

# **DECENT WORK INDICATORS: A WAYFORWARD FOR POLICY MAKERS AND DATA USERS IN PAKISTAN**

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## **Abstract**

Sustainable Development Goal-8 emphasized on provision of decent work employment for all. The goal aims for declining unemployment which leads to reducing poverty in masses. Countries are agreed on various elements of decent work opportunities ranging from employment opportunities to social security of workers. Data on these indicators has extreme importance and policy implications. In Pakistan, mostly data on these indicators are available with National Statistical Office. This paper makes an effort to discuss all dimensions, possible indicators and latest data of decent work. The paper concluded that ample supply and little job opportunities raises unemployment rate particularly in women and youth. Decent work phenomenon is possible through enhancement of education and training institutes for women, capacity building of Inspectorates of labour and management of trade unions.

**Keywords:** Decent work, Poverty, Unemployment, indicators, capacity building

## **Introduction**

Pakistan is bestowed upon various resources including human resources. It is the fifth largest country of the world with population of 207.77 million (Census 2017) and accounted for 2.8% globally. Its population growth rate is 2.4 % higher than its neighboring countries. The country has 65.50 million labour force in which 61.71 million are employed (LFS 2017-18). Although such massive swath of workers provides a strong foundation of resilient labor market, yet job opportunities to them is a gigantic task for both public and private sector of the country. Due to lack of opportunities in local market, many of workers migrate to foreign countries like USA, UK and Gulf countries etc. In such scenario, concept of decent work emerged as a power tool for job creation, protection and inclusion in decision making for these workers in local as well as foreign markets.

Decent work involves opportunities for work that are productive, deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equal opportunity and treatment for all men and women (ILO, Manual 2013).

Decent work emphasized on decent job creation with appropriate protection of labour rights, financial inclusion and efficient resource allocation. The better workplace environment has positive and significant impact on productivity of the workers. Similarly social security and safety improve a sense of protection among workers which resulted in development of harmony. These attributes are only possible with decent work environment to all. Due to its significant role, Sustainable Development Goals (SDGs) include various dimensions of decent work as the core strategy to reduce poverty.

National Statistical Office (NSO) plays a vital role in dissemination of various socio-economic indicators of a country. Pakistan Bureau of Statistics (PBS) is NSO of the country which is responsible for supply of important statistics of the country including labour force statistics. This paper makes an effort to highlight important indicators of decent work, its current position and a way forward for policy makers for utilizing these indicators while devising strategies for achieving Goal 8 of SDGs.

## **Methodology**

Labour Force Survey (LFS) micro data (2008-09 to 2017-18) is used for tabulation of decent work indicators as per ILO standards. The output of these indicators are used in discussion, conclusion and recommendations are given in the light of decent work indicators.

## **Results**

Decent Work has ten elements and every element has its own indicators (Decent work indicators: ILO Manual, 2013). The elements, its important indicators and current position of these indicators are given below:

### **1. Employment Opportunities**

The first and utmost element of decent work is creation of job opportunities. This substantive element comprised of indicators regarding labour demand and supply in an economy. Some indicators in respect of Pakistan is given below.

**Table 1: Data on Employment Opportunities Indicators in Pakistan (In Percent)**

Name of Indicators	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
Employment-to-population ratio	52.18	51.89	51.34	51.5	51.58	50.29
Unemployment rate	5.26	5.74	5.99	5.62	5.78	5.68
Labour force participation rate	54.96	54.9	54.58	54.54	54.66	53.37
Informal Sector Employment	72.93	73.53	73.32	73.34	72.3	71.41

Sources, PBS, LFS

The table indicates that Pakistan has made limited progress in terms of improving employment opportunities during the period 2009-10 to 2017-18. The employment to population ratio decreased over this period from 52 % to 50.3%. Similarly, over this decade, the unemployment rate of population aged 15 years and above has marginally raised from 5.3 to 5.7 per cent. In terms of the supply of labour, it is evident that labour force participation rate has hovered around 54 per cent during 2009-18. Informal Employment showing decreasing trend from 73% to 71% during 2009-18. Country needs to decrease further this portion of labour.

## 2. Adequate earnings and productive work

This element stresses upon workers being able to earn sufficient income so they are able to provide a reasonable standard of living to their families. The creation of productive employment opportunities is a key pillar of attainment of decent work. Three important indicators are used for measuring this element.

