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# Policy Brief on Female Labor Force Participation in Pakistan

Asian Development Bank

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# Policy Brief on Female Labor Force Participation in Pakistan

## Abstract

### Key Messages

- Despite increases in recent years, female labor force participation in Pakistan, at 25%, is well below rates for countries with similar income levels. Even among women with high levels of education, labor force participation lags: only around 25% of women with a university degree in Pakistan are working.
- This low female labor force participation represents a major loss of potential productivity. It also has important implications for women's empowerment, as working women are more likely to play a role in household decision making compared with nonworking women in the same villages or even in the same families.
- The study found that many women in Pakistan would like to work; there are multiple reasons why they do not. One of the key reasons—on which policy could have an effect—is that women face restrictions on their physical mobility outside the home.
- Several interconnected factors restrict women's mobility outside the home, among them (i) social, cultural, and religious norms; (ii) safety and crime; quality of available transport services.

## Comments

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## KEY MESSAGES

- Despite increases in recent years, female labor force participation in Pakistan, at 25%, is well below rates for countries with similar income levels. Even among women with high levels of education, labor force participation lags: only around 25% of women with a university degree in Pakistan are working.
- This low female labor force participation represents a major loss of potential productivity. It also has important implications for women's empowerment, as working women are more likely to play a role in household decision making compared with nonworking women in the same villages or even in the same families.
- The study found that many women in Pakistan would like to work; there are multiple reasons why they do not. One of the key reasons—on which policy could have an effect—is that women face restrictions on their physical mobility outside the home.
- Several interconnected factors restrict women's mobility outside the home, among them (i) social, cultural, and religious norms; (ii) safety and crime; and (iii) the quality of available transport services.

POLICY BRIEF ON FEMALE  
LABOR FORCE PARTICIPATION IN  
PAKISTAN<sup>1</sup>

## INTRODUCTION

In Pakistan, women work primarily in the home or on the farm. Their participation in work outside these areas, particularly in formal employment, is extremely low. It is possible that some forms of work by Pakistani women may be undercounted in surveys, as a large proportion of survey respondents may be working in agriculture or doing informal work at home, which is not counted and reported as work. However, the study analysis of the 2007 Pakistan Time Use Survey suggests that this is not a major driver of the patterns.<sup>2</sup> The survey evidence clearly indicates that a very low proportion of Pakistani women work outside the home, where best-paid work opportunities abound.

## FEMALE LABOR FORCE PARTICIPATION TREND

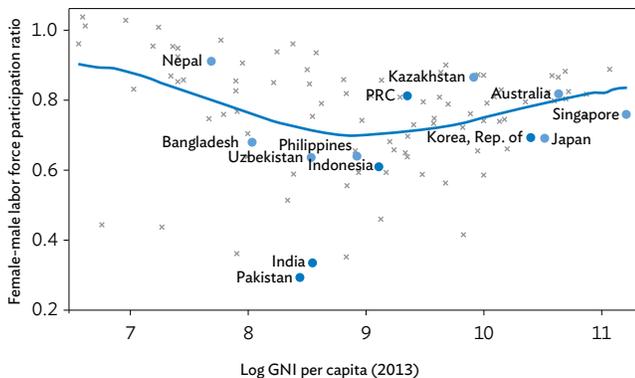
Female labor force participation in Pakistan is still well below levels in other countries with similar incomes (Figure 1), despite growing by more than half over the past 2 decades. Even among women with a high level of education, labor force participation is low—only about 25% of Pakistani women who have a university degree work outside the home.

Women's low labor force participation results in a significant potential loss of productivity. To be sure, female labor force participation in Pakistan has grown alongside gross domestic product (GDP) over time (Figure 2), with economic growth bringing in opportunities and working women contributing to overall production.

