
1992-93	44.69	79.49	11.28	44.97	79.72	12.42	43.26	78.39	4.95
1994-95	43.19	78.59	10.13	43.67	79.47	10.98	40.56	74.06	5.09
1997-98	43.89	78.20	10.49	44.49	79.20	11.40	41.01	73.73	5.90
1999-00	45.97	80.53	13.47	46.65	81.69	14.43	42.74	75.30	8.61
2001-02	43.31	79.18	8.25	43.29	79.98	8.21	43.41	75.40	8.51
2003-04	44.05	79.20	11.68	44.42	79.97	12.31	42.33	75.73	8.55
2005-06	46.17	81.12	14.61	46.58	81.69	15.42	44.19	78.52	10.47
2006-07	43.54	78.74	10.97	43.50	79.16	11.37	43.74	76.88	8.86
2007-08	47.27	78.80	18.35	48.15	79.21	20.40	43.22	77.06	8.35
BALUCHISTAN									
1990-91	48.74	87.19	6.57	49.48	88.52	6.75	44.45	79.51	5.57
1992-93	48.30	86.30	5.44	48.90	88.05	5.17	45.24	77.60	6.84
1994-95	48.41	85.36	7.91	49.28	86.95	8.59	44.18	77.90	4.42
1997-98	47.27	82.96	7.02	48.38	84.48	7.73	42.04	75.81	3.65
1999-00	46.16	83.24	5.15	46.99	85.00	4.97	42.16	74.72	6.01
2001-02	48.70	83.62	7.01	49.93	85.81	6.97	43.79	74.86	7.17
2003-04	47.67	82.29	8.88	49.50	85.60	9.45	42.24	72.65	7.16
2005-06	53.06	86.17	13.73	55.38	88.76	16.27	45.98	78.47	5.77
2006-07	52.59	84.78	14.68	55.30	87.30	17.53	44.24	77.00	5.96
2007-08	50.71	83.15	10.87	52.95	85.64	12.34	44.06	75.60	6.59

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

UNEMPLOYMENT RATES 15 YEARS OF AGE AND OVER BY GENDER AND AREA - PROVINCES (%)