**Table 2: Data on Adequate Earnings and Productive Work in Pakistan (In Percent)**

Name of Indicators	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
Low-pay rate	23.9	24.28	20.78	23.38	24.4	25.23
Average monthly real earnings in PKR (2007-08=100)	6779	6734	7036	7042	7660	8660

Sources, PBS, LFS

The above table shows abysmal picture regarding adequate earnings and productive work during the last ten years in Pakistan. Its increasing trend is tip of the iceberg. The average real monthly earnings of the paid employees grew at an annual average rate of 3 percent during this period.

## 3. Decent working time

The number of hours worked gauged balance between professional and personal life. Excessive working hours usually resulted in low hourly-wage, physical & mental health and declining productivity. In contrast, insufficient working hours signal underutilization of labour. Statistical indicators along with latest data used for this dimension are given in Table 3.

**Table 3: Data on Decent working time in Pakistan (In Percent)**

Name of Indicators	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
Excessive hours*	41.9	41.13	38.66	41.76	41.69	40.32
Normal Working hours	44.98	44.67	46.48	46.36	46	46.79
Low/unutilized hours	13.11	14.2	14.87	11.87	12.08	12.89

Sources, PBS, LFS

\*= Proportion of workers who worked more than 48 hours per week

Table shows that excessive hours during the period 2009-18 decreased marginally. This is good sign for worker and labour market. On the other hand, share of normal working hours are increased over this period. This indicates labour market resilience and robustness.

## 4. Combining work, family and personal life

The maintenance of a proper balance between work, family and personal life is an important aspect of decent work. The ILO's Workers with Family Responsibilities Convention, 1981 (No. 156) is an important international commitment in this area, which has so far not been ratified by Pakistan. The ILO does not have an internally defined set of statistical indicators to measure this dimension of decent work. Therefore, the Profile has made use of three proxy indicators to gauge progress against this aspect of decent work in Pakistan.

## 5. Child Labour Abolition

An important dimension of decent work is the abolition of child labour. Every child has the right to get education rather than to work. ILO emphasizes to eliminate of every form of child labour. The organization encourages countries to strictly implement policies regarding child labour. Pakistan has also been ratified ILO core Conventions related to child labour. The country prohibited child labour. However, zero ground results are not reaped due poverty and inequality among the masses. Indicators with partial and latest data are summarized in the following table for Pakistan.

**Table 4: Child Labour Indicators and it Partial data in Pakistan (In Percent)**

Name of Indicators	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
Child labour rate (10-17 years)	17.41	16.37	15.82	14.9	14.03	13.08
Hazardous child labour rate (10-17 years)	6.7	6.0	6.12	6.32	5.87	5.35

Sources, PBS, LFS

A complete assessment of child labour work needs to be abolished for Pakistan. But this is constrained by devoid of comprehensive statistics on participation rate of 5-14 age children. The available data on the age brackets of 10-17 years shows that the incidence of child labour was in the range of 11-17 per cent in 2009-10 but has been on a declining trend during the period 2009-18 due to strict policy implementation.

The assessment of hazardous child labour is not possible due to non-availability of reliable and comprehensible data. Nonetheless, proper implementation of laws is not possible due to poverty and lack of economic opportunities, low access of children to further education as well as parents' perceptions of the importance of education.

## 6. Stability and security of work

The stability and security of work dimension of decent work emphasizes minimizing workers' job insecurity and concerns about their arbitrary removal from service. The ILO's Termination of Employment Convention, 1982 (No. 158), governing this aspect of decent work. Although Pakistan is not a signatory to this Convention, many provisions of existing legislation deal with issues of security of work. The assessment of stability and security of work in the context of Pakistan is based on the precarious employment rate, the share of casual workers in precarious employment and the real earnings of casual workers. The data from 2009-18 on precarious employment is given in the following table.

**Table 5: Statistical Indicators with latest data on Stability and security of work (In Percentage)**

Name of Indicators	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
Precarious employment rate	16.87	16.62	19.54	19.39	19.07	20.54

Sources, PBS, LFS

Precarious work refers to jobs that lack employment-stability and security, short tenure and termination on short notice. The table clearly indicated that Pakistan's labour market shows increase in precarious employment over the last 10 years.

## 7. Equal opportunity and treatment in employment

The principle of equal remuneration for men and women for work of equal value is enshrined in ILO's Equal Remuneration Convention, 1951. This Convention has been ratified by Pakistan, which makes it binding on the state to ensure no discrimination in remuneration on basis of gender.