<sup>1</sup> This brief, prepared by Sakiko Tanaka and Maricor Muzones, summarizes the *Female Labor Force Participation in Asia: Pakistan Country Study*, prepared by Professor Erica Field and Postdoctoral Associate Kate Vyborny from Duke University under the Asian Development Bank's Research and Development Technical Assistance 8620 on Economic Analysis for Gender and Development.

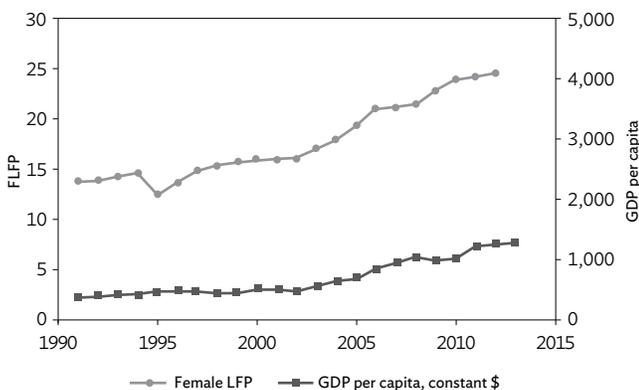
<sup>2</sup> The Pakistan Time Use Survey 2007 (sample size 19,000 households) is representative of all four major provinces in Pakistan. The survey includes questions to measure the impact of women's labor force participation on their well-being such as hours of market work, work at home, and rest.

**Figure 1: Female Labor Force Participation and GNI per Capita Worldwide**



PRC = People’s Republic of China, LFPR = labor force participation rate, GNI = gross national income.  
 Note: Labor data for ages 15+ excludes the Middle East.  
 Source: for GNI: World Bank; for LFPR: International Labour Organization (2013).

**Figure 2: Income and Female Labor Force Participation**



FLFP = female labor force participation, GDP = gross domestic product.  
 Sources: International Labour Organization (2014); World Bank (2014).

Paid work may also bring other important benefits, particularly in increasing women’s decision-making power in the household. Based on analysis of national data, Fatima (2014) finds that women who work are more likely than others in the same village to have a say in whether to use contraception (controlling for village fixed effects), and more likely than other women in the same household to have a say in household expenditures (controlling for household fixed effects). It is possible that causation runs in the opposite direction (that women who have a stronger position in the household are

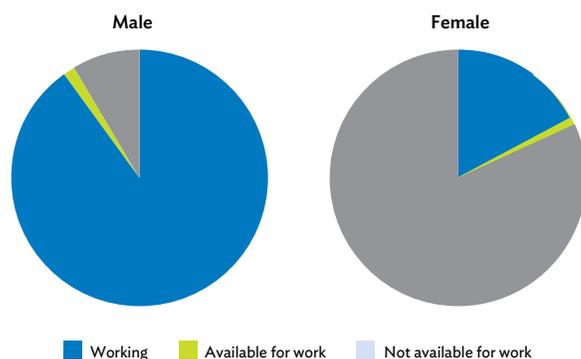
more likely able to insist on working). But the fact that the effect persists even when comparing women in the same household suggests that work has an empowering effect. Ray (2000) observes that in households surveyed in a nationally representative 1991 sample, children’s overall share of household earnings was only slightly less than that of women. He argues that because of cultural or religious restrictions against women working outside the home, households in Pakistan rely more on child labor, especially that of boys—a finding that suggests that increasing female labor force participation might decrease child labor.

More importantly, women in Pakistan do not take up paid employment because of mobility restrictions resulting from both cultural and social norms and security concerns.

Almost 40% of women who are not working report that the main reason for this is that male family members do not permit them to work outside the home. Another 15% say that it is because they themselves do not want to work outside the home. Among women who say that they would be willing to work, about a third say that they would be willing to work only within their own home. Particularly telling is that, of those who do work, 30% work in their own home. Even those women who do leave home to work do not travel as far to their workplace as men do.