	Total			Rural			Urban		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
PUNJAB									
1990-91	7.22	5.08	18.16	6.38	4.50	15.01	9.51	6.56	30.82
1992-93	5.34	4.39	9.82	4.65	3.95	7.47	7.28	5.50	22.03
1994-95	5.49	4.40	11.49	4.60	3.77	8.66	8.05	6.08	24.30
1997-98	6.18	4.70	12.76	4.68	3.55	8.90	9.81	7.18	30.34
1999-00	7.74	6.30	14.00	6.15	5.28	9.48	11.73	8.65	31.32
2001-02	7.87	6.23	14.30	6.98	5.46	12.13	9.95	7.85	22.19
2003-04	6.92	6.11	9.79	5.66	4.96	7.77	9.91	8.47	18.29
2005-06	5.82	5.36	7.20	4.76	4.48	5.37	8.30	7.10	14.94
2006-07	5.09	4.51	6.86	4.31	3.81	5.57	6.99	5.93	13.30
2007-08	5.13	4.28	7.71	4.52	3.84	6.08	6.60	5.17	16.34
SINDH									
1990-91	3.46	2.59	12.81	2.13	1.29	9.95	4.85	3.91	16.79
1992-93	2.30	1.62	11.28	1.68	1.00	11.27	3.05	2.39	11.28
1994-95	2.43	1.54	16.03	1.97	0.98	17.95	3.02	2.26	13.85
1997-98	2.78	1.89	14.51	2.05	1.28	10.91	3.52	2.50	19.42
1999-00	2.81	2.07	10.84	2.06	1.34	7.91	3.69	2.89	17.88
2001-02	5.07	3.99	19.01	3.19	2.17	16.29	6.88	5.75	21.75
2003-04	5.95	4.80	19.40	4.34	3.07	18.33	7.49	6.44	20.52
2005-06	4.30	3.85	8.47	2.91	2.55	5.68	5.73	5.12	13.00
2006-07	3.38	2.64	9.35	2.32	1.46	7.42	4.51	3.81	13.64
2007-08	3.06	2.39	7.02	2.03	1.29	4.69	4.33	3.52	16.25
NWFP									
1990-91	5.88	5.10	12.37	5.65	4.99	10.78	7.11	5.64	27.35
1992-93	5.21	3.80	14.76	5.19	3.65	14.46	5.30	4.51	19.05
1994-95	7.11	4.16	28.47	6.90	3.76	27.69	8.32	6.36	38.38
1997-98	8.84	5.57	32.54	8.74	5.29	31.62	9.33	6.93	41.48
1999-00	11.69	8.21	31.24	11.67	7.94	31.09	11.79	9.52	32.54
2001-02	13.11	11.07	32.33	12.73	10.80	30.94	15.00	12.44	39.52
2003-04	12.95	10.08	30.92	12.58	9.54	30.44	14.78	12.64	34.40
2005-06	12.03	8.10	31.45	12.12	8.25	30.05	11.55	7.36	42.04
2006-07	9.64	7.26	25.63	9.18	6.95	23.41	11.87	8.73	40.63
2007-08	8.91	7.05	16.31	8.69	6.94	14.86	9.99	7.54	33.66
BALUCHISTAN									
1990-91	1.41	1.16	5.13	1.08	0.92	3.41	3.54	2.67	17.37
1992-93	2.17	1.46	15.05	2.12	1.41	15.66	2.48	1.73	12.65
1994-95	2.83	1.65	16.70	2.97	1.77	16.00	2.06	1.02	23.72
1997-98	2.45	1.20	19.13	2.09	0.99	15.74	4.39	2.32	53.33
1999-00	5.88	4.51	30.44	5.68	4.37	30.53	6.97	5.29	30.09
2001-02	6.32	4.73	28.83	6.33	4.73	29.88	6.24	4.73	24.82
2003-04	6.00	4.64	19.93	6.07	4.70	19.57	5.77	4.41	21.38
2005-06	3.06	2.60	6.55	2.36	2.03	4.56	5.64	4.55	24.25
2006-07	2.56	1.40	10.43	2.22	1.07	8.98	3.85	2.58	23.46
2007-08	2.67	1.84	10.53	2.08	1.45	7.63	4.76	3.18	26.32

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

DISTRIBUTION OF EMPLOYED MALE AND FEMALE 15 YEARS OF AGE AND OVER BY SECTOR OF ECONOMIC ACTIVITY (%)

