

Policy makers need to take advantage of Pakistan's current population dividend and ensure that women are completely integrated into the economy. Government statistics show that this is not happening and consequently the country is ignoring a significant portion of its productive workforce. Our analysis uncovers that not only are women beneficiaries of growth in Pakistan, but they also do contribute to faster growth when they participate in the workforce.

Theoretical and empirical studies demonstrate that higher female labour force participation (LFP) translates into faster economic growth. Faster economic growth can only occur with a more competitive labour force and fewer dependents per worker. Therefore, it is imperative that Pakistan focus on increasing female LFP rates, as continuous neglect of half the productive population will hamper growth and productivity.

Pakistan is a signatory to international agreements and has ratified various international declarations, relating to human rights and elimination of discrimination against women. However, major gaps continue to exist both in legislation and implementation. There are no constitutional provisions which make these international commitments binding upon the judiciary. The absence of these essential pre-requisites continues to impair any serious and sustained effort required for the development of society and women's empowerment. In addition, existing legislation is narrow in its definition of workers, and often excludes many employed individuals, whereas the conventions tend to be broader in their application. The socio-cultural environment is also not conducive for their implementation, a condition that requires urgent remedial measures to address issues of inequities.

Out of the total number of women employed in Pakistan 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, no laws exist to protect the large female workforce in the agricultural sector.

The situation for women is complicated due to their socio-economic status. Lacunas in the legal procedures compounded by gender biases in the judiciary and law

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

Female LFP

Pakistan's LFP for women is one of the lowest in the region, ILO estimates it to be 22 percent in 2009, and to compound this Pakistan suffers from the '*discouraged worker effect*', where high unemployment rates lead to the withdrawal of workers from the labour force. The magnitude of this effect is likely to be larger if there is a perception that unemployment is due to gender discrimination rather than poor economic conditions.

Statistics show women with no education or with some basic education have higher LFP rates than women with more education, except for those women who hold a degree. Women with low skills work mostly at low wages while educated women stay at home. This indicates that women who work are those that are most susceptible to poverty, and many of the others may be prevented from entering the workforce due to existing socio-cultural norms.

↑Female LFP ⇔ ↑Skills of Women + ↓Discrimination
+ ↑Working Conditions

Skills of Women at Work

Women in Pakistan are largely involved in unpaid care work, or unpaid/low paid marginalized economic activities. Of the women that work:

- 47 percent are employed in 'marginal' economic activities;
- 31 percent are engaged in unpaid family work (engaged in production activities without receiving remuneration - closely analogous to domestic work); and
- 22 percent receive significant remuneration for the work they do.

Note: This Policy Brief is based on SPDC's Annual Review of Social Development in Pakistan 2007-08: Women at Work.

Only 7 percent of women work in the formal sector compared to 18 percent of men. Women remain largely confined to agricultural activities and have not succeeded in fully entering the informal sector let alone the formal labour market. The migration of men to urban areas has actually led to an increase in the number of women in the rural sector, but women continue to be paid much lower wages.

Even within agriculture, 55 percent of women in Sindh and Punjab are involved with livestock, as this form of labour is well integrated into the family economy and efficiently utilizes family labour. In other countries women have been able to enter the wholesale and retail trade, banking and insurance, and transportation and trade - this is not the case in Pakistan. As a result, women are relatively absent from the highest earning occupations in the country.

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

In Pakistan, Labour Force Survey statistics from 2007-08 show 7 percent of entrepreneurs are women, that is women who are either employers or self-employed. There is a virtual absence of female corporate leaders in Pakistan; however, there is a nascent group of small enterprises run by women.

Female entrepreneurs are more inclined to employ a substantially larger proportion of female workers as they are generally involved in economic activity that women traditionally partake in and they may also be more comfortable working with female employees.

Discrimination

The analysis undertaken indicates that in a discriminatory environment a 'typical' man's wage is 33 percent higher than a 'typical' woman's wage in Pakistan. However, in a non-discriminatory environment, where the hypothetical woman is treated the same as man, a 'typical' man's wage is almost 0.5 percent lower than a 'typical' women's. Therefore discrimination accounts for the disparity between male and female wages.

In Pakistan, this discrimination stems from the fact that men have greater access to paid jobs than women and *vertical gender segmentation* exists. In 2007-08, following almost half a decade of high GDP growth, men continued to dominate high-level occupations, while the presence of women in these jobs decreased. This indicates that high GDP growth is accompanied with greater occupational gender inequality in the labour market.

According to SPDC estimates, in 2007-08 *vertical gender segmentation* accounted for 23 percent of the wage gap while 77 percent was accounted for by the wage affect.

However, it must be noted that education plays an important role in determining the wage gap; higher growth in relative wages is ensured with return to education after matriculation. The gap narrows for those individuals with graduate level qualifications. In general, schooling increases one's wage; female graduates received 2.5 times the average wage rate of illiterate women.

Working Conditions

In an SPDC survey of 310 female workers, 26 percent reported exposure to verbal and physical violence and dangerous working conditions, while 40 percent of respondents reported that they encountered harassment. Moreover the incidence is higher in the private sector, where job insecurity has made women workers more vulnerable.