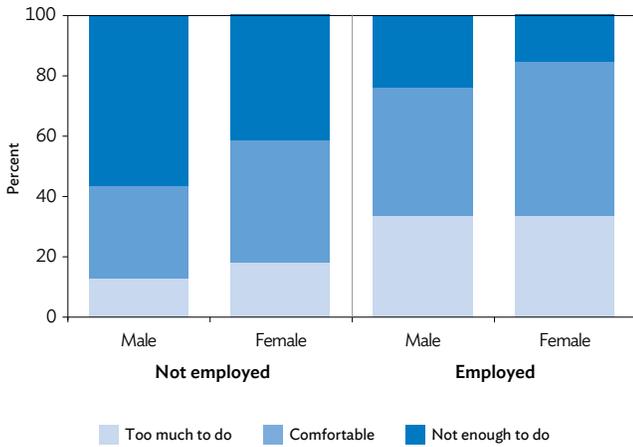
Very few women indicate that they are “available” to work (Figure 3), and almost none report actively seeking work. Yet, Figure 4 shows that 40% of women who are not employed report that they did not have enough to do in the previous day. These patterns are similar among nonemployed women in urban and rural areas.

**Figure 3: Availability for Work**



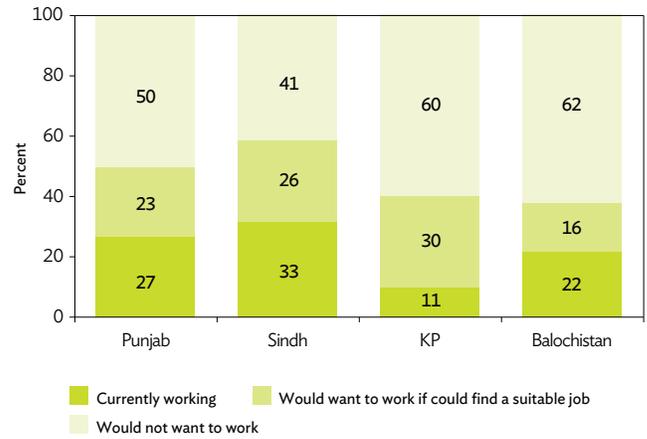
Source: Pakistan Bureau of Statistics. Labour Force Survey 2009-10.  
<http://www.pbs.gov.pk/content/labour-force-survey-2009-10>

Figure 4: Perception of Activity the Previous Day



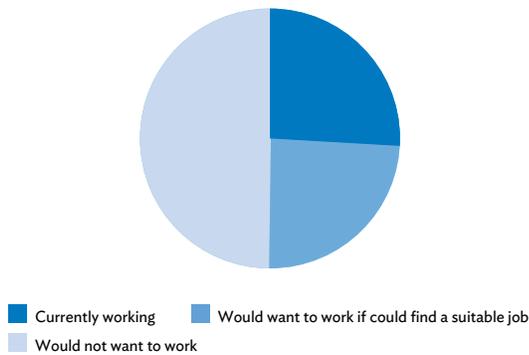
Source: Pakistan Bureau of Statistics. Time Use Survey 2007. <http://www.pbs.gov.pk/content/time-use-survey-2007>

Figure 6: Willingness to Work—Ever-Married Women



Source: National Institute of Population Studies. 2008. *Pakistan Demographic and Health Survey 2006–07*. Islamabad. <https://dhsprogram.com/pubs/pdf/FR200/FR200.pdf>

Figure 5: Willingness to Work—Ever-Married Women



Source: National Institute of Population Studies. 2008. *Pakistan Demographic and Health Survey 2006–07*. Islamabad. <https://dhsprogram.com/pubs/pdf/FR200/FR200.pdf>

Figure 5 shows that responses differ significantly when women are asked a slightly different question: “Would you work if you could find a suitable job?” Approximately a quarter of the women answered “yes.” If all of these women worked, this would conceivably double female labor force participation in Pakistan. Similar proportions of women answer “yes” to this question in both rural and urban areas, even in the most socially conservative provinces, where actual female labor force participation is very low (Figure 6). So the question remains, what makes a “suitable” job?