	Agriculture			Formal			Informal		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
PUNJAB									
1996-97	44.51	33.21	11.30	17.25	15.57	1.68	38.24	34.68	3.56
1997-98	46.60	34.91	11.69	14.69	13.12	1.57	38.71	34.90	3.81
1999-00	49.84	36.94	12.90	15.04	13.67	1.37	35.12	31.95	3.17
2001-02	41.93	29.29	12.64	16.96	14.90	2.06	41.11	36.85	4.26
2003-04	44.31	29.22	15.08	14.80	12.86	1.94	40.89	36.20	4.69
2005-06	42.95	26.42	16.53	13.51	11.91	1.60	43.53	37.49	6.04
2006-07	44.16	26.35	17.81	13.97	12.25	1.72	41.87	36.64	5.23
2007-08	42.32	26.23	16.09	13.61	12.07	1.54	44.07	38.82	5.25
SINDH									
1996-97	36.94	34.14	2.80	30.35	28.42	1.93	32.71	31.64	1.07
1997-98	41.76	38.13	3.63	26.36	24.58	1.78	31.88	31.11	0.77
1999-00	41.27	35.87	5.40	26.87	25.50	1.37	31.86	31.01	0.85
2001-02	36.17	33.23	2.95	30.70	28.79	1.91	33.13	31.97	1.16
2003-04	36.06	32.95	3.11	24.91	22.93	1.98	39.04	37.43	1.61
2005-06	35.28	29.91	5.37	21.90	20.07	1.83	42.81	40.71	2.10
2006-07	36.84	30.04	6.79	21.45	19.96	1.50	41.71	39.76	1.95
2007-08	42.88	31.19	11.68	20.05	18.86	1.19	37.08	35.83	1.25
NWFP									
1996-97	43.99	39.26	4.72	20.17	18.97	1.20	35.84	34.93	0.90
1997-98	47.11	39.92	7.18	17.32	16.25	1.07	35.58	34.86	0.72
1999-00	45.72	36.79	8.93	18.98	17.53	1.45	35.30	33.90	1.40
2001-02	43.17	38.67	4.50	20.28	18.56	1.72	36.56	35.25	1.30
2003-04	39.36	32.47	6.89	17.23	15.04	2.19	43.41	41.48	1.93
2005-06	41.96	33.00	8.96	16.55	14.70	1.85	41.49	39.12	2.37
2006-07	37.03	29.76	7.27	17.84	15.84	2.00	45.13	43.62	1.51
2007-08	42.39	27.47	14.92	15.66	13.91	1.74	41.96	39.99	1.96
BALUCHISTAN									
1996-97	53.54	50.65	2.89	21.77	21.27	0.49	24.69	24.10	0.59
1997-98	56.76	51.84	4.93	16.69	16.47	0.22	26.54	25.90	0.64
1999-00	53.20	50.56	2.64	26.49	25.74	0.75	20.31	19.79	0.52
2001-02	48.99	46.28	2.71	26.33	25.60	0.73	24.69	23.57	1.12
2003-04	44.12	39.61	4.51	23.41	22.20	1.21	32.47	30.97	1.51
2005-06	56.62	46.44	10.18	20.96	20.24	0.71	22.43	21.94	0.49
2006-07	51.71	41.30	10.40	22.96	22.08	0.88	25.33	24.84	0.50
2007-08	49.51	42.04	7.47	22.91	21.89	1.02	27.59	27.21	0.38

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

DISTRIBUTION OF EMPLOYED MALE AND FEMALE 15 YEARS OF AGE AND OVER BY LEVEL OF EDUCATION (%)

	Illiterate			Below Primary			Primary			Matriculation			Degree			
	Both	Male	Female	Both	Male	Female	Both	Male	Female	Both	Male	Female	Both	Male	Female	
		59.72	55.82	82.79	4.53	4.90	2.34	22.01	24.50	7.28	11.58	12.57	5.70	2.16	2.23	1.75
1990-91	48.54	46.35	74.88	7.77	8.20	2.57	23.77	25.14	7.33	13.66	14.14	7.88	6.26	6.17	7.34	
1992-93	50.33	49.34	64.99	6.50	6.80	2.06	20.50	21.34	8.14	15.10	15.39	10.82	7.58	7.14	13.99	
1994-95	49.59	48.91	61.84	5.86	6.14	0.77	22.54	23.42	6.78	14.30	14.27	14.83	7.71	7.26	15.79	
1997-98	46.25	44.93	66.23	5.83	6.12	1.45	21.97	23.03	5.87	16.46	16.71	12.61	9.49	9.21	13.84	
1999-00	46.26	43.68	77.54	3.90	3.98	2.94	22.12	23.68	3.14	17.79	18.66	7.23	9.93	10.00	9.15	
2001-02	40.61	39.48	58.16	6.13	6.23	4.50	24.50	25.60	7.42	18.25	18.55	13.63	10.51	10.14	16.28	
2003-04	39.64	38.61	54.02	6.50	6.84	1.89	23.60	24.64	9.02	19.75	19.83	18.65	10.50	10.08	16.42	
2005-06	39.86	36.86	69.15	4.36	4.66	1.41	25.32	27.27	6.21	20.15	21.04	11.50	10.31	10.16	11.72	
2006-07	37.63	33.59	73.09	3.48	3.74	1.20	26.57	28.94	5.78	22.93	24.40	10.10	9.38	9.33	9.84	
2007-08	41.03	34.12	83.06	2.40	2.59	1.26	25.57	28.83	5.75	20.79	23.43	4.75	10.20	11.03	5.19	
							SINDH									

DISTRIBUTION OF EMPLOYED MALE AND FEMALE 15 YEARS OF AGE AND OVER BY LEVEL OF EDUCATION (%)