The examination of the share of women across the different occupational groups gives a fair idea about equal opportunity and treatment in employment, over the period 2009-18. This examination is given in the following table:

**Table 6: Share of Women employment in various occupational groups (In Percent)**

Name of Profession	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
Legislators, and managers	3.36	3.32	3.13	4.15	2.87	4.93
Professionals	16	17.74	9.26	30.36	31.58	33.25
Technicians	26.24	27.84	29.25	9.64	6.98	10.22
Clerks	2.13	2.59	3.29	3.33	2.5	2.3

Service workers	3.27	2.12	2.05	3.22	3.16	3.62
Skilled agricultural workers	36.02	37.19	38.19	38.04	38.42	37.83
Craft and related trade workers	15.9	15.64	15.27	19.24	21.12	21.52
Plant and machine	0.63	0.33	0.85	1.39	1.28	1.05
Elementary occupations	14.09	14.58	18.49	22.53	21.62	18.28
<b>Gender wage gap</b>	<b>34.6</b>	<b>36.2</b>	<b>37.5</b>	<b>40.8</b>	<b>37.87</b>	<b>38.89</b>

Sources, PBS, LFS

In Pakistan, women are mostly engaged in agriculture sector. They are unpaid family worker and their contribution to household income is not considered. The second highest occupation is professionals. It is very encouraging that share of woman in the field of medical, education and other social services are increasing. In the last decade their shares are more than double. Another important aspect is that share of women at managerial and executive level is very minimal. However, over the time its share is increasing. Similarly, one fifth of employed women are still unskilled workers and this share needs to be lowered as much as possible using long term policies. The trend in gender wage gap in Pakistan is quite alarming. This gap was significant and has slightly risen over this period. In 2009-10, the average female earnings were 34.6 per cent lower than male earnings, while this is widened over time. Power legislation and strict implementation is direly needed for equal wage and non-discrimination against women.

#### 8. Safe work environment

Provision of occupational safety and health (OSH), as well as a safe working environment is a critical dimension of decent work. In Pakistan, occupational safety and health guidelines are covered under various laws. Laws pertaining to these guidelines are administered through system of provincial labour inspectors, who are responsible for regulating the health and safety standards in establishments falling under their jurisdiction. ILO provides useful insights and detail of indicators for covering this dimension of decent work. Currently, only one indicator data is available which is tabulated with its latest data as follow:

**Table 7: Occupational non-fatal injury frequency rate (In Percent)**

Year	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18
<b>Both Sexes</b>	3.01	3.57	4.10	4.31	4.05	3.77

Sources, PBS, LFS

As the above data shows that frequency of non-fatal injuries has increased over time showing ineffective functioning of these directorates. A number of factors are responsible for such inefficacies including lack of trained staff, inadequate financial resources, weak enforcement and monitoring capacity and lack of systematic maintenance of administrative records.

#### 9. Social security

Social security and social protection are considered today as basic human right. The ILO's Social Security Convention outlines minimum standard under nine major areas including medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivors' benefit.

To assess the progress on this dimension, the following indicator is listed in the country profile and their data is given in the table.

**Table 8: Statistical Indicators along with latest data for Social Security Net**

Name of Indicator	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Public social security expenditure (% of GDP)	2.9	3.6	4.5	3.3	2.5	2.5	2.5	2.3	1.9

A holistic assessment of progress on the social- security dimension of decent work is hindered by the limited availability of data on the beneficiaries of the various social protection programmes/ schemes in the country. The available data shows that Pakistan has made some progress in increasing the social security protection coverage for the population, although this improvement is focused more broadly on the poorest and most vulnerable segments of society rather than on the workers and their families. Nonetheless, Government expenditures on social protection increased substantially and remain above 2 per cent of the country's GDP.

## 10. Social dialogue, employers' and workers' representation

Social dialogue refers to the process of negotiation, consultation and exchange of information between governments and the representatives of the real economy (workers and employers). It is one of the most critical pillars of the decent work agenda and a key feature of productive and harmonious societies. The indicator (Annex-VIII) used to assess this dimension of decent work in the case of Pakistan include the total number of trade-union members as a proportion of total wage employment; the number of enterprises belonging to an employers' organization; and the number of collective bargaining agreements and man-days lost due to strikes and lockouts. Latest data is given in the following table:

**Table 9: Statistical Indicators for Social Dialogue and Bargains for workers**

Name of Indicator	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Number of trade union members	934,579	943,006	961,768	459,727	467,300	472,467	476,377	493,853	498,389

The above data shows that process of social dialogue and collective bargaining is becoming slow over time. Similarly, members of trade unions are decreasing over time showing trust deficit of workers over them. Labour union leaders must seriously think about it.