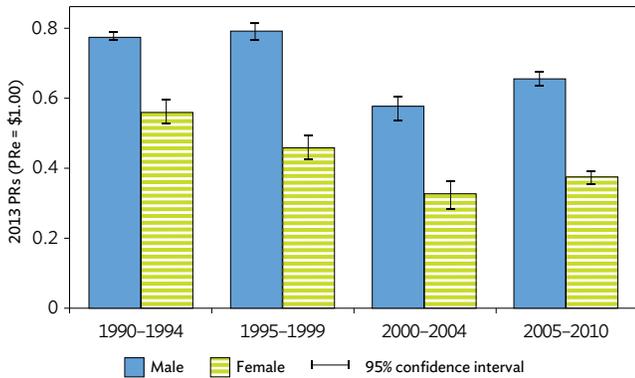
## WAGE

One potential explanation for low female labor force participation is that the jobs available to women pay low wages. Women earn less than men, and this difference has been persistent (Figure 7).<sup>3</sup>

Wage discrimination is a possible explanation for this pattern but is difficult to distinguish empirically from differences in skills and experience. Occupational segregation of women in combination with low demand in the occupations considered suitable for women is another. Cheema et al. (2012) find that a large percentage of firms hire no women at all, making it consistent with strong gender norms on the type of work taken up and also with specific costs perceived by employers for having women in the workplace, such as the cost of ensuring their security. Market returns to education appear to be highly convex for women. Based on the descriptive patterns (Figure 8), returns to education through increased wages are extremely low for the primary and middle levels of education and higher for upper levels of education. Only at the very last stages of secondary and tertiary education do women’s wages show a significant increase. It is also important to note that women’s labor force participation is still very low, even at higher educational levels where the returns are greater and where women appear to be able to access higher-level white collar jobs. During 2000–2007, still only 25% of women with an advanced degree used it in the labor force.

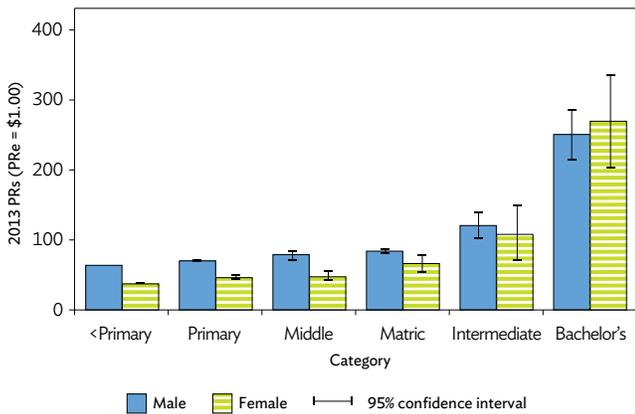
<sup>3</sup> Note that all wages are calculated on an hourly basis using the respondent’s reported work hours in the last week, so they adjust for differences in work hours.

**Figure 7: Trend in Wage Gap**



PR = Pakistani rupee.  
 Source: Pakistan Bureau of Statistics. Labour Force Survey 2009-10.  
<http://www.pbs.gov.pk/content/labour-force-survey-2009-10>

**Figure 8: Gender Wage Gap by Education**



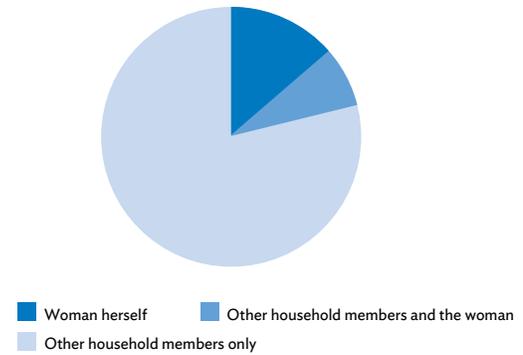
PR = Pakistani rupee.  
 Source: Pakistan Bureau of Statistics. Labour Force Survey 2009-10.  
<http://www.pbs.gov.pk/content/labour-force-survey-2009-10>