	Illiterate			Below Primary			Primary			Matriculation			Degree		
	Both	Male	Female	Both	Male	Female	Both	Male	Female	Both	Male	Female	Both	Male	Female
	NWFP														
1990-91	66.20	63.52	90.49	3.16	3.43	0.72	17.38	18.95	3.11	10.72	11.41	4.49	2.55	2.70	1.19
1992-93	65.86	62.51	91.52	2.98	3.27	0.76	16.78	18.81	1.32	11.40	12.37	3.95	2.98	3.04	2.45
1994-95	63.62	60.98	89.03	3.51	3.67	1.99	17.92	19.53	2.41	12.08	12.82	5.05	2.87	3.01	1.52
1997-98	61.56	59.06	86.95	2.09	2.30	0.00	18.41	19.92	3.08	14.39	15.10	7.15	3.54	3.61	2.82
1999-00	57.47	54.24	81.63	2.99	3.30	0.59	20.37	22.57	3.93	14.91	15.67	9.22	4.26	4.21	4.64
2001-02	52.65	50.88	74.37	2.97	3.11	1.26	22.03	23.63	2.26	17.32	17.52	14.86	5.04	4.86	7.26
2003-04	45.88	43.29	67.22	6.81	7.20	3.62	24.61	26.58	8.33	17.58	17.93	14.69	5.12	5.00	6.13
2005-06	45.39	41.32	72.20	6.05	6.59	2.50	25.96	28.53	9.02	17.64	18.72	10.55	4.96	4.84	5.72
2006-07	41.27	37.96	68.61	4.97	5.18	3.20	26.86	29.25	7.13	21.20	22.01	14.42	5.71	5.59	6.64
2007-08	45.73	38.24	78.44	4.32	4.84	2.06	24.73	28.62	7.72	18.92	21.61	7.16	6.30	6.68	4.63
	BALOCHISTAN														
1990-91	75.53	74.44	91.77	6.98	7.44	0.00	9.77	10.33	1.34	6.31	6.49	3.61	1.42	1.29	3.28
1992-93	75.14	74.65	85.43	5.25	5.39	2.30	9.32	9.60	3.26	8.98	9.16	5.19	1.31	1.19	3.83
1994-95	78.84	77.91	93.34	5.25	5.45	2.03	7.03	7.30	2.89	6.81	7.16	1.40	2.07	2.18	0.33
1997-98	74.29	73.01	95.12	3.91	4.15	0.00	10.01	10.62	0.17	9.44	9.78	3.76	2.35	2.43	0.95
1999-00	68.82	68.32	81.16	6.05	6.30	0.00	12.27	12.62	3.52	9.40	9.39	9.51	3.46	3.36	5.81
2001-02	65.81	65.16	79.57	6.77	7.01	1.65	13.59	14.14	2.13	11.41	11.32	13.40	2.42	2.38	3.25
2003-04	60.92	59.18	83.30	6.83	7.28	0.99	16.93	18.12	1.62	10.82	10.95	9.12	4.50	4.47	4.97
2005-06	58.69	55.28	85.30	4.37	4.62	2.47	21.31	23.19	6.67	12.24	13.29	4.04	3.38	3.62	1.52
2006-07	53.08	48.84	84.84	5.44	6.06	0.76	22.20	24.20	7.19	15.28	16.60	5.36	4.01	4.29	1.86
2007-08	45.58	42.15	80.84	6.09	6.54	1.49	25.73	27.53	7.16	17.71	18.77	6.81	4.89	5.01	3.70

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

DISTRIBUTION OF EMPLOYED MALE AND FEMALE 15 YEARS OF AGE AND OVER BY INDUSTRIAL DIVISION (%)