Labour in general and female workers in particular are subjected to exploitation from employers in Pakistan, ranging from sexual harassment, to dangerous working conditions to an absence of sanitation facilities. The work environment in Pakistan, even in the formal sector, poses high risks to the health and safety of the workers, as labour laws are not implemented in the country. The Constitution of Pakistan contains a range of provisions with regards to labour rights found in Part II: Fundamental Rights and Principles of Policy. None of these provisions are followed by sectors employing women and children.

- Article 11 of the Constitution prohibits all forms of slavery, forced labour and child labour;
- Article 25 lays down the right to equality before the law and prohibition of discrimination on the grounds of sex alone;

- Article 37(e) makes 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.

High levels of unemployment also contribute to the abuse of female workers who often have no choice but to work in an extremely hostile work environment.

The fear of dishonor and embarrassment usually prevents most female workers from taking action against their perpetrators and they either quietly resign or inform a colleague. An important finding of the survey was that educated women were more likely to lodge complaints without fear against their perpetrators.

Are Working Women in Crisis?

The present economic crisis manifested itself in the sharp increase in the consumer prices, putting immense pressure on low income households. Simultaneously, the rate of GDP growth plummeted, which has had an adverse effect on employment, especially in female-intensive sectors. Given the increasing constraints on fiscal resources, there has been a large cut back in public sector allocations to the social sector, affecting the employment of women. There was also a major decrease in real wages of unskilled workers in 2008-09.

As a result of this crisis female household members are eating less and girls are dropping out of school. 26 percent of girls dropped out after class VI according to the 2007-08 PSLM survey, which does not bode well for the future female workforce. Increasing poverty forces working women to accept victimization by employers, as they fear being discharged. An increase in transport fares has also greatly reduced the mobility of women, largely restricting them to their own neighbourhoods.

RECOMMENDATIONS

- The Labour Policy 2010 explicitly states that women's labour force participation 'depicts a gloomy picture'. It also speaks to women's empowerment and gender equality and addresses agricultural labour and informal economy workers, acknowledging that their rights are excluded under the current constitutional provisions. This is a step in the right direction.

However, the Government needs to take the policy one step further and amend and create laws based on this policy.

- Domestic labour legislation should be brought at par with commitments made under international labour laws/ conventions. Constitution provisions thus need to be enacted for the implementation of ILO conventions that have been ratified by the Government. In addition, it is imperative that Pakistan ratify the Convention for Homeworkers 1996 (C177), as well as the Convention on Workers with Family Responsibilities (C156) 1981 and the Maternity Protection Convention 200 (C183).
- The new policy specifically addresses issues such as providing women with better information concerning their working arrangements, maternity leave, child care and code of conduct. There needs to be proper enforcement of the labour laws, 'Legal Aid Committees' should be established in industrial estates/areas.
- There should be provisions for equal wages for equal work for men and women and an affirmative action programme to ensure women have access to jobs. This could take the form of increasing the quota for women in high-level occupations. For example, there could be a quota of 1/3 to 1/4 for women filling entry level government jobs. The Women's Development Ministry in Sindh does state that it is working on implementing a 20 percent quota for women in Government Departments.
- The federal government is currently formulating a national policy on home-based workers, which once again is a step in the right direction. However, the enhancement in the scope of the Industrial Relations Act must include agriculture and other informal sectors.
- There should be compulsory coverage of EOBI and other safety nets for employees in the informal sector. In addition, the share of employer contributions to EOBI payments could be smaller for women with the government absorbing the difference.
- There should also be a continued focus on higher agricultural production, as this is an area where 75 percent of women in the formal economy are working, according to the 2009-10 Labour Force Survey. In addition, the government should support exports of goods that are produced by industries where women are typically involved in.

- There is a need to establish an affirmative *defense and preventive strategy* to counter violence in the workplace and sexual harassment. In Pakistan, Protection of Women (Criminal Laws Amendment Act 2006) is part of the Pakistan Penal Code and the Protection against Harassment at the Workplace Act 2010 has been approved by the Parliament and another Criminal Law Amendment has been passed. However, the latter Act still needs tightening, it needs to cover temporary workers within its scope and add defamation to its definition. Moreover, there needs to be sensitization of the judiciary and law enforcers to issues relating to violence against women in the workplace.
- A tax credit of up to 30 percent should be offered to women at all levels earned income.
- 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. The government should 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 employed or under-employed.
- Also, during economic recession, 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 minimize the dropout rate and fall in nutrition levels.

In conjunction with the above stated recommendations it is important to conduct awareness training to ensure that women know their rights, employers know the law and all personnel involved in implementing, enforcing, and adjudicating are sensitive to the nuances of such cases. In order for positive change to be brought about it is imperative that this be an integrated process.

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Social Policy and Development Centre (SPDC) provides decision makers in the government, private sector and civil society organizations with a multi-disciplinary approach towards issues of development and growth. A non-profit, policy research centre established in April 1995 as a limited company based in Karachi, SPDC has made significant intellectual contribution in placing issues of pro-poor growth and social development on Pakistan's policy-making agenda.

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