## NORMS AND EXPOSURE

Gender norms clearly have some role to play in restricting women’s labor force participation in Pakistan, either by keeping women at home entirely, or by confining their labor force participation only to certain acceptable occupations. Men are seen as the primary breadwinners, and most people agree that if jobs are scarce, employers should favor men; this is true for women almost as much as for men. It holds across (self-identified) socioeconomic classes. Education might be expected to change this view, but in fact more educated respondents are only slightly less likely to agree with this statement.

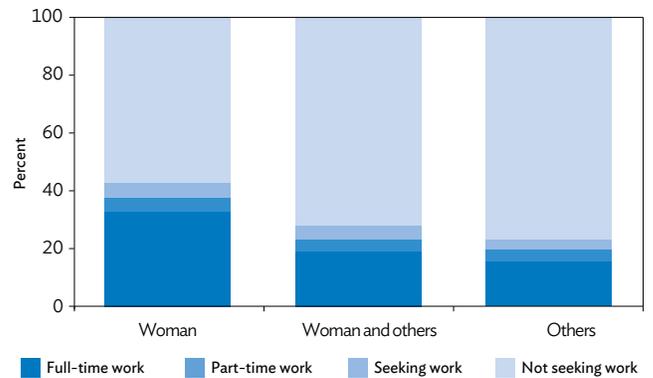
But beyond a simple preference for men’s access to work opportunities, women’s work is generally actively stigmatized in Pakistan. Women who go outside the home to work are not considered “respectable” in many social contexts (World Bank 2006). Since this stigma affects the whole family, other decision makers in the family—such as the woman’s husband or in-laws—may restrict a woman’s decision of whether to work outside the home. Figure 9 shows that in the vast majority of cases, women report that they do not even play a role in deciding to seek paid employment. As Figure 10 shows, the degree of control that a woman retains over the decision to seek employment is strongly correlated to whether she participates in the labor force.

**Figure 9: Who Decides Whether a Woman Will Work?**



Source: Pakistan Bureau of Statistics. Pakistan Social and Living Standards Measurement Survey 2005-06 National/Provincial.  
<http://www.pbs.gov.pk/content/pakistan-social-and-living-standards-measurement-survey-pslm-2005-06-national-provincial>

**Figure 10: Who Decides Whether a Woman Will Work? (Conditional on Women’s Participation in the Labor Force)**



Source: Pakistan Bureau of Statistics. Pakistan Social and Living Standards Measurement Survey 2005-06 National/Provincial.  
<http://www.pbs.gov.pk/content/pakistan-social-and-living-standards-measurement-survey-pslm-2005-06-national-provincial/>

## MOBILITY

The same factors that make some workplaces in Pakistan safe or “appropriate” for women also affect women’s mobility. As noted, and as the existing literature and survey data indicate, women’s limited mobility outside the home because of cultural norms and security concerns greatly affects female labor force participation. Even if the work environment itself is considered safe and acceptable, traveling to work may create a level of exposure that violates norms (Ali 2012, World Bank 2006). For example, in a small (nonrepresentative) survey of women in Karachi who travel regularly, 85% of working women said they had been harassed on public transport in the past year (ADB 2014). Most of the harassment was perpetrated by male passengers, but about a quarter of women also reported being harassed by vehicle drivers or conductors. In addition, social taboos prevent women from riding bicycles or motorcycles by themselves, making them dependent on male relatives to use these modes of transport.

This limits both the ability of urban women to leave the home as well as the ability of rural women to move outside of their village or even subvillage settlement for work. The same factors limit the ability of younger women to attend further education or vocational training, which could lead to better work opportunities.