	Industry											
	Agriculture			Manufacturing			Others			Services		
	Both	Male	Female	Both	Male	Female	Both	Male	Female	Both	Male	Female
PUNJAB												
1990-91	48.00	44.79	66.98	12.66	12.72	12.32	7.73	8.82	1.29	31.60	33.68	19.31
1992-93	48.21	43.50	71.75	11.26	11.59	9.63	8.07	9.47	1.11	32.45	35.43	17.59
1994-95	46.50	42.99	67.37	11.70	12.11	9.26	8.25	9.46	1.11	33.55	35.44	22.31
1997-98	46.60	42.08	68.55	11.00	11.41	8.98	6.91	8.16	0.85	35.50	38.32	21.74
1999-00	49.84	44.75	73.92	12.21	12.99	8.51	6.18	7.43	0.24	31.78	34.84	17.29
2001-02	41.93	36.14	66.68	15.56	15.69	14.99	6.80	8.33	0.23	35.72	39.84	18.11
2003-04	44.31	37.33	69.45	14.92	14.89	15.03	6.55	8.28	0.33	34.22	39.50	15.17
2005-06	42.95	34.84	68.39	15.43	15.40	15.52	6.40	8.35	0.28	35.21	41.39	15.82
2006-07	44.16	35.03	71.89	15.38	16.09	13.23	7.08	9.25	0.49	33.38	39.65	14.33
2007-08	42.32	34.01	70.31	15.13	15.26	14.67	7.46	9.55	0.42	35.09	41.17	14.60
SINDH												
1990-91	39.19	38.06	52.81	14.69	14.43	17.85	7.10	7.54	1.72	39.02	39.93	28.02
1992-93	39.59	39.08	47.17	12.38	12.41	11.82	7.55	8.01	0.73	40.47	40.47	40.52
1994-95	40.92	40.77	43.61	10.96	10.80	13.85	7.63	7.97	1.60	40.48	40.51	40.02
1997-98	41.76	40.63	58.94	10.36	10.47	8.69	7.51	7.91	1.37	40.37	40.96	31.33
1999-00	41.27	38.85	70.37	13.00	13.52	6.74	6.37	6.84	0.66	39.36	40.84	21.60
2001-02	36.17	35.35	48.94	13.77	13.91	11.46	6.31	6.65	1.01	43.75	44.08	38.54
2003-04	36.06	35.32	46.47	15.04	15.04	15.20	5.44	5.81	0.39	43.33	43.85	36.16
2005-06	35.28	32.97	57.79	15.47	15.59	14.35	7.16	7.80	0.95	42.08	43.62	26.98
2006-07	36.84	33.47	66.35	14.39	14.93	9.64	6.81	7.48	0.86	41.97	44.12	23.19
2007-08	42.88	36.32	82.79	12.81	14.02	5.46	6.12	7.09	0.21	38.19	42.57	11.60
NWFP												
1990-91	49.40	45.95	81.13	5.92	5.92	6.04	10.49	11.62	0.33	34.18	36.59	12.51
1992-93	48.43	44.03	82.18	5.09	5.25	3.91	10.10	11.39	0.24	36.38	39.36	13.68
1994-95	48.74	44.95	84.84	3.92	4.15	1.67	10.21	11.08	1.77	37.12	39.73	11.72
1997-98	47.11	43.85	80.09	6.24	6.59	2.68	9.49	10.34	0.91	37.17	39.22	16.32
1999-00	45.72	41.70	75.82	7.22	7.48	5.31	9.81	10.91	1.58	37.24	39.89	17.30
2001-02	43.17	41.82	59.82	7.79	7.62	9.79	9.96	10.61	1.92	39.09	39.95	28.47
2003-04	39.36	36.49	62.54	8.17	8.23	7.70	10.42	11.67	0.38	42.04	43.61	29.38
2005-06	41.96	38.35	67.94	8.13	7.78	10.87	12.13	13.93	1.11	37.79	40.84	20.07
2006-07	37.03	33.36	67.42	7.52	7.79	5.28	12.99	14.41	1.23	42.46	44.44	26.06
2007-08	42.39	33.76	80.09	8.17	8.60	6.33	9.56	11.69	0.24	39.88	45.96	13.34
BALUCHISTAN												
1990-91	59.64	60.78	42.63	3.34	2.45	16.63	6.11	6.33	2.81	30.91	30.44	37.94
1992-93	55.76	55.73	56.40	6.55	5.83	21.71	6.04	6.32	0.00	31.65	32.12	21.90
1994-95	53.94	53.98	53.33	2.71	1.67	18.98	8.02	8.45	1.24	35.33	35.90	26.45
1997-98	56.76	55.02	85.08	2.00	2.00	1.94	9.64	10.17	1.03	31.60	32.80	11.95
1999-00	53.30	51.78	65.96	2.02	1.71	8.60	10.07	10.27	0.59	36.44	36.23	24.85
2001-02	48.99	48.49	59.53	3.41	2.74	17.51	10.38	10.80	1.57	37.22	37.97	21.39
2003-04	44.12	42.70	62.43	4.37	3.27	18.50	9.50	10.15	1.16	42.01	43.88	17.91
2005-06	56.62	52.40	89.42	1.87	1.96	1.13	6.40	7.10	0.93	35.12	38.53	8.52
2006-07	51.71	46.82	88.32	2.22	2.27	1.85	8.54	9.53	1.09	37.54	41.38	8.73
2007-08	49.51	46.13	84.27	2.33	2.51	0.52	7.71	8.39	0.78	40.45	42.97	14.43