### Discussion, Conclusion and Recommendations

#### Discussion

SDG's indicators are globally divided into three tiers i.e. Tier-I, II & III. It is mandatory for every country to produced statistics on Tier-I indicators. Pakistan is also signatory of various ILO conventions on decent work. Decent work has ten elements and every element has its own indicators. The creation of productive employment is a key pillar of attainment of decent work. Employment to population ratio in case of male, female and both sexes showing decreasing trend in the last ten years. Although males are mostly employed, female employment rate is decreasing over time. This situation creates a huge imbalance between gender disparities. Female has not get opportunity to participate in economic activities. Regarding gender disparity, female participation rate is very low in comparison to male counterparts which remain only 23.6 per cent in 2017-18. This is huge gap and must be filled with women-centric policies. Pakistan, has a huge informal employment. Most of workers are engaged in small enterprises with no registration system leads to huge informal employment (more than 70%). Youth play a bloodline role in economic prosperity of a country. Thirty percent of youth in Pakistan has neither in education nor in job. It is very unfortunate that no solid planning has been made for them.

Adequate earning is also vital for decent work. Females are more vulnerable than male in case of adequate earning. Strict implementation of existing rules regarding minimum wage particularly in case of women in informal sector is need of the hour. However, the data shows a bleak picture regarding gender discrimination in informal sector. Such discrimination should be shunned so that women should actively participate in economic activities which guaranteed their empowerment. Under-utilization of labours is decreased in this decade from 13.1 per cent in 2009-10 to 12.89 per cent in 2017-18. This should be further declined through medium to long term policies.

Statistical indicators with respect to assessing the incidence of child labour and worst forms of child labour include child labour rate and hazardous child labour rate for children aged 5-17 years. Currently, assessment of the complete incidence of child labour in Pakistan is not possible. Labour Force Survey (LFS) only obtains labour force participation information of persons aged 10 years and above. Moreover, no dedicated child labour survey has been conducted in the country since 1996, which can quantify the involvement of the complete segment of children aged 5-17 years in economic activities.

The share of female employment in the non-agricultural sector has been quite low varying between 10-12 per cent. Increase in the share of women employed in white collar jobs in the professional's category has been noted.

Role of the Provincial Labour Inspectorates play a vital role in decreasing frequencies of occupational and safety related incidents. For a comprehensive analysis on progress in terms of provision of a safe work environment in the country, it is necessary to strengthen labour departments and develop their capacity buildings. Social security is basic right of the workers. Pakistan has made significant progress in launching national social safety net. National flagship program under the name of Ehsaas Programme has distributed

Rs. 144 billion in 12 million families amid lock down due to COVID-19. These all are daily wagers and other workers who lay off due to this pandemic. Such steps create a sense of protection in the poor and vulnerable segment of society particularly the worker engaged in informal sector. Despite these gains, the major share of informal sector and workers in agricultural sector remain deprived of social protection.

Forums of social dialogue provide opportunities for various segments of society to arrive at viable solutions to common challenges through their representative bodies. It offers a flexible and effective arrangement for consensus development, issues of mutual concern and protection of interests of stakeholders. As such, it enhances productivity through industrial harmony, and improves the social and economic environment for work by promoting better governance, peace and justice.

### **Conclusion and Recommendations**

Decent work for all is enshrined in SDG8 and progress on this goal is measured with a number of indicators. These indicators are classified under ten dimensions of decent work and ILO has provided guideline for these indicators. Pakistan ratified SDGs agenda and various ILO conventions bound it to work for achieving inclusive and decent work for all. This paper discussed these dimensions along with its indicators in context of Pakistan.

The paper used data for last one decade (2009-18) and reviewed progress on these indicators. Our results show that limited job opportunities with ample supply of labour raises unemployment rate particularly in youth and female. Similarly, minimum wage law exists but not obeyed and workers are paid less specifically women workers in informal sector.

On the other hand, protection of labour and occupational safety are important tools for decent work which will be only possible if the existing system of labour inspection are strengthened. There is also need to develop a framework for monitoring working hours and conditions for workers in the large and growing informal sector of the economy. Further, data of administrative record may be systemically arranged in collaboration with PBS.

On the basis of results, following suggestions are given:

- i. New women education and training institutes should be opened and capacity of existing institutes may be enhanced.
- ii. Capacity building of Inspectorates of Labour may be further enhanced. These Directorates should also need to coordinate with PBS for data management.
- iii. Trade unions and other labour bodies should review their managerial practices for trust building.

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