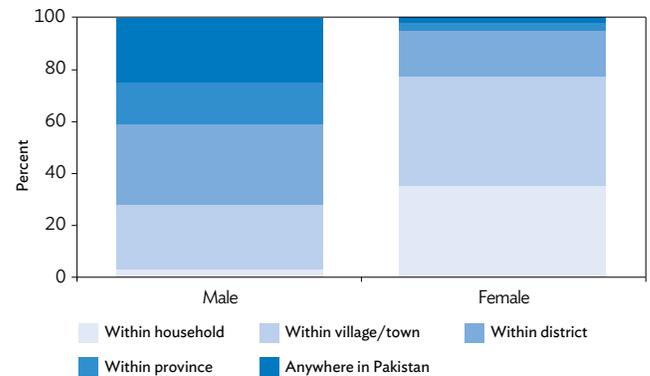
Ejaz (2007) finds that female labor force participation is positively associated with vehicle ownership in the household, despite the fact that other household durables are negatively associated. This may simply capture the U-shaped relationship between wealth and female labor force participation, but it may also reflect a mobility effect—women whose families own cars can travel to work more easily without encountering harassment or stigma. Several recent studies on social and economic issues in Pakistan nevertheless shed light on this issue although they do not specifically focus on women’s labor force participation.<sup>4</sup>

Figure 11 shows that even women who say they are currently available for work are far more restricted in their work location than men. About a third of these women say they are only available to work within the home, which severely restricts the opportunities they could take up. Of the remaining women, most are available only within their own village or town. In recent years, women’s availability outside the home has increased; their availability is also much greater for more educated women (Figure 12).

Figure 13 shows that districts with higher levels of women’s mobility have much higher female labor force participation. The categories on the x-axis are based on the district-level average of other women

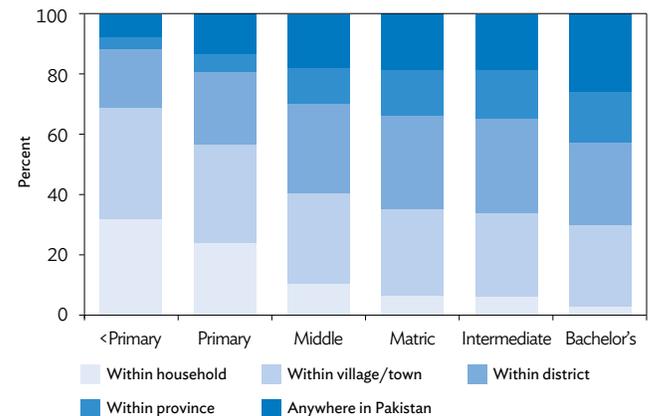
<sup>4</sup> Jacoby and Mansuri (2011), in their study of caste and clan effects on education in Pakistan, find that parents are much less likely to send their girls to school if the school is located across caste boundaries within a village; Cheema et al. (2012) find that many households were willing to nominate female members for vocational training, but transport to the venue of the training has been an important constraint where the risks for safety and loss of reputation involved in physically traveling to the location is a binding constraint.

Figure 11: Locations Available for Work (Conditional on Availability)



Source: Pakistan Bureau of Statistics. Various years from 1990 to 2007. Pakistan Labour Force Surveys. Islamabad.

Figure 12: Locations Available for Work (Conditional on Availability): Women

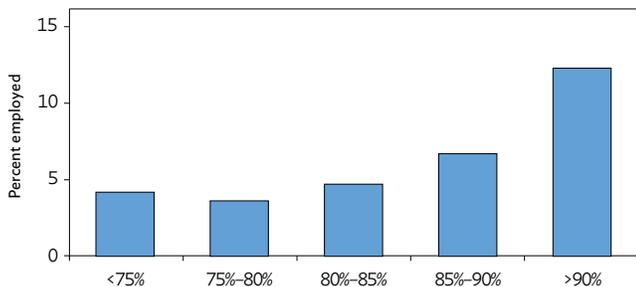


Source: Pakistan Bureau of Statistics. Various years from 1990 to 2010. Pakistan Labour Force Surveys. Islamabad.