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

Note:

- Agriculture include: agriculture, Forestry, Hunting and Fishing
- Other industry include: Mining and Quarrying; Electricity, Gas and Water; Construction
- Services include: Wholesale and Retail Trade & Restaurants/Hotels; Transport, Storage and Communication; Financing, Insurance, Real Estate & Business Activities; Community, Social and Personal Services.

DISTRIBUTION OF EMPLOYED MALE AND FEMALE 15 YEARS OF AGE AND OVER BY EMPLOYMENT STATUS (%)

	Employers			Self-employed			Unpaid Family workers			Employees		
	Both	Male	Female	Both	Male	Female	Both	Male	Female	Both	Male	Female
PUNJAB												
1990-91	1.30	1.47	0.25	43.60	48.36	15.45	21.82	15.88	56.94	33.28	34.30	27.23
1992-93	0.72	0.81	0.28	43.10	49.05	13.41	23.55	16.23	60.08	32.64	33.91	26.29
1994-95	0.85	0.94	0.29	43.36	48.34	13.85	22.91	16.54	60.66	32.89	34.17	25.27
1997-98	0.66	0.78	0.06	42.00	48.09	12.40	22.37	14.12	62.51	34.97	36.99	25.15
1999-00	0.63	0.73	0.15	43.23	48.53	18.15	21.38	16.19	45.95	34.76	34.56	35.71
2001-02	0.72	0.80	0.34	39.92	45.19	17.40	20.27	14.40	45.35	39.09	39.60	36.91
2003-04	0.73	0.92	0.05	39.02	44.93	17.68	24.65	17.01	52.18	35.60	37.13	30.07
2005-06	0.80	1.02	0.08	37.47	43.75	17.76	25.36	15.50	56.26	36.37	39.71	25.89
2006-07	0.71	0.90	0.13	36.38	43.05	16.13	26.24	15.56	58.67	36.67	40.51	25.01
2007-08	0.67	0.86	0.03	36.82	43.11	15.55	24.74	14.95	57.72	37.77	41.06	26.65
SINDH												
1990-91	3.62	3.91	0.23	41.91	44.17	14.73	12.94	9.75	51.39	41.52	42.18	33.65
1992-93	2.82	2.93	1.08	40.47	42.49	10.81	13.37	11.23	44.86	43.34	43.35	43.25
1994-95	1.86	1.93	0.58	42.86	44.60	11.44	14.49	13.01	41.25	40.79	40.46	46.73
1997-98	2.03	2.15	0.34	44.99	47.50	6.92	13.25	10.52	54.68	39.72	39.83	38.06
1999-00	1.73	1.87	0.00	43.46	46.58	5.63	15.41	11.16	66.90	39.41	40.39	27.48
2001-02	1.47	1.54	0.39	38.66	40.68	7.03	14.89	12.80	47.57	44.98	44.98	45.01
2003-04	1.82	1.92	0.44	36.69	38.72	8.39	16.45	14.47	44.02	45.04	44.88	47.15