(excluding the respondent’s own observation) who traveled outside the home anywhere for any purpose in the previous day. A woman is more likely to work in districts where other women travel more.

One might expect that women in urban areas would be more likely to want to work outside the home, and to be more mobile. In fact, this is not the case in Pakistan. Women in urban areas are somewhat less likely to indicate that they are available for work. In addition, if they are available, they indicate somewhat less willingness to work outside the home (Figure 14). Unwillingness to take certain types of work is likely due in part to the new challenges that urbanization can create for women’s mobility—traveling to work can mean greater anonymity, public exposure, and crowding with strangers.

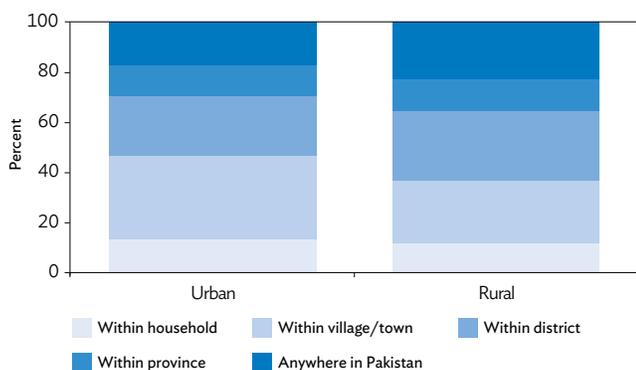
**Figure 13: District-Level Female Mobility and Employment**



Note: X-axis shows percentage of other surveyed women in the district (excluding own observation) who traveled for any purpose on the reference day.

Source: Pakistan Time Use Survey 2007.

**Figure 14: Locations Available to Women for Work (Conditional on Availability)**



Source: Pakistan Bureau of Statistics. Various years from 1990 to 2010. Pakistan Labour Force Surveys. Islamabad.

## POLICY RECOMMENDATIONS

The study suggests a number of key policy areas that may affect female labor force participation either directly or indirectly through increasing women’s physical mobility. Interventions in these areas need to be rigorously tested as many are not studied adequately. To sufficiently inform the best policies, program designs, and spending allocations for enhancing Pakistan’s female labor force participation, a set of studies needs to be conducted to quantify their benefits and costs. The interventions may either attempt to change the existing norms in Pakistan or ease key constraints by working around those existing norms. Policy interventions that do the latter could increase female labor force participation in the short term, and by doing so, could develop the potential to change the norms in the long term through social exposure. Policy changes could increase female labor force participation in the following areas:

- **Changing Norms**

Evidence from other countries suggests that exposure to visible role models of women working or in leadership roles can change norms, such as Fogli and Veldkamp (2011). Two policy interventions in particular may be considered to target norms directly: (i) initiatives that bring women into public leadership positions such as the ongoing Rural Support Programmes Network, in which the Asian Development Bank (ADB) and other institutional donors assist efforts to involve Pakistani women in local civil society leadership. Rigorous research currently being undertaken by Ghazala Mansuri and collaborators seeks to test the impact of such efforts on women’s empowerment and social norms; and (ii) media interventions to promote a more positive image of women’s work, and then tested and evaluated. The spread of media has been shown to have positive effects on women’s empowerment. In particular, Jensen and Oster (2009) find that the introduction of cable television across new areas of rural India not only lessened the acceptability of domestic violence and son preference, but also increased women’s autonomy.

- **Making More Workplaces ‘Suitable’**

Sexual harassment in the workplace is widespread in Pakistan. In Karachi, which is generally thought to be the city with social norms most favorable to women’s work, 96% of the female respondents in a study of 10 private and 10 public institutions reported that either they or their colleagues had faced sexual harassment in the workplace (Sadruddin 2013). Existing job opportunities can therefore be made more acceptable for women in Pakistan by improving the workplace environment. In 2010, Pakistan passed a new law against sexual harassment in the workplace. Sadruddin’s study showed that only 2% of respondents were aware of this law. Public listings also indicate that very few workplaces, whether public and private, have so far complied with these two basic requirements of the law—discussing the policy in a management meeting, and posting information about the law in the workplace.