2005-06	1.51	1.64	0.27	34.53	37.39	6.67	19.59	16.12	53.38	44.37	44.85	39.67
2006-07	1.38	1.51	0.20	34.03	37.19	6.37	21.63	16.67	65.14	42.96	44.63	28.29
2007-08	1.95	2.27	0.03	31.70	36.42	3.00	29.01	20.36	81.58	37.34	40.94	15.39
NWFP												
1990-91	0.79	0.81	0.61	47.63	50.09	25.30	18.13	13.31	61.88	33.45	35.79	12.21
1992-93	0.60	0.63	0.35	44.31	48.15	14.94	19.93	13.30	70.63	35.16	37.91	14.09
1994-95	0.44	0.48	0.00	48.18	51.57	15.57	18.98	13.14	75.23	32.39	34.80	9.20
1997-98	0.31	0.34	0.00	47.41	49.80	23.10	17.02	12.77	60.17	35.27	37.09	16.72
1999-00	0.41	0.46	0.06	46.15	49.65	19.95	18.03	12.15	62.05	35.42	37.75	17.94
2001-02	0.59	0.64	0.00	42.70	44.62	19.16	18.92	16.21	52.31	37.78	38.53	28.53
2003-04	0.39	0.42	0.08	38.87	41.24	19.70	20.14	16.30	51.17	40.61	42.04	29.06
2005-06	0.77	0.83	0.41	36.83	39.45	19.57	22.07	16.38	59.55	40.33	43.34	20.47
2006-07	0.88	0.98	0.05	38.60	41.65	13.40	19.98	15.09	60.46	40.53	42.28	26.09
2007-08	0.83	1.02	0.00	39.51	43.28	23.06	24.36	15.28	64.05	35.29	40.41	12.90
BALUCHISTAN												
1990-91	0.84	0.90	0.00	57.55	60.23	17.64	14.74	11.02	70.22	26.87	27.85	12.14
1992-93	0.42	0.37	1.47	56.21	57.94	19.69	13.89	12.12	51.30	29.49	29.58	27.54
1994-95	0.34	0.36	0.00	52.50	54.24	25.25	14.00	11.71	49.71	33.16	33.68	25.04
1997-98	0.18	0.19	0.00	48.83	51.14	11.13	16.77	12.87	80.28	34.22	35.80	8.59
1999-00	0.22	0.25	0.00	46.00	52.80	1.98	13.86	12.93	19.88	28.96	34.02	78.14
2001-02	0.35	0.36	0.00	39.79	40.85	17.43	18.55	16.76	56.24	41.32	42.03	26.32
2003-04	0.20	0.21	0.00	43.62	45.36	21.25	18.07	14.97	57.88	38.11	39.45	20.87
2005-06	0.19	0.21	0.02	38.80	43.31	3.70	31.10	23.75	88.38	29.91	32.74	7.90
2006-07	0.25	0.26	0.13	37.71	42.18	4.30	30.89	23.39	87.02	31.15	34.17	8.55
2007-08	0.30	0.33	0.00	36.80	40.11	2.76	32.06	26.95	84.62	30.84	32.61	12.62

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

DISTRIBUTION OF EMPLOYED MALE AND FEMALE 15 YEARS OF AGE AND OVER BY LEVEL OF OCCUPATION (%)