Using this legislation as a basis, the International Labour Organization and other agencies are implementing programs to improve workplace environment. Evaluating the impact of these programs on the recruitment and retention of qualified female workers will be very useful.

- **Increasing Demand for Female Workers in Sectors with Attractive Jobs**

A number of promising key policy levers could increase female labor force participation even without a major change in norms restricting the kind of work appropriate for women. On the demand side, policies can be targeted to increase labor demand in particular types of jobs in which women are more likely to work. Also likely to have a stronger effect on female labor force participation is to expand

demand in particular types of manufacturing (such as textile and apparel) and white-collar jobs (such as in professional services), given the restrictions on acceptable workplace environments for women and the fact that there is higher labor participation of women with the highest levels of education. All of these policy initiatives require a wide range of interventions across different policy areas, such as improving the reliability of electricity supply, but a full discussion of them is beyond the scope of this paper.

### • **Education: Preparing Women for Jobs They are Willing to Take Up**

In the context of the social norms discussed earlier, white-collar work is considered more acceptable for women in Pakistan. Since education increases their access to these jobs, secondary and tertiary education would be particularly important for increasing women's labor force participation. It is therefore not surprising that much of the existing research on education has focused primarily on primary and middle levels of education, with little research and policy attention given to women's access to higher levels of education.

Lower levels of education are also important and should continue to be an area of focus. Education has many purposes beyond preparing people for the labor market, and attainment and quality are also required at the primary and middle levels for young women to progress to higher levels. In addition, education at any level may change the norms restricting women's work and mobility.

The quality and relevance of vocational training for women should also be rigorously assessed, considering the high degree of occupational segregation in Pakistan and the low female labor force participation levels at middle levels of education. A number of the cross-sectional studies have made recommendations to expand vocational training for women, but there seems to be little support for this based on their empirical findings.

### • **Security and Criminal Justice**

Interventions focused on security, criminal justice, and crime and public safety are clearly critical in determining female labor force participation. The issues of physical safety they address are interlinked with norms that affect women's mobility and labor force participation. Indeed, if women are confident that they can travel to and from work safely, they may be much more likely to consider taking up work outside the home.

Improving public safety for women is crucial to improve their mobility. Institutionally, women's representation is also important; when women get into leadership positions, crimes against women are reported more frequently (Iyer et al. 2012). If and when the local government system is revived in Pakistan, this would be another reason to keep the women's reservations in that system.

### • **Transportation**

Public transportation and city infrastructure development is another policy tool particularly relevant for enhancing women's mobility in Pakistan. They could alleviate some of the problems women face in pursuing work opportunities. Given strong norms almost everywhere in the country against women riding bicycles or motorbikes alone, most women depend entirely on public transport to commute. Yet there is no state-provided transportation in most cities, and it is completely absent from rural areas. In rural, peri-urban, and urban areas, the existing public and private transport services are crowded with men; in a society where close contact between the sexes is taboo, riding them is a major social obstacle for women.

The current ADB-supported expansion of transport services in Pakistan provides an opportunity to build an evidence base for testing its efficacy in enhancing women's mobility and labor force participation. Better evidence on what works and the magnitude of its impact could be very important in informing future policies and programs to be implemented by Pakistan's government, ADB, and other development partners. Given ADB's extensive engagement in the ongoing expansion of public transportation in Pakistan, it is uniquely positioned to encourage the government to consider the findings from ongoing rigorous research and to support researchers and government to work together in quantifying the social and economic benefits of these investments in general and in particular for women, as well as identifying ways to maximize those benefits.

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