	High-Level Occupations			Mid-Level Occupations			Elementary Occupations		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
PUNJAB									
1996-97	10.43	11.04	7.36	27.47	29.29	18.30	62.10	59.67	74.36
1997-98	11.48	12.84	4.84	27.39	29.49	17.15	61.14	57.64	78.14
1999-00	12.77	14.46	4.79	27.96	30.46	16.13	59.27	55.09	79.04
2001-02	13.14	15.31	3.88	33.09	34.96	25.10	53.77	49.74	71.02
2003-04	13.19	15.98	3.13	30.56	32.72	22.77	56.24	51.29	74.07
2005-06	13.73	17.04	3.33	32.81	35.36	24.82	53.46	47.59	71.84
2006-07	13.56	16.92	3.34	31.74	35.26	21.07	54.70	47.85	75.52
2007-08	13.72	16.86	3.13	33.52	36.60	23.11	52.76	46.51	73.71
SINDH									
1996-97	19.52	19.48	20.07	32.96	33.40	25.72	47.53	47.11	54.21
1997-98	19.18	19.16	19.49	29.07	30.04	14.43	51.75	50.81	66.08
1999-00	17.01	17.98	5.26	31.65	32.80	17.78	51.34	49.23	76.96
2001-02	17.19	17.60	10.80	33.77	33.95	30.93	49.04	48.45	58.27
2003-04	16.26	16.99	6.09	35.76	35.44	40.21	47.98	47.57	53.70
2005-06	17.20	18.29	6.58	34.70	35.33	28.57	48.10	46.38	64.85
2006-07	16.53	18.00	3.66	34.87	35.93	25.53	48.61	46.07	70.81
2007-08	17.61	20.13	2.31	29.15	32.06	11.49	53.24	47.82	86.20
NWFP									
1996-97	11.48	11.68	8.76	27.57	28.47	15.35	60.95	59.86	75.88
1997-98	13.89	14.70	5.59	27.40	28.98	11.30	58.72	56.31	83.11
1999-00	14.08	15.47	3.65	28.29	29.97	15.74	57.63	54.56	80.61
2001-02	13.50	14.15	5.53	30.41	30.43	30.25	56.08	55.42	64.22
2003-04	14.36	15.50	5.10	31.22	31.77	26.74	54.43	52.73	68.16
2005-06	12.98	14.68	1.80	30.26	31.02	25.25	56.76	54.30	72.96
2006-07	16.79	18.30	4.24	31.95	32.97	23.47	51.27	48.73	72.30
2007-08	14.48	17.38	1.81	32.13	35.73	16.38	53.39	46.89	81.81
BALUCHISTAN									
1996-97	15.28	15.53	9.24	21.51	21.65	17.98	63.21	62.82	72.77
1997-98	12.64	14.02	1.29	21.94	19.53	41.86	65.42	66.45	56.85
1999-00	13.84	14.04	7.24	22.36	22.59	15.08	63.80	63.37	77.68
2001-02	13.56	14.46	0.89	26.01	23.76	57.80	60.43	61.78	41.31
2003-04	16.85	18.24	3.18	29.61	27.79	47.58	53.54	53.97	49.24
2005-06	14.26	15.81	2.18	19.56	21.31	5.87	66.19	62.88	91.94
2006-07	16.20	18.06	2.26	21.03	22.80	7.78	62.78	59.14	89.97
2007-08	18.41	19.88	3.37	22.83	23.97	11.03	58.76	56.15	85.59

Source: Labour Force Survey, Federal Bureau of Statistics, Government of Pakistan (various issues)

Note:

- High-level occupations include: legislators, senior officials and managers; Professionals
- Mid-level occupation include: Technicians and associate professionals; Clerks; Service workers and shop and market sales workers; Craft and related trades workers; Plant and machine operators and assemblers
- Elementary occupations include: Skilled agricultural and fishery workers; Elementary (unskilled) occupations

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In Pakistan, although women's labour force participation rate has increased from a very low level to almost 22 percent, it is still disappointing as out of the total female population, 78 percent of women of productive age are out of the labour force. A large part of employed women are working as unpaid family helpers or engaged in residual jobs. These alarming statistics guided SDPC to investigate questions such as: Is there any dynamism in the structure of female employment in Pakistan? Has improvement in women's education translated into their greater integration in the economy? Can women labour force participation be increased by encouraging women entrepreneurship? Will development of the microcredit sector help in generating employment opportunities for women? Does gender differential exist in access to paid jobs, especially at higher levels of education? Does vertical gender segmentation prevail in the labour market of Pakistan? What explains the gender wage gap? Is there any evidence of sexual harassment and violence against women in the workplace in Pakistan? Does domestic legislation provide an enabling environment for working women? How have the recent adverse economic developments affected the working woman?

Women at Work, SPDC's ninth Annual Review of Social Development in Pakistan attempts to answer these questions. It also sets out a multi-pronged strategy for promoting women's employment in Pakistan by addressing gaps in various socioeconomic policies